ANATOLE

Guide

Good practice guide *for the development* of an Economy of Proximity*

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***Note to reader:**

"Economy of Proximity" / "Proximity Economy" / "The Local Economy" / "Local Sustainable Economy"

These various terms will be used throughout this good practice guide to express the following notions: geographical proximity, sustainable development, producer-consumer relationships and the link that producers and consumers have to the local territory.

As this is a new concept, there is not yet one specific term which is widely used.

Préambule du Président

La demande sociale en produits locaux est un phénomène nouveau, qui monte en puissance. Cette lame de fond trouve son origine dans le fait que « plus on raisonne « Global », plus il faut du « Local ». Dans les régions atlantiques, à forte vocation agricole, le message a été entendu, l'économie de proximité est déjà en marche. Un « bouillonnement » d'initiatives est né pour répondre à ces attentes, impliquer de nouveaux acteurs, associer les collectivités et les pouvoirs publics. Cette demande sociétale nouvelle nécessite de nouvelles formes d'organisation des filières.

Les élus politiques, avec le relais des médias, appellent de leurs voeux un nouveau rapport de la société à sa propre alimentation. Mais, la seule réponse à cette demande sociétale ne peut être l'injonction aux producteurs de s'installer pour faire de la vente directe, de s'organiser pour fournir une cantine ou un magasin collectif, de développer de nouvelles compétences comme la transformation ou la vente de produits frais ou élaborés. La réponse ne peut être, non plus, la simple substitution d'une économie locale à une économie globale.

Le projet ANATOLE, dédié à l'économie de proximité et centré sur les alliances collectivités/acteurs de terrain, montre que l'économie de proximité nécessite une organisation plus large et collective pour pouvoir répondre à une demande sociétale massive, alors que les circuits courts sont majoritairement issus d'initiatives individuelles.

Gérer des volumes importants de produits locaux vendus localement nécessite du professionnalisme aux différents stades de production, transformation et distribution. Le projet ANATOLE le montre en soulignant dans les bonnes pratiques, le concours indispensable de trois types d'acteurs : les pouvoirs publics et plus particulièrement les collectivités locales, les intermédiaires de la transformation (abattoir, ateliers de transformation) et des structures d'appui pour la formation des compétences, l'organisation et le cadrage réglementaire, notamment pour des petits producteurs désarmés face à la complexité du système.

C'est bien dans la volonté conjointe des élus, des collectivités et d'organisations capables de mobiliser beaucoup d'agriculteurs comme les Chambres d'agriculture ou les organisations professionnelles en Irlande, les coopératives en Espagne, que se trouve une réponse possible aux attentes des consommateurs. ANATOLE projette donc de passer à une phase d'organisation généralisée dans les 20 sites atlantiques ayant servi de lieu d'expérimentation et de mettre en place une « économie de proximité atlantique » (régions et villes atlantiques) de grande envergure. Cette économie est attendue par les habitants des villes et est étudiée par des producteurs qui optent pour des démarches volontaristes. Elle sera possible si nous nous en donnons, ensemble, les moyens.

Le Président de l'AC3A, responsable du projet ANATOLE
Daniel Génissel

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Introduction

The Good Practice Guide was developed as part of the ANATOLE Project and has two aims:

1. To show what practices exist in terms of developing the local economy, how they can be implemented and replicated, the resources required and the technological processes or regulatory procedures that must be applied.
2. To transfer this knowledge from one partner to another. *(see initial project proposal for the ANATOLE Project)*

These two approaches are consistent with a 'traditional' transnational co-operation project. The project must help develop new concepts either through transfers from one partner to another or from one economic sector to another. The project has to enable the transfer of techniques between partners to help make these new concepts work.
(See call for project proposals issued by the INTERREG IVb Atlantic Area Programme)

The ANATOLE Project establishes a link between local authorities and service providers to:

1. Constitute a new form of governance for the local economy by promoting the notion of proximity for the origin and processing of a product as well as for the locations and different ways in which it is consumed.
2. Combine regulations with know-how offering the possibility to regulate the local economy with local bylaws and reliable service providers who comply with legislation (public health, public procurement, taxation, local development and respect of the environment).
3. Respond to the expectations of consumers concerned about consuming products which conform to general standards and norms as outlined above and make a contribution to regional development.

The Good Practice Guide is an integral part of the project and seeks to demonstrate what is feasible in terms of supporting the local economy as well as the necessary conditions to allow this to happen.

The Good Practice Guide is based on observations about genuine activities concerning the local economy and these examples of good practice enable the case to be made for good governance of the local economy. The guide will be published in November 2011 with the first results being implemented from 2012.

The Good Practice Guide does not focus on the benefits for local development such as jobs created, local added value generated, or for social and territorial cohesion. These aspects figure in the activity report submitted to the ERDF Managing Authority. The guide simply introduces the idea that these contributions to the local area are possible, particularly if the link between civil society and local authorities is strong. Numerous studies and publications from the CESER (Regional Economic and Social Committee) network in France reflect this phenomenon of co-operation. In general, the findings point to local supply chains between producer and consumer as the root of good practice, but they also emphasise that the local economy can exceed the outputs achieved by local supply chains alone. This objective is included in the ANATOLE Project and with ERDF support, the ANATOLE Project partners were able to bring together politicians and different stakeholders representing the local economy to address new issues. It should be noted that social and economic issues at a local level could have an impact on economic and social activities on a global scale. Up to now, 'global' has tended to dominate 'local', but with the local economy this imbalance is being redressed.

This observation is very important for local politicians who would be unlikely to turn up the opportunity of securing resources offered by this tool to boost their local areas and benefit the different stakeholders. Clearly, larger urban areas have the upper hand in redressing the balance between the local and global economy, but their task is not so easy given the growing distances between where products are made and where they are consumed. The argument for good governance of the local economy hinges on offering new choices to small communities with limited resources (and often reduced ambitions) giving a new chance to these rural areas which are falling behind and losing competitivity. A new urban-fringe dialogue is emerging as can be seen in the charters for metropolitan areas and green belts such as the Thames Gateway Project for London, or the Rururbal Project part-funded by the ERDF SUDOE Programme, or the work of the French Association "Terres en villes".

ANATOLE (Atlantic Network Abilities for Towns to Organise Local Economy) is part-funded by ERDF under Priority 4 – Urban Development of the Interreg IVb Atlantic Area Programme. This project aims to bring together the conditions to introduce a new economy at a local level between local supply chains and long distance supply chains. The project is based on local political engagement and the presence of the technical resources provided by the project to deliver this new economic model.

1.

Local Authority **Public Policy**

Pascal Dagron / Henrique Albergaria / Caroline Moran

1.1 General introduction

Public policies essentially define how local authorities operate while codes governing public procurement act as a kind of internal regulation. New approaches such as the development of the local economy can be a part of their policies in the future.

1.1.1 Local authority public policy

Public authorities in any shape or form are governed by representatives, or Councillors, elected by the local population. The practice of governing is different between local authorities in different Member States. As a result, there are broadly two ways of working:

→ Public authorities that are wholly governed by Councillors on the basis of general policy. They defer implementation to administrative staff.
→ Public authorities that are managed by non-elected personnel where their activities, general policies and priorities have been approved by Councillors.

Public policy and strategy

In addition to policies, local authorities also have a development strategy. This strategy is not produced in the same way as a privately owned business would do it, although both methods have much the same purpose. Strategies develop activities to implement general policy that the authority or business has adopted.

Strategy and general policy

Large companies operate in relation to general policy which dictates to all its employees on what basis a decision is made, a strategic orientation introduced or why an action plan has been defined. Authorities develop their public policy on the basis of a political agenda approved by electors. As a result, the strategic plan that follows is less adaptable to change than a strategy developed from general policy. The complexity generated by changes in society and paradigm shifts political agendas. A change of strategy often infers a 'new team' coming in to engage the local area in defining a new political agenda. The way Anglo-Saxon public authorities tend to operate gives them a certain advantage to manage change.

1.1.2 Public procurement regulations

Public procurement regulations provide the operational framework for local authority strategies such as investment policies and the purchasing of goods and services. These procedures are subject to European rules which define the awarding of public works contracts, particularly between public authorities and private sector bodies. They set out the regulations on how a private company will operate on behalf of a local authority. These regulations allow for negotiations, refereeing and a contractual political decision between the public authority and the private company. Public procurement regulations are implemented for all projects.

In France, local authorities play an important role in the management of public services and as such, public procurement regulations are implemented more frequently than elsewhere. The involvement of local authorities, be it in the management of school cafeterias, regional development, business parks or major development projects means that France is more concerned than other Member States in terms of public procurement procedures. The local economy in relation to school canteens and cafeterias (Town Councils), secondary schools (District Councils) and sixth form colleges (Regional Councils), hospitals, universities (Regional Councils/State) has accentuated the role of public procurement in the Anatole Project. Given this French specificity, the chapter concerning public procurement regulations which was initially planned for the guide has now been removed.

The danger that the local economy is considered a hindrance to competition

With a view towards significant growth in the supply of local products promoted by local authorities, large industrial service providers or large retailers could denounce the anti-competitive nature of such an approach. Existing local supply chains between producer and consumer currently represent only very small volumes. If these volumes were to make up 10-20% of trade, the loss of income could upset larger operators with longer supply chains unless they became a player in this new economy.

Introduction of the themes :

1.1.3 Public authority planning

For a local authority, making a commitment to develop the local economy is a political act. There are many ways to do this (see paragraph 3 of this chapter). Whatever the aim and however it transpires, the decision to help the growth of the local economy roots the local authority's political act in its region because it associates a much larger number of stakeholders and businesses than in any other kind of plan. These include local residents of all ages, self-employed people, retailers, teachers, administrators, farmers, businesses upstream and downstream in the farming supply chain, controlling and certifying organisations, etc. This important subject for the local area is developed in a supplementary document to this guide on governance of the local economy.

1.2 The differences between local authorities from one Member State to another

1.2.1 The differences between public policies of Member States and local authorities in the ANATOLE partnership

The management method employed or delegated defines to what degree local authorities engage with private business. In all cases, without local authorities wanting to intrude on private business, there are a range of links (both strong and weak) between public authorities and private sector business managers. For example, in the UK, governance mechanisms are more easily established than in less strongly decentralised countries such as Portugal or France where different levels of territorial administration do not facilitate the implementation of governance. Therefore, in France, public procurement regulations are a major tool for co-operation between local authorities and private businesses.

Public procurement rules and small producers

Rules governing public procurement can create difficulties for those who you would think that the local economy is best geared to, namely small producers. As described in chapters 6 and 7, their involvement in the local economy is a problem for "normative" reasons, but support provided by local authorities can offer a way forward. The illustration of the approach taken by Aveiro Town Council is typical of the engagement with small producers, particularly if the local authority takes care to define regulations that they can follow and respect. These regulations are contained in the terms of reference, a fundamental document for developing the local economy. This document must be drafted to assist the involvement of local economy stakeholders, but who currently feel rejected by it.

Supplying the catering sector: a French phenomenon.

Public authorities in France have inherited the responsibility of providing services to state education such as school catering. In other countries, educational establishments do not provide this service. In this case, only health and prison services must provide catering as the members of the public have no other option but to eat in these establishments.

1.2.2 The public policies of 4 different local authorities in 4 Member States of the Atlantic Area

The following examples of public policy provide an insight into the capacities attributed to the local authorities concerned. By selecting different types of local authorities (a deliberate decision to help illustrate local authority capacity to develop the local economy), the guide outlines the conditions for implementation (see chapter 1) and the outputs obtained (see chapter 4). Between an autonomous government, a Deputacion, a district or an urban conurbation, all these authorities are at the service of one: the town council, which is the most appropriate authority to provide local services to its residents. That said, any authority has the capacity to be a driver for local economic development, although organisation and training also have a part to play in achieving this.

A different form of governance

The link between local authorities and local stakeholders such as private businesses does not happen without prior investment. If all local authorities have the political ability to promote the local economy, some also have the technical ability (example of the Deputacion, Commune or District). In other cases, they must rely on external capacities. To put these skills to work developing the local economy, the local authority must be conscious of orchestrating a form of governance that goes beyond its own remit. The local authority becomes the guarantor of this 'balancing act' by implementing a framework, or charter, which links all the stakeholders to the project.

1.3 Public policy in Spain

1. 3. 1. Analysis: the territorial areas and their capabilities

The different territorial levels in Spain :

Public administration represents all public sector organisations in Spain. They manage administrative functions and government services as well as those on behalf of other public authorities. Each public sector body has their own legal status whether they operate at a regional or local level.

Given its role, public administration provides a direct link between citizens and the authorities to work in the public interest, chiefly through executive powers.

Article 103 of the Spanish Constitution of 1978 established that Public Administration in Spain manages general interests based of objectivity. Public administration operates on the principles of efficiency, decentralisation and coordination. It has full powers to introduce legislation under Spanish law.

At a territorial level, the Spanish Constitution of 1978 divides up Public Administration into three levels, resulting in a form the state governance which is perhaps too decentralised:

→ Spanish Government Administration: This is the general administration for all of Spain. It is responsible for implementing Government policy and satisfying public interests.
→ Autonomous Administration: This comprises all organisations that manage the resources and capacities wholly or partially attributed to the Spanish regions.
→ Local Administration: This includes powers handed down to municipalities, provincial, regional or island governments.

Municipalities: Municipalities are local entities forming the basis of territorial organisation at grass-roots in Spain.

Provinces: These are local entities made up of a group of Municipalities. The Province of Huelva has 79 Municipalities.

Autonomous Communities: These are local territorial entities comprising a group of Provinces. Each Autonomous Community consists of one or more Provinces. For example, the Autonomous Community of Andalusia includes 8 Provinces (Seville, Huelva, Cadiz, Malaga, Granada, Almeria and Jaen y Cordoba).

Provincial Governments: In Spain, the Provincial Government is an institution responsible for autonomous governance and administration of the Province. Provincial Governments manage municipal functions and they exercise functions of co-operation and assistance for municipalities, especially the smaller ones. The Provincial Government of Huelva works in partnership to provide management, cooperation and assistance to the Province's 79 Municipalities.

The different forms of local economy

Generally speaking, in the territories taking part in the Anatole Project, it must be pointed out that there are already some isolated initiatives run by farmers and fishermen who sell their products directly to the consumer. They do not use shops or supply the public catering sector.

These isolated ventures are however not an adequate basis for development of the local economy. A wide range of skills and capacities are required (marketing, logistics, etc.) and the farmers or fishermen either do not possess these skills or not to a high enough level. The collective challenge is to consider that consumer demand could give towns an organisational role in establishing improved and well-run local economy initiatives.

Allowing for all the different concepts for developing the local economy in each territory, the Deputacion of Huelva has redefined the geographical framework of its territory. It has identified a number of intermediaries between producers and consumers. This number characterises the specific context of the Deputacion.

For the Provincial Government of Huelva, the local economy is an economy which gives priority to local supply chains between producer and consumer and the purchase of products or local origin. This economy encourages responsible consumption and reduces energy costs linked to trips made by individuals or the transport of merchandise.

Local Produce Promotion Campaign (Huelva)

With regard to the local economy, the role of the Local Territorial Authorities and in particular that of the Provincial Government of Huelva, is to encourage collaboration between all stakeholders (producers, entrepreneurs, supermarkets and shopping centres). This includes promoting and introducing local produce, seeking funding for its promotion as well as for development and cooperation between stakeholders at fairs and markets, for example. Finally, the aim is to strengthen the organisation of producers by cooperatives and designations of origin (brands), etc.

Through the ANATOLE Project, the Deputacion of Huelva is focusing on two production sectors which are characteristic of the Province. These are olive oil and canning, especially fish-based products. The organisation of stakeholders involved in the local economy, particularly those involved in local sustainable economy initiatives is a priority for the local authorities. Coordination between the different activities together with the capacities provided by each authority falls under the jurisdiction of the Deputacion. Its mission is to develop rural areas and organise consultation between different stakeholders (producers, consumers, agents).

1.3.2 An example

Development of products from Huelva as part of the local economy

According to the resources provided by Government bodies, development policies supporting the local economy are centred on support and promotion of producers as well as advisory bodies to help improve their sales.

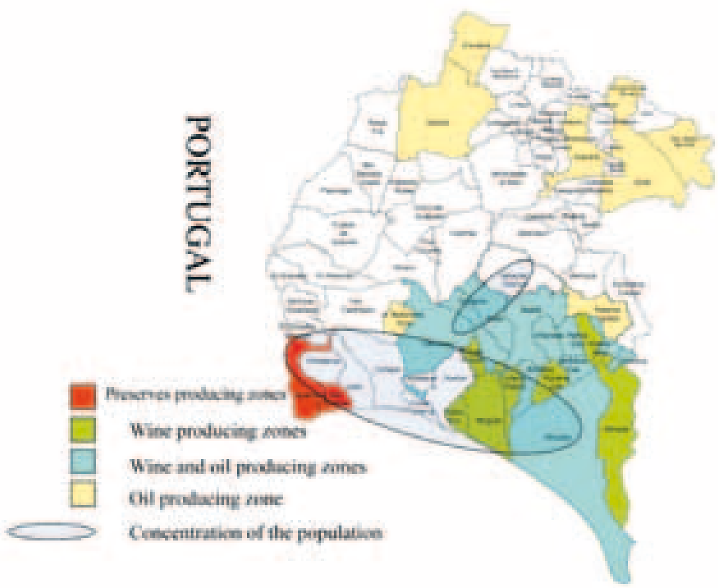
The Provincial Government is committed to supporting producers through greater professionalism and by raising consumer awareness. It is therefore a key driver for the growth of the local economy and encouraging local consumption.

An example of this engagement is the "Local Produce Promotion Campaign". It connects producers, consumers and sales agents or intermediaries (restaurants, shopping centres, supermarkets, etc.).

The aim of the Promotion Campaign organised in Huelva is to define the local economy in the territory by using promotional resources such as fairs and markets and to support producers and entrepreneurs in the olive oil and canning sectors. The role of Local Administration and, more precisely, that of the Provincial Government consists of acting as an intermediary to promote production by advertising campaigns. It also seeks to introduce the concept of the local economy in public policy. The role of politicians is to persuade citizens of the value and proximity as well as support for the different sectors of local production.

The "flows" of the local economy: When we look at flows in the local economy, businesses have their own sales agents who promote products (producers/agents/consumers). They are responsible for promoting and positioning local products in the market. The economic sectors of olive oil and canning do not use a designation of origin, but the consumer knows the canned products because they are produced in their region. As for olive oil, local consumers buy only local olive oil.

Zones of production and proximity flows. Province of Huelva



In conclusion:

Retail locations for products: Restaurants, shopping centres and supermarkets. Local products are sold in shops, supermarkets and service stations. There are no markets run by local producers in Huelva, but there are periodic fairs organised by local administration.

Methods of supply: Most olive oil producers work with cooperatives to sell their products. They are also associated with intermediaries who supply local supermarkets and shopping centres.

Methods of organisation: In cooperatives, small businesses and small processing companies such as USISA, whose brand is distributed in just about all the Province's supermarkets and shopping centres.
The Andalusian Federation of Agricultural Cooperative Businesses (FAECA) acts as an intermediary. Most local producers are members, but it is not interested by a designation of origin initiative.
Types of relationships between the producer and the consumer: direct sales, intermediaries, etc.
Range of products: oil, canned fish and fish-based products.
The inaugural Local Produce Promotion Campaign was held in Huelva in November 2010. It brought together all the stakeholders of local produce sectors.

1.4 Public Policy in Ireland

1.4.1 Current situation in Ireland and survey in the county of Westmeath

Local Authorities (County Councils)

The Local Government (Ireland) Act 1898 provided the framework for the establishment of County Councils throughout Ireland and the first meeting of Westmeath County Council for example, was held on 22nd April 1899. Over the course of the last century the brief of County Councils has expanded and the council's role is changing in line with the process of renewal and modernisation which is taking place throughout the public sector and in local government in particular. While still maintaining its traditional role as a provider of essential local services, the Council has now been given a broader remit, including:

a) To Support Community Involvement with Local Authorities in a more participative Local Democracy.
b) To Enhance the Role of Elected Members.
c) To develop the Local (Proximity) Economy.

County Development Boards were established by County Councils in 2000 to produce and deliver action plans for the co-ordination of services delivered at County level with the Support of Directors of Community and Enterprise at Senior Management level. County Development Boards, in turn, have established Sub-committees to develop specific parts of their Action Plans.
The management structure has been strengthened with the provision of Directors of Services in a number of areas, including Community and Enterprise. The Community and Enterprise section, headed up by the Director of Community and Enterprise is an important cross cutting link, interacting with both service delivery and policy areas and it supports the work of the County Development Board.

Dan McCarthy
Vice Chairperson and a Councillor on Westmeath County Council

Westmeath County Development Board

Westmeath County Development Board has produced a Strategy called ***Bringing Quality To Life***. The County Development Board is committed to developing the county as a centre of employment, enterprise, entrepreneurship and investment in order to create a strong and diverse economy which includes the Proximity Economy. The County Development Board has established an ***Economic Development Sub-Committee***. All relevant agencies participate – local and national. As well as sharing information, the Committee has produced an Action Plan for Economic Development in the County. A presentation has been made to the Subcommittee on the Anatole project and the Subcommittee has adopted the development of the Proximity Economy.

Participating Agencies on the Economic Development Sub-Committee include:

- → Government Services such as Enterprise Ireland, Industrial Development Authority (IDA), County Enterprise Board, Westmeath Community Development and Failte Ireland (Tourism Board).
- → Local Associations such as Chambers of Commerce, Farmer Organisations and Trade Unions
- → Education and Training Organisations such as FAS (National Training Authority), Teagasc (Farm Advisory Authority) and AIT (Third Level Institute).

Strategy for Economic Development

- → To continue to promote the attractiveness of Westmeath for indigenous and foreign investment.
- → To develop technology-based industry and assist the expansion of Broadband.
- → To promote entrepreneurship.
- → Provision of Enterprise Space for Enterprise Centres and Industrial Parks
- → Supporting and developing micro-enterprises in **Food, Crafts, Tourism and Renewable Energy**

Development of Local Food Market

Project Objectives:

- → To identify the business needs of food producers in Westmeath
- → To identify the requirement for a collective grouping of food sector members.
- → If required – to establish a food network in the county
- → To identify training needs and business supports
- → To support and advise food producers in key areas
- → To look for further opportunities in Proximity Economy.

The Strategy adopted by the Economic Development subcommittee for the development of a local food economy is to:

1) Work closely with the Westmeath Community Development using the resources of:
   a) The Rural Development (LEADER) Programme
   b) The Anatole Project
2) Support Westmeath Food Network
3) Provide space for Farmers Markets
4) Support the development of a Local Food Brand' for Westmeath
5) Support the development of links among sectors – Tourism / Craft / Food/Renewable Energy.

Completed Actions include:

- → Business Needs Questionnaire
- → Training Needs Analysis
- → Christmas Market – 60 exhibitors

Westmeath Food Landscape

➤ Producer Results

All producers surveyed worked in the production side of the business along with other business tasks taking up much of their time – they find that they are 'all things to all people'. 55% of producer respondent food businesses were established in the period 2005-2009, 11% in 2000-2004, 11% pre 1994, with 23% being new food business established in 2010. When asked, 61% of food producers replied that they sourced the majority of their ingredients within the county or geographical region, with 17% sourcing ingredients outside the region, 11% sourcing in the UK and 11% sourcing ingredients in Mainland Europe. Across respondent food producers, 25% source their packaging in the county, 25% in Dublin, 38% source nationwide in Ireland with 12% sourcing their packaging in the UK.

90% of food producer respondents felt that they operated in a vulnerable business sector – explanations for this included:

- → Current economic climate
- → Competing with large food manufacturer product pricing
- → Seasonality
- → Organic food is perceived to be expensive

Barriers to selling their product more freely at local level included:

- → Poor Farmer markets in region – producers want to sell direct to customer
- → Local retailer product pricing structure – shops take a high margin on local foods, this pricing them expensive in comparison to larger manufacturers
- → High rents and rates
- → Consumer understanding of locally produced / organic foods.

50% of respondent food producers sell direct to the public at farmers markets, food events and festivals while only 37% of respondent food producers use local shops and retailers as a route to consumer for their products. 100% of respondents replied that they felt they were all things to all people with main duties being production, distribution and sales while 87.5% of respondents replied that they produce on a full time basis and 12.5% operate their food business on a part time basis.

37% of respondents replied that their turnover had decreased significantly over the past year, with 25% reporting an increase in turnover as their food business became their sole source of income. 56% of respondents reported that their turnover was less that €100,000 in 2009 with the remainder catchment lying in €100,000 to €250,000 while 37.5% of respondents sell only direct to consumer through direct sales, farmers markets, food shows and festivals. The remaining food businesses sell through a combination of markets, festivals, local shops and retailers and just 25% respondents sell into a multiple outlet on a local delivery regional basis.

All respondents deliver and distribute their own product with 25% of respondents supplementing their own logistics with the services of distributors and it was noted by respondents that the cost of delivery through distributors is not conducive due the costs and distributor margins.

88% of respondents plan to invest in their plant and equipment over the next 3 years with the main emphasis being on production equipment to increase capacity or replace obsolete machinery.

➤ Retailer Results

All retailers surveyed indicated that they had a policy to list local food producers and suppliers. Retailers surveyed do not actively seek out local producers, the expectation is that the producer will make approaches to the retail shop directly. 75% of retailers surveyed stock organic foods – of which some are locally sourced such as Fruit, Vegetables, Cheese and other Dairy Products

80% of retailer respondents thought availability of local food is important for their customers, with only 25% replying that their customers have specifically asked for local foods to be available such as baked goods, fruit and vegetables being most sought after. Other retailers responded that to make it easier for them to list local foods, producers need to consider better service in terms of delivery schedules and more reasonable pricing to the retailer.

➤ Consumer Results

100% of consumers responded that they do the main part of their grocery shopping at one of the leading retailers, with support for local independent shops coming in at 9%. Half of those interviewed shop at farmers markets in Westmeath with 29% of respondents visiting farmers markets outside of the county on a regular basis. 92% surveyed said that they where possible will purchase locally produced foods although to them 'local' can mean Irish, not just produced in Westmeath. When asked why respondents would not or did not purchase local foods 24% said that availability was a barrier to purchase, and 19% thought local foods were too expensive. Freshness and retailers not stocking particular local foods were among other reasons given. 62% of consumer respondents were able to specifically name local Westmeath food producers and could identify what type of product they produced. 93% of consumers replied that they purchase organic foods with fruit + vegetables, meats and dairy being the top three food categories purchased. When asked what do retailers / shops need to do, that would encourage consumers to purchase more local foods – 44% indicated that better signage would be good, 33% said that more competitive pricing is required for local foods, and 23% would purchase more local foods if a better range of products were available. Only 44% of those surveyed said that when they ate out at a restaurant / café they noticed local foods listed as part of the menu. If local foods/ producers were listed on the menu 93% agreed that they would choose this food / dish from the menu over and above other menu offerings as they believe local foods and ingredients are superior quality and they wish to support local jobs.

1.4.2 Example: Westmeath Food Network

Westmeath Food Network was established in March 2010 in response to the needs of local food producers throughout the County of Westmeath. A need was identified by Westmeath Community Development to provide and assist the producers with guidance and support. The objective is to provide opportunities for producers to create larger markets and increase their capability to earn extra income to make their businesses more viable. Westmeath County Council provided an area for a Market in Mullingar for local food producers to market and sell their produce. A Food Consultant was contracted to work directly with the group as it was agreed a specialist was essential for the development of the group. As the market for artisan food has decreased in this current economic climate, it was decided to focus on collective purchasing, collective selling and the networking of producers in order to reduce costs. The consultant meets with the group every two weeks and also meets with the producers individually. Initially four to five producers joined the group, there are now 30 members. Since the establishment of the Food Network, the group have been continuing to assess the group on their strengths and weaknesses. With on-going assessment of the members, the following have been identified as strengths and weaknesses of the group:

Strengths

- → Dedicated Committee
- → Group is determined to increase its members
- → Some Businesses are well established from support
- → Good networking skills and sharing of information
- → Collaboration and Support from other agencies

Weaknesses

- → Producers originally slow to join the group
- → Low number of Food Producers in the County originally

- → Product Mix not as good in Westmeath as in other counties e.g. Only one type of Cheese Producer in Westmeath
- → Producers experiencing difficulties accessing markets for local produce due to tendering policies amongst public bodies and large retailers.

Westmeath Food Network Launch

The Food Network planned an evening on 21st July 2010 of food and entertainment to officially launch the network. It was in conjunction with Producers, Bord Bia, Teagasc and the Local Authority. It was also as means of raising some private funds that they could use for further projects and activities. The evening was a huge success beginning with a food hall where over 30 stands were set up to promote their products or food related ranges. There was an information section also for any budding food entrepreneurs and existing producers with information on funding, training, packaging, and distribution. There were over 500 consumers in attendance on the night. Following a trip around the food hall consumers were treated to a cookery demonstration with Celebrity Chef Kevin Dundon. Kevin used 11 local ingredients in his menu and welcomed the food producers up to the demo area to speak about their business and products during the evening.

Update on progress of Network – Feb 2011

- → Currently 30 members
- → Membership Criteria have been developed
- → Fully operational Constitution & Rules have been developed
- → Bi- Monthly Committee meetings take place
- → Monthly Group meetings take place

Next Collective Actions:

- → To raise consumer / trade awareness
- → To generate strategic plan for food sector in Westmeath
- → Group / Individual Business Training
- → Marketing 'Tool Kit' for the Group & Members
- → To develop 'Local Food Brand' for Westmeath
- → To develop linkages with other sectors – Tourism / Craft / Slow Food / Food Trades incl. hotels and restaurants
- → To generate Best Practice model for new food business set up
- → To lobby County Council for Support

Conclusion

The Development of a Proximity Economy for small food producers is well under way in County Westmeath. Westmeath County Council is well aware of the potential of this economy.

There are three important elements to the work:

a) Agency Participation and Co-Operation through the Economic Development Sub-Committee.
b) Networking, through the Westmeath Food Network.
c) Leadership from Westmeath Community Development through the LEADER programme and the ANATOLE project.

Producers have identified the major issues to be addressed by themselves, the types of support they will need in the future and also their dependence on the economic climate.

Priorities are:
1) Expansion of direct selling opportunities (markets and festivals)
2) Investing time and effort to promoting local produce locally
3) New product development and innovation in range to meet changing consumer demand
4) Training in a range of topics including Business Planning, Funding Opportunities, Branding and Social Networking.

Public Bodies have identified the need to continue to provide a range of supports, in order to create and sustain a viable Proximity Economy.

1.5 Government intervention on the Portuguese Proximity Economy

1.5.1. Territorial administrative organisation

Within the Portuguese territorial organisation regions do not exist except for the Autonomous Regions of Azores and Madeira (Portuguese islands on the Atlantic Ocean at about 1600 km and 900 km from the mainland). Therefore in the Portuguese mainland which stands for about 95% of the GDP and 95.4% of the population, there are only two levels of government: Central and local.
At the local level the *município* (municipality), is the territorial unit of reference, defined in the Portuguese Constitution of the Republic as a "corporate territorial body, which shall possess representative bodies and shall seek to pursue the interests of the local people".
In Portugal there are 308 municipalities, 278 of which in the mainland. Each mainland municipality has an average population of 35,000 inhabitants and an average surface of 320 km^2, significantly larger than, for instance, French *Comunes*, (with an average 5,700 inhabitants and an average surface of 62.4 km2), Portuguese municipalities and French *Comunes* being the comparable levels of governance.

1.5.2 The Proximity Economy of agricultural food products and State intervention

In Portugal, as in most EU countries, it's not possible to identify a specific strategy clearly oriented for the promotion of the Proximity Economy based on agricultural food products.
Agricultural policy as a whole entirely follows the CAP's orientations regarding productivity increases and the implementation of highly efficient agricultural productive systems, and therefore excludes mostly all production systems in the Proximity Economy.
Besides, under the centralised responsibility of the ministry of agriculture, rural development and fishery, food policy is built around food health and hygiene rules' compliance.

At national policy level, the promotion of the Proximity Economy is primarily attached to the rural development policy mainly concerning rural, gastronomic and winery tourism activities' support. But this support, however positive, is not directly addressed to agricultural producers of proximity as such.

Over the last decades it is possible to distinguish in Portugal, two different phases of the development of the Economy of Proximity based on agricultural food products.

The first period of accelerated decline of the Proximity Economy started in the 90s and lasted until the mid-2000s resulting from the growing tertiary economy, together with accelerated urbanisation processes and consequent changes in consumer preferences.

During this period there was an extraordinary spread of large shopping centres and big distribution chains, whitch had a great impact on traditional retailers and as well on the gradual degradation of municipal markets.

However, in recent years, the preferences of Portuguese consumers have evolved towards a greater sensitivity to issues relating to food security, the environment, and, in turn, local governments are beginning to include within their priorities the promotion of the economy of proximity, thus giving it a new thrive.

Being a place of excellence for the proximity trade, the growing number of initiatives relating to municipal markets is a good indicator of the current trends. It is therefore of significance to realise that an increasing number of Portuguese municipalities are investing in the recovery of market facilities, giving them more relevance in their urban renewal strategies.

In general, the rehabilitation of physical spaces is accompanied by communication and marketing actions ranging from advertising in local media to events in there spaces designed to attract a wider audience. Portimão, Abrantes, Figueira da Foz and Alcobaça are just some of the municipalities in which the interventions carried out recently go far beyond the physical recovery of market facilities.

We can also frequently find initiatives specifically designed for the promotion of local agricultural producers, as is the case for seasonal rural markets that take place in Torres Vedras, Alenquer, Caminha, Cascais, Monchique and in many other Portuguese municipalities.

Although to a lesser extent and usually resulting from public-private partnerships among local governments, Local Action Groups, associative and cooperative entities, etc., we can find some initiatives intended to take direct action on commercial circuits.

This applies to the implementation of new marketing channels such as "producers' baskets" in São Pedro do Sul, the "Prove" network, or the creation of community facilities for the traditional transformation of local food products, in small quantities and for local marketing, as the municipal company EDEAF in Alfândega da Fé, or local products certification programmes.

These initiatives often involve branding activities such as the creation of an "umbrella brand" under which local products are marketed. These local brands work as quality and compliance with quality standards and production techniques assurance encouraging consumer loyalty.

1.5.3. Municipal initiatives for the Proximity Economy: two examples

The following two examples illustrate Portuguese municipal intervention for the promotion of the Economy of Proximity, based on local food agricultural products.

The "Prove – Promover e vender" initiative results from a partnership between Sesimbra and Palmela's municipal councils, the Local Action Group ADREPES, a local development cooperative, and two private tourism companies, and received funding from EQUAL Community Initiative.

The core objective of the project is to create a network of farmers' nuclei that take up the commitment of delivering on a regular basis, baskets composed of fruits and vegetables, at a fixed price, to a set of consumers who, in turn, assume the commitment to buy them.

Apart from streamlining the organisation of producers' nuclei, the role of the municipality has been that of providing technical support namely to ensure the compliance of food quality and safety standards and the maintenance of the website that allows consumers the online management of their orders.

These internet tools for online order management allow the reaching of a new diversified audience, however the delivery of the baskets is personal in pre-agreed locations in order to promote the approach between producers and consumers.

There are at the moment 28 producers' nuclei placed in municipalities from the north to the south of the country, clearly a sign of this initiative's success.

"Prove – Promover e vender"
The team of producers

The " Zimbra estações – Feira de Sabores" initiavive, has been developed by Sesimbra's municipality since 2004 in order to promote local products, and consists of four events (winter, spring, summer and autumn) where local products, such as agricultural food products, traditional delicatessen, handcrafts, etc., are traded.

During the two days of each event, the municipality organises some associated gourmet events around the theme of seafood products that are an important factor of attraction for a new audience. This initiative which includes an average of 10 local agricultural producers, not only increases their marketing opportunities, but also represents a privileged instrument to transmit information to the consumer contributing to the strengthening of the relationship between producers and consumers.

"Zimbra Outono"
Autumn flavour fair

1.6 Public Policy in France

1.6.1 Territorial organisation in France

Decentralisation is a process that seeks to give local authorities their own powers and capabilities to be exercised by bodies elected by the population as a way of finding a balance between the powers that govern a given territory in a country. All European Union countries have implemented this process, but not at the same time or in the same way.

In the case of France, decentralisation is relatively recent. The Constitutional Amendment of 28th March 2003 stated in Article 1 of the Constitution that the organisation of the Republic was to be decentralised. This new stage in the decentralisation process follows a long line of numerous reforms which has given increased administrative freedom at different levels of territorial governance. The Law of 2nd March 1982, concerning rights and liberties of town/village districts, Departments and Regions represented an important step forward in this respect. More recently, the focus has been on cooperation between communities. This process of decentralisation has also been accompanied by a growing decentralisation of State services in the Regions and Departments.

This dual advance in both capabilities and resources means that regional and local authorities have become key public sector stakeholders in everyday life and local democracy.

Thus, infra state organisation in France can be broken down as follows:

→ Towns and village districts ("Communes" - approx. 36,500)
→ Departments ("Départements"- 96)
→ Regions (21)
→ Some local or regional authorities with special status

Source 1: The National Assembly: Territorial organisation of France.

Towns and village districts

Regardless of their size, all towns and village districts have the same status (with the exception of Paris which is also a Department). The electoral methods used and the organs present are almost identical, except for Paris, Lyon, Marseille and towns or villages with less than 3,500 inhabitants. All Municipal Councillors are elected by direct universal suffrage for a period of six years. The Mayor is elected by the Municipal Council over which he/she presides. The "Deputies" who together with the Mayor constitute the "Municipality" are elected in the same way. The Mayor presides over the Municipal Council and manages the administration of the town or village.

In terms of the local economy, towns and villages play an important role, particularly in the supplying school canteens and retirement homes. They can be a key driver to introduce local products into these establishments.

The Departments

Following the decentralisation laws passed in 1982/1983, the Department also became a decentralised authority and a legal entity. The elected members of the deliberating assembly, or Departmental Council ("Conseil Général"), are elected by direct universal suffrage every six years. However, contrary to procedures at town or village district level, half of the Councillors, or "Conseillers Généraux", are subject to elections every three years. The President of the Departmental Council is elected by the Councillors every three years.

Amongst other tasks, the Departments are responsible for the construction, rebuilding, extensions, large-scale repairs, facilities and operation of secondary schools. Regarding the operation of canteens in secondary schools, the Departmental Council has the power to increase the supply of local produce.

The Regions

Before decentralisation, the Region was a constituency for State intervention at regional level. It then became a public body and finally a regional authority in its own right. It now has formal recognition through constitutional amendment passed in March 2003.
The organisation of the Regional Council is identical to that of the Department. An assembly called the "Conseil Régional" comprises members elected by direct universal suffrage every six years (their mandate was reduced to five years at the elections in March 2004), a President elected by the assembly, an office and several committees including a permanent, or standing committee.
With regard to the focus of our work, Regional Councils manage secondary school education (Six-form colleges, or "Lycées"). They are therefore key stakeholders to take account of local economy interests in this type of establishment.

Inter-municipal associations

France is one of the countries in the world which has the most town and villages districts. To counter the risk of fragmenting local public policy, an inter-municipal level of joint-working has developed allowing several town or village districts to jointly manage certain public services and the development of certain policies. To do this, public inter-municipal cooperation establishments (EPCI) have been created. These are public bodies, though not fully-fledged local authorities. They were established as part of a non-statutory process by which town and villages districts become members but without being phased out in favour of the EPCI.
The first generation of EPCIs is made up of inter-municipal syndicates which today number some 13,000. Inter-municipal syndicates can be identified as those with a single vocation (SIVU), which have only one capability (e.g., roads maintenance) and inter-municipal syndicates with multiple vocations (SIVOM) which can exercise several capabilities. These EPCIs do not have their own resources and are dependent on the towns and village districts for funding. Added to this are joint syndicates which can associate town and village districts with other public bodies.
The second generation of EPCIs reflects the intention to improve on different forms of inter-municipal cooperation. These establishments boast their own tax systems such as the local business tax (TPU). On the 1st January 2008, France had 14 urban communities, each with a population of over 500,000, 171 conurbations each with over 50,000 inhabitants and nearly 2,400 municipal associations.
These inter-municipal associations do not have any direct capabilities in the development of local economies, but they can play a significant role in training activities, communication, property, etc.
Finally, the "Pays", or districts are areas freely defined and put forward by local stakeholders that display a "geographical, economic, cultural or social cohesion" and express collective interests and development projects using sustainable development principles. They do not constitute a new administrative layer but rather a focal point for action linking towns and villages, municipal groupings, socio-professional bodies, businesses and associations around a development project. The organisation of "Pays" is well adapted to be part of the local economy since the Development Council assembles all the stakeholders such as Chamber of Agriculture members, local Councillors, etc.

Source 2: Research Centre on networks, transport, urban development and public building.

STATE	The armed forces
	Police
	Higher education
	Health
	Administration and devolved services of the State
Region	Secondary education (Six-form colleges)
Department	Secondary schools
Town/Village	School cantines
	Retirement homes

1.6.2 The Nantes Métropole Urban Community

An urban community is a grouping of several town and villages districts forming a single area with a population of more than 500,000. This is the highest level of cooperation between town and village districts focusing on a shared vision for territorial development.

Nantes Métropole is the name of the Nantes Urban Community. It is an Inter-municipal Cooperation Establishment (EPCI) bringing together 24 town and village districts representing 52,336 hectares and 590,000 inhabitants. The urban community is managed by an assembly of 113 elected members identified by the Municipal Councillors of the 24 town councils in the area.

The organisation of Nantes Métropole has been defined so that the capabilities of the urban community can be implemented in line with the following objectives:

- → promoting locally-focused management,
- → ensuring the operational quality of principal services to the population,
- → ensuring the management of development projects for the conurbation.

To implement these capabilities, the urban community has split up its area into 7 zones called Local Centres.

Source 3: What is an urban community? Nantes Métropole website.

Nantes Métropole is responsible for the following public service provision:

- → Urban travel and transport,
- → Waste,
- → Public spaces, roads,
- → Tourism / major infrastructure,
- → Water,
- → Planning, urban development, housing,
- → Economic development,
- → Environment.

The local economy is included in the environmental category and addressed by public policies under the title of "Natural and Urban Environments".

Within these public policies, strategic orientation n°2 aims to "support urban fringe agriculture" through three operational objectives:

1. Encourage access to available land for farmers,
2. Support quality local economic activity and improve urban-rural links,
3. Develop "clean" agriculture that contributes to environmental protection and the Climate Plan.

These three operational objectives feed into 10 operational actions:

1. Improve the knowledge of agricultural territorial areas,
2. Strengthen capacities to intervene concerning land in Nantes Métropole,
3. Recover and promote abandoned farmland,
4. Participate in national and local stakeholder networks,
5. Support the growth and diversity of agricultural sectors,
6. Develop direct sales and local supply chains between producer and consumer,
7. Increase the awareness of territorial stakeholders to farming issues, communication,
8. Promote sensible use of resources and environmentally-friendly practices,
9. Study the carbon footprint of farming activity,
10. Encourage greater energy efficiency of agricultural resources and promote renewable energy production.

1.7 Conclusions and recommendations: training/ contractual procedures

Following on from observations made during the ANATOLE Project, the necessity to build teaching content destined for local economy stakeholders appears essential:

- → Training in rules of the local economy for producers, processors and traders.
- → Training in logistics and tools (platforms, for example) for intermediaries or interfaces.
- → Training in drafting specifications enabling, amongst other things, the possibility for small businesses to set up in the local economy shoulder to shoulder with local authorities.

All these training courses exist, but in a rather piecemeal fashion. Typically, they are created to address a local need and have the advantage of being adapted to the local context. Networks have been established, especially in France, to integrate them into programmes offered by local authorities. For example, the Brittany Chambers of Agriculture have put in place a training course called "new products – new markets" in which the teaching content enables beneficiaries to build their "local economy" project step-by-step.

One of the first steps for a local authority is to verify if it has in its area, structures and teaching content to address the following three training requirements: techniques and regulations, organisation and inventory of existing supply chains, drafting specifications for the implementation of local economy initiatives in the local authority area (a charter).

In the examples presented above, the authorities involved in the ANATOLE Project have shown that they are drivers for development so long as they have the resources required at their disposal (skills, logistics). Political will is the next step for the local economy to undertake an inventory of resources. In other words, political will alone is not enough if it is not combined with local resources to build a local economy. The existence of local supply chains between producers and consumers alone could not satisfy this preliminary requirement. Local supply chains are independent in their operation and are based on social connections. The local economy does not address this requirement of a social connection, but rather economic expectations of security of (food) supply, guarantee of origin/source and guarding against any breakdown in the food chain. In the local economy, the key word is organisation built around technical expertise.

The ANATOLE project was built around this reality in order to generate a contractual relationship between a public authority and technical stakeholders capable of training, uniting and supporting the stakeholders interested in the local economy.

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2.

Land and the local economy

Dominique Barreau / Pascal Dagron

2.1 Introduction to land and the local economy

Land is the primary resource needed to produce food products, be it for local or longer supply chains. In the local economy, land is a key factor for the local consumption of food products, especially in built-up areas where both consumers and demand are to be found. In these typically urban-fringe locations, available land is inevitably rare.

The question of shortages in land is central to economies in any shape or form. Indeed, the more a product is rare, the more it is sought after. This is the case for land in urban or urban-fringe areas. In addition, developing the local economy in a very urbanised area with a growing demand for local produce is an added constraint.

Land is required to supply the local economy, firstly in foodstuffs but also to address other requirements (energy, services, landscape). Rural areas do have this constraint due to the large amount of land potentially available. Rural areas are less preoccupied by the issue of land reserves, but more concerned by the subject of distance between where products are produced and where they are consumed.

Speculation on land suitable for development reinforces the need to have a regulatory process with a legal and public policy framework. Although public policy has taken this requirement into account, the options offered by the law are much more restricted and depend on public policy, precisely, to regulate land-based issues.

Farmland in France benefits from some adjustments (see hereafter) which is not the case in other Member States taking part in the ANATOLE Project. The central question of land is one of the reasons why the role of local authorities is fundamental for those Member States in developing the local economy in urban-fringe areas. In addition, urban ways of life in Spain and Portugal accentuate this constraint. The strong concentration of the Irish population in the city of Dublin is also an example. These two examples have led the ANATOLE Project partners to consider the role of land in urban areas in this publication. Research into the issues and the examples presented provide the solution to successful management by one of the ANATOLE Project partners.

2.2 Introduction to land located in a conurbation

In the mid 1990s, The Nantes Conurbation Urban Development Agency (AURAN), the District, The Loire-Atlantique Chamber of Agriculture and several town and villages districts, including the town of Bouguenais, created an informal grouping called "Fertile Towns" (Villes Fertiles).

Their thinking was based on the shared observation of significant losses of farmland due to urban sprawl as well as on their intention to maintain a strong 'farming belt' to encourage a policy of higher density development in towns. The Chamber of Agriculture views this approach as an option to support a sector of the economy in difficulty while strengthening its influence in specialised or less well-known systems of production in the urban-fringe.

In 2000, this thinking manifested itself in a partnership protocol between Nantes Métropole and the Chamber of Agriculture which was updated in 2006 to highlight 4 strategic priorities:

- → Land management and promotion of farmland;
- → Preservation of biodiversity in wetlands;
- → Economic diversification and improvements in rural-urban links;
- → Priorities for research and improvements in energy and phytosanitary products.

After 10 years of partnership working, consideration for the 'agricultural cause' has gained ground in the Nantes conurbation. The PLU's (Local Plans) and their provisions for development over the next 20 years is evidence of this gain and provides real visibility to farmers.

The growth of AMAPs (Community supported agriculture), direct sales and other forms of local supply chains encourage essential cohabitation between producers and consumers. Urban demand for healthy products actively contributes to the growth in organic farming to such an extent that Loire-Atlantique has become France's leading Department in this sector. This process can also be seen with young farmers looking for land to start up a business.

That said, pressure on land continues unabated and is reinforced by the huge financial differential between agricultural land which is worth next to nothing and land suitable for building which is unaffordable. The division of land into multiple smaller plots discourages any takers.

So, how can we progress to reconcile social and agricultural expectations around quality products? What process should we use, and with which stakeholders should we engage with to undertake a development project? What roles can the authorities and professional organisations play to drive forward and support these approaches?

2.3 Analysis: The local economy in the context of urban-fringe agriculture

2.3.1 The local economy as a boost to urban-fringe agriculture

Compensate for the constraints by capitalising on the advantages of the urban-fringe

Agriculture in the urban-fringe sits in a very specific context presenting both advantages (proximity to consumer markets) and constraints, particularly access to available land.

The local economy can compensate for production constraints linked to a lack of land by increasing added value through direct access to the consumer. Furthermore, it reasserts the value of quality production standards (especially organic and certified products) and reinforces traceability. This situation 'naturally' facilitates the growth of the local economy in urban-fringe farming.

Bringing the producer and consumer closer together

The other constraint of the urban-fringe is found in the co-existence of activities and uses in the same area. The absence of relations between farmers and individuals and ignorance of each others' practices and needs are a source of conflict.

The local economy and especially direct sales, is a way of facilitating interaction between producer and consumer and to restore confidence between both parties. It is part of the development of urban-fringe farming policy.

The farmer: an urban citizen like others

If consumers reclaim healthy products in a high quality environment, they specifically recognise the place of the farming profession in this and if farmers set up business in an urban-fringe setting, it is also to take advantage of the benefits and services of the town. After having been pushed out in the face of development and urban sprawl, the farmer is now reinvesting in the town in which he/she has set up his/her business. The farmer is also a consumer of urban area services.

Understanding the local farming context

Farming in the Nantes area takes place in a perfectly representative context of urban-fringe issues with its specific advantages and constraints. However, it also displays specific features amplified by several phenomena:

→ A 'culture' of urban sprawl which is principally explained by a lack of planning right up to the beginning of the 2000s with no masterplan and inter-municipal relations limited to a District until 1st January 2011;
→ Some of the cheapest farmland in France

(ranging from 1,500 – 2,000 €/Ha, excluding market gardening and vineyards)

→ Significant demographic pressure manifested by the high cost of land suitable for building;

→ A wide range in crops and farming landscapes suitable for the development of local supply chains in local markets;

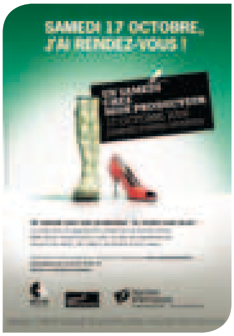
→ Some emblematic products and/or those with high added value such as Lambs Lettuce, Lily of the Valley, Muscadet, etc.

Furthermore, the metropolitan area of Nantes boasts a specific advantage linked to the low population density of the city centre which gives it significant capacity for development in the form of urban renewal, thereby saving farmland.

Supporting local supply chains: illustrations

To provide direct support the local economy, Nantes Métropole and the Chamber of Agriculture have invested in supporting business people. Today, their activities assume several forms:

Using land for local production and consumption also requires the local authority to promote processes put in place for local people.



Organisation of the "Saturday at my local farm" event.

Accommodating the farmers' market at Gagné.

2.3.2 - Access to available land as a key issue in the urban-fringe context

Safeguarding farmland and guaranteeing its protection through regulations

Urban development reference documents, primarily the Local Plan (PLU), determine the land use. Conversely, these regulations are ineffective (it is not really their purpose) in imposing specifications for land management.

As concerns the conurbation of Nantes, the Local Plans (PLU) were revised in 2007 and present a specific feature concerning A-classed zones. These designated farmland areas are subject to a commitment to their remaining in agricultural use in the relevant Local Plan.

This approach aims to provide farmers with some visibility over at least two terms of the Local Plan (about twenty years) and probably much longer in reality. This is not however only a political commitment and not a regulatory one. It is designed to send a clear message to farmers as much as to land owners.

A specific zoning corresponding to the agricultural zones was also created although its future is not guaranteed beyond the duration of the Local Plan. These zones (Nx zones) do not allow for large-scale investment in buildings or accommodation provided by the employer. Although these "provisional" zones are part of the Local Plan, they are susceptible to changes at the next Local Plan revision to become urban zones, agricultural zones, or be maintained as Nx zones.

Farmland and open natural spaces in Local Plans:

Encourage agricultural use consistent with its purpose

If land is intended for farming, land owners remain in control of their use. From that moment on, land grabbing or other speculative processes weigh heavily on access to available land for professional people.

In parallel, agricultural studies undertaken in the mid 2000s in preparation for the revision of Local Plans testify to numerous requests for land. These requests concerned both farmers looking for more land to extend (enlargement, consolidation, diversification and extensification) and young farmers looking to set up businesses, principally in the market gardening and poultry sectors.

Based on this observation, Nantes Métropole and the Chamber of Agriculture decided to implement a detailed analysis of unused and abandoned land in preparation for an operational action programme.

The issue of land management

Nantes Métropole, in its capacity as a local authority, is not geared up to acquire farmland. On the other hand, it does have recourse to land management practices in the following cases:

→ To periodically take on land, or buildings which have not found a buyer in certain circumstances or a given situation, with a view to leasing, or allocating it as soon as a viable development proposal emerges;

→ To manage strategic sectors for agriculture coming under a range of pressures;

→ To "block" sales of farm properties intended for non-agricultural uses in line with the SAFER (Land Development and Rural Real Estate Companies).

This form of land management can be implemented in different ways: amicably, through seizure using the SAFER, or even by compulsory purchase inside Protective Buffer Zones for Agricultural and Open Natural Spaces (PEAN).

2.4 Example: The relationships between farming and towns

2.4.1 Context and issues

The "urban-fringe agricultural action plan" is part of the French Green and Blue Infrastructure initiative (Trame Verte et Bleue) stemming from public policy on the environment under 3 headings with regard to Nantes Métropole:

→ actions for the development of open natural land;

→ actions for economic development;

→ development of community space.

Agriculture in Nantes: headline facts and figures

- A large surface area: 15,000 Ha in A classified zones + 15,500 Ha in N classified (including 9,500 Ha of wetlands); 13,200 Ha functional agricultural land.
- Major economic activity: 330 farms, 1,400 direct jobs.
- A very large range of production methods and local emblematic products such as Muscadet, Lambs Lettuce, Lily of the Valley, etc.
- A strong presence in the landscape: wetlands, vineyards, market gardening, etc.
- An advantage: consumer market; a constraint: access to available land.
- A tool to limit urban sprawl.
- Clarity at both local and national level of an exemplary area in terms of its complementarity between actions delivered by a local authority and the farming profession, often quoted as an example and used as a test bed (sustainable farming zones).

The stakeholders

Nantes Metropole: determines the place of agriculture in urban development, supports farming initiatives enabling farming activity to be strengthened in the conurbation and to develop links between town and countryside.

Chamber of Agriculture: represents the farming profession in the Nantes Métropole area.
SAFER: has the right to seize land in zones designated for farming or open space, facilitates access for farmers to available land and supports local authorities in their farming policies.
Departmental Council: implements the Protective Buffer Zones for Agricultural and Open Natural Spaces (PEAN), pilots land development, partner in plans to restore hedged farmland landscapes and provides direct aid.
Terres en Villes Association: national network for exchange in the form of a joint association uniting EPCIs (Inter-municipal cooperation establishments) with some twenty Chambers of Agriculture.
Other civil society stakeholders: CAP 44, GAB, Cens Rural, think-tanks.

The partnerships
Loire-Atlantique Chamber of Agriculture

- → Partnership protocol from 2000 updated in 2006. This defines the political priorities, principles for taking action and specifications for implementing the partnership between Nantes Métropole and the Departmental Chamber Agriculture.
- → Annual implementation agreements which determine content of the annual action plan programme and the split between resources for coordination and research (40k € per year on average).

SAFER Maine-Ocean

- → 2001 Agreement revised in 2009 comprising transmission of sales information (350 - 400/year, 3,000€/year), cases of land seizure (←10/year) and handovers in the Nantes Métropole area and management of acquired land.

Assessment of the 2000/2010 programme

- → Shared objectives between the Chamber of Agriculture and other professional partners;
- → An organisation based on formal partnerships with the Chamber and SAFER;
- → A grant funding process for farmers affected by pressure from urban development;
- → A lengthy analysis implemented in A and Nx zones designated for farming in the Local Plan;
- → A tool to monitor land and the option for seizure in line with the SAFER;
- → Engagement in the PEAN led by the Loire-Atlantique Departmental Council;
- → An awareness raising approach about local supply chains and direct sales;
- → A programme to promote farming on abandoned land, etc.

Financial aspects:

- → 24 proposals approved for a total of 336 K€
- → Farm business support: 60 K€/year
- → Average operational costs of 80 K€/year split 50/50 between Nantes Métropole and the Chamber of Agriculture

2.4.2 How to promote under-exploited or abandoned farmland

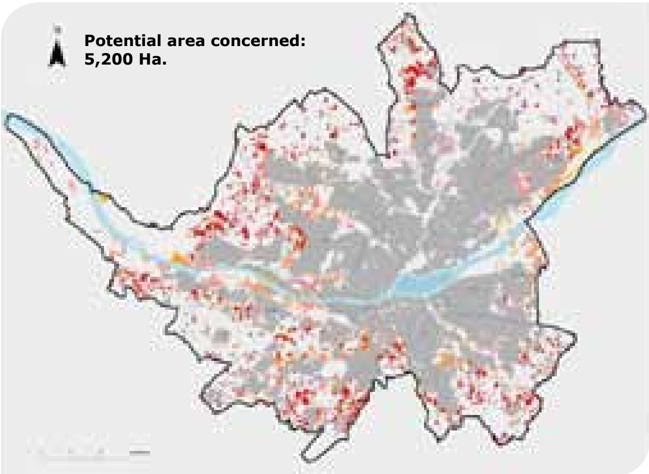
The aims of promoting abandoned land

On the basis of a study, local working groups associating the farming profession have identified 155 sites of interest to farming, 43 of which are considered to be priority sites.

This potential manifests itself in two levels of objectives which are both complementary and coherent with the technical and financial resources on hand:

- 500 Ha to bring back into cultivation by 2014
- One site per town/village district during 2011

As for as operational aspects are concerned, this can be seen by approximately **one hundred projects over the last 4 years** split between an estimated 20% new starts and 80% extensions or consolidation projects.



Summary of priority sites in May 2005

Assessment of projects

Projects completed or underway in 2011: 2 new starts and 10 extensions totalling 141 Ha.
Projects committed to: 7 new starts and 9 extensions totalling 150 Ha.
Projects identified or under evaluation: 12 initiatives totalling 250 Ha.

The theme of "abandoned farmland" as an awareness raising aid:

2.5 Conclusion: the three approaches

The action plans identify support for urban-fringe agriculture as a strategic orientation with three operational objectives:

- → Encourage access to available land for farmers;
- → Support local farming as an economic activity and improve urban-rural links;
- → Develop a "clean" agriculture that contributes to environmental protection and the climate plan.

This cross-cutting action plan is implemented at three distinct levels:

The economic development approach / social economy

- → Employment, access to labour market through farming, seasonal work;
- → Develop new farming activities;
- → Local supply chains, AMAPs, markets, school canteens, etc.;
- → Financial support: start-up/relocation, bringing land back into cultivation, educational support, direct sales.

The territorial development approach and tackling urban sprawl

- → Revision of Local Plans: identification of A and Nx-classed zones (commitment over 20 years);
- → Protecting places of business through the rule of reciprocity, regulations limiting accommodation provided by the employer, support for start-ups/relocations, etc.;
- → Land policy: transmission of DIAs (Notice of Intention to Dispose of Property), intervention on an amicable basis or by seizure, ZADs (zones earmarked for future development), reconversion of abandoned land;
- → PEAN (Protective Buffer Zones for Agricultural and Open Natural Spaces) through the local authority ("Conseil Général Loire Atlantique") initiative in the north west of the conurbation.

The environmental approach

- → Respect the guidance established by the Grenelle Environmental Forum, especially the French green and blue infrastructure initiative;
- → Wetland management: inventories, protection in Local Plans, management guidance;
- → Preservation of water resources linked to the "Neptune" Programme;
- → Tackling pollution: "Towards zero phytosanitary products" Programme;
- → Growth in different sectors of the wood industry: agroforestry, management of hedge landscapes;
- → Managing energy and the growth of renewable energy;
- → Encouraging a culture of environmentally friendly practices (organic).

These action priorities have been included in an agreement between the Nantes Métropole local authority and the Chamber of Agriculture as part of contractual procedures derived from the ANATOLE Project for agreements between a local authority and a technical operator.

3.

Supplying the catering sector and consumer demand

Laurent Magot

3.1General introduction

The connection at a local level between catering, agriculture and local authorities is a particularly important one as it contributes to the growth of the local economy through a chain of economic, social and environmental (added) value. The high volumes of produce required by catering operations mean that it can have a considerable impact on the local economy through its capacity to influence the growth of local food and agricultural markets. Its choices of products, forms of packaging and quality indicators have a very real impact on the market for agricultural food produce. This could be an additional commercial opportunity for farmers or farming groups as well as food processors to access new markets. Catering is at the heart of our society because it concerns educational establishments, private companies, hospitals, public sector administration, retirement homes, crèches, etc. It concerns children, salaried staff and the elderly simultaneously. Its function is as much social as it is to provide 'clients' with good quality, balanced meals at affordable prices. Catering is also a vector for environmental protection because in favouring quality local produce, it helps maintain a diversity of farming practices in and around the urban-fringe. It also contributes to reducing carbon emissions by limiting the transport of food products.

This supply process for catering using local produce is very fashionable at the moment as well as being in the thoughts of all decision-makers, but the real issue is to go beyond local and periodic initiatives to gear up to a genuine and sustainable territorial approach. One must think "global" to break out as much as possible from compartmentalised reasoning of business and industry sectors and act "local" without breaking the law by choosing the appropriate scale to make a significant impact.

3.2 Introduction to the issues

Securing alternative methods of supply and especially the use of quality local produce is just as much of a preoccupation for civil society as it is for the many stakeholders in the catering sector. An alternative composition of meals in the volumes served up by the catering sector enables agricultural production and food processing models to be more focused on sustainability. Public sector authorities therefore have the possibility, even the obligation, to support this process which highlights local assets in the scope of the "Grenelle de l'environnement", or Environmental Forum, and the national policy on food.

3.2.1 The issue of public health and health education:

More than 10 million meals are served each day in France by catering firms. Optimising the quality of the offer is now a key issue for the Ministry of Food, Agriculture and Fisheries. In fact, an inter-Ministerial project called, "The National Programme for Nutrition and Health" was launched in 2001. It is dedicated to improving the nutrition of the French population by healthy eating and physical activity. It is coordinated by the Ministry of Health with support from the Ministry of Economy, Finance and Employment.

Its activities include targeting improvements in public health through better knowledge about nutrition, improving the nutritional content of food in partnership with economic stakeholders, prevention, screening and action against malnutrition and obesity, as well as research.

A Study Group on the Catering Sector and Nutrition has been established and it has helped public sector buyers to draw up terms of reference to accompany their catering contracts by establishing nutritional recommendations (No J5-07, dated 4 May 2007). To summarise, it targets increased consumption of fruits, vegetables and starches, increased levels of iron and calcium, reduced levels of simple added carbohydrates and lipids as well as monitoring excess levels of sodium.

3.2.2 The civic, ecological and professional issue:

Consumers are increasingly more informed and empowered in their buying habits. This has reached such a point that supermarkets are offering more and more organic and/or local products. As a result, this process is growing as much from the support of local politicians as from their electorate, parents and individuals who are concerned about the environment in which they live.

Supplying the catering sector should be seen as a powerful catalyst which can lead to a tenfold increase in the civic and environmental outputs. In fact, in most cases, the projects that are set up in this way prove that land must first be found to preserve adequate farming acreage mostly in urban-fringe zones. The introduction of fruit and vegetable cultivation therefore provides a balance in terms of biodiversity and puts land management firmly back into the realm of public debate. Volumes produced locally are therefore consumed locally and help reduce carbon emissions at a global level. Initiatives like "Terre en Ville" are also growing at a national level. Finally, land which is made available by local authorities often provides the opportunity to create specific farming training courses (nurseries, incubators, springboard business ventures) with training centres to encourage young farmers to enter the organic farming profession. Alternatively, the land can be used for social inclusion programmes helping disadvantaged people become active again by gardening and growing food.

3.2.3 The issue of local economic development:

Supplying the catering sector with local produce can clearly help the local economy grow from the point where the products and businesses in the local authority area in question are promoted in an overall approach based on sustainable development. Conversely, it is important to not restrict the area too much in order to retain every chance of driving forward real added value with tangible results. Of course, this must be assessed in terms of the population catchment area, but also its farming and food processing potential.

Given these conditions, and in compliance with the regulations in force, it is possible to work locally and in a transparent manner for a better commercial share between producers. This means a better remuneration for producers, reduced transport costs with local processing and finished products with a good balance between quality and price. Contracting procedures are nevertheless required.

3.3 Analysis: the conditions for success

3.3.1 Understanding the local offer and awareness of pilot actions conducted elsewhere are essential prerequisites

In the same way as other categories of buyers, catering today is often disconnected from the realities of farming and the food processing industry. Purchases are made without reference to calendars and seasonality, or to a particular production method or geographical production area or even to fair production costs. Prices offered by the established distributers/suppliers in the catering sector are generally inferior to those seen on local markets. In addition, the range of products offered often corresponds to a standard offer without any territorial specificities.

Understanding and identifying farm and food industry produce which is available locally as well as their markets, is therefore one of the first conditions that must be respected. This will then enable local authorities to organise and draft their public procurement procedures to allow micro-businesses and SME's, cooperatives and groups of producers to respond to tenders without being at a disadvantage.

A sound understanding of the offer implies a comprehension of the range of products available, the weights and packaging, the different qualities, periods of availability, prices, suppliers and distribution networks. These logistical networks are often a determining factor when looking at the technical and economic feasibility of such an option. How can this be done? Taking the example of the regions of France, several tools and services exist which are worth noting. These include the Departmental and Regional Chambers of Agriculture, the managing organisations behind official quality marks and symbols (e.g., IGP and AOC), associations of organic or conventional producers ("Bienvenue à la Ferme", etc.), the departmental and regional cooperative federations and regional food industry associations such as ARDIA. In some regions, there are even catalogues, both printed and electronic such as www.achatlocal-consorhonealpes.com in the Rhône Alpes region, or "Bien manger dans mon assiette" in Burgundy which features 126 suppliers with a purchasing calendar and even recipes adapted to catering. Other local authorities also organise "showrooms" with their partners which are genuine professional trade fairs where those representing the offer can meet those representing the demand.

3.3.2 Adapting the organisation of catering:

It would be a mistake to think that securing a supply of good quality local products can be achieved without changing the organisation and operation of catering kitchens. Indeed, the implications of this extend far beyond any eventual rise in the food costs. The local supply approach tends to upset the traditional organisational charts from the drafting of procurement specifications right up to the preparation and serving of meals. Even menus, deliveries and storage procedures must be modified.

Even if food costs are often a critical issue, the local supply approach can offer more flexibility giving everyone the space to react in their own way and make the whole approach coherent and economically viable.

This requires:

- A pilot project to test local supply potential

- Work on the drafting and the organisation of public procurement exercises. The public procurement regulations set out a level playing field for all companies concerned. Just because this is a critical issue it does not mean that the task is insurmountable. Social criteria, quality criteria and sustainable development matters must be included in the terms of reference for either the products or the suppliers as well as to their distribution networks. For example, a maximum of detail must be allotted to requirements concerning product range and insisting on the shortest time possible between the harvest and delivery of a product, etc.

- Adapt, if applicable, to higher food costs by reducing certain operational costs - optimising tasks, reducing packaging, managing food costs by adapting purchasing policy favouring cooking rather than assembling pre-prepared items, adjusting quantities and the nutritional balance of meals and reducing wastage.

- Encourage the engagement of cooks as guests or teachers. This is a way of making the most of their know-how. Cooks will work with more raw products and with more freedom in their recipes while teachers will put together genuine educational initiatives which could even extend to farmers and local food processing companies. The guests will be made aware of taste through games and activity packs.

- Involve intermediaries in the operational planning who are able to provide solutions to the required intermediate processing phases (cutting up, slicing, peeling, temporary storage, etc.) This involvement can help cooks overcome preparation procedures which require industrial equipment/ utensils. These technical points in the process of creating meals are vital to ensure quality.

- Adapting requirements in terms of distribution. The purchase of local products is today often done through general suppliers in the wholesale market. They are not equipped to make daily deliveries and as such, the purchaser must adapt by accepting that the delivery day corresponds to when the company makes a number of other deliveries in the area, thereby optimising logistical operations. Correspondingly, the purchaser must also accept to stock a minimum of merchandise at any one time.

- Work on a food programme and on menus by anticipating purchases, reasoning with the introduction of products according to their seasonal availability, programme menus in advance and produce calendars for requirements and purchases. All this is beneficial to the planning of products in consultation with the suppliers, but also to incite them to look at products where there are deficits in volumes required to meet demand.Ideally, it would be best to outline requirements a year in advance. Equally, this should take account of seasonality to respect natural cycles of cultivation and harvesting. This last point would significantly increase the quality of certain products, particularly fruits and vegetables.

3.3.3 Ensuring the quality of products:

The resources required to verify the quality of products are vital for implementation. For example, it is necessary to:

- Identify the points of control which fall to the responsibility of the buyer. These include pre-purchase checks (verification of technical capacity through documentary proof , products tests, etc.), and during the shelf-life of the product (respect of specifications by controls carried out by a third party, controls during culinary preparations, client satisfaction survey in the restaurant area)

- Describe the product data sheets as precisely as possible for suppliers while adapting to the local offer and taking account of its specificities. Suppliers do not always possess these especially where new producers are concerned. The data sheets must be drafted in consultation with the suppliers.

- Make reference to existing quality marks or symbols (label rouge (FR), IGP, AOC, organic produce, etc. The best source is the INAO. That said, more can always be done and exemplary initiatives are growing in numerous regions with local charters. In Aquitaine, the Regional Council has set up the AREA initiative: environmentally friendly agriculture in Aquitaine.

- Select products beforehand by conducting tests on samples. In Dijon, for example, tasting panels have been organised bringing together Councillors, the Catering Services Director, the Director of the central kitchens, the Production Manager, cooks, a dietician and the Public Procurement Manager.

- Verify the certification status of producers selling direct to the customer. The sale of animal or vegetable-based foodstuffs is subject to European regulations called the "Hygiene Package". Suppliers are subjected to strict regulations and must possess Community approval for indirect sales such as sales to the commercial catering sector. Producers of primary products are exempt from these regulations on condition that their products have not undergone any type of processing. In addition to the regulation applying to direct sales, producers involved in indirect sales must also adhere to Regulation (EC) No 853/2004 which sets specific rules on hygiene applicable to animal-based foodstuffs. A request for this Community certification must be made by the supplier to the DDCSPP.

- Control products upon reception in compliance with food safety regulations, but also to verify that the supplier has respected all its requirements. This point is important even if the intermediary organisation can sometimes carry out the grading of products via the transporter or a distribution platform.

Politicians and institutions do not make decisions and choices on supply procedures directly. They do however play a fundamental role concerning the direction of public services, especially through budgets that they approve and their policies on human resources. According to the nature of their projects, they can call on expertise from the Departmental or Regional Chambers of Agriculture to advise and accompany them in cooperating with local suppliers and in engaging competent intermediaries.

3.3.4 Progressing from marginal supply to substantive supply

Catering is often, as we have seen, at the heart of a global process. Successful local supply and in significant volumes brings together all stakeholders concerned from the local politician to the child, from the legal representative for purchases to the parents of schoolchildren and from cooks to managers and taking in local suppliers, farmers or food companies. The plan comes together bit by bit in stages by building confidence which is essential for strong and durable partnerships. This is then a genuine project management approach from preparatory research prior to practical implementation in association with both internal and external stakeholders:

- **External stakeholders:** State, local authorities, professional organisations, consular chambers, associations, parents of school children, intermediaries, distributors, platforms, wholesalers, processors, training and land management bodies, farmers,
- **Internal stakeholders:** councillors, catering teams, dieticians, teachers, activity leaders, guests, purchasing groups, buyers, general administration.

It should be noted that the key role is that of councillors, or local politicians, without whom nothing could happen to progress past critical stages. The leverage effect from national public sector initiatives enables more and more local politicians to come on board and it is worth highlighting which political capabilities this engagement draws on: teaching (school and university catering, creches, leisure centres), health and social services sectors (hospital catering, retirement homes, prison establishments), workplace (company canteens and administrative (Council) services).

As far as public education establishments are concerned, catering resources are shared

with local authorities according to the level of teaching. Local authorities (District Councils) are responsible for public nursery and primary schools while, in France, Departmental Councils are responsible for secondary schools and Regional Councils are in charge of sixth form colleges. This includes funding and the management of catering staff.
In the case of catering in hospitals and prisons, operational funding and investment is managed by the State. This is the same for catering for government administrative services where the operation of each cafeteria or canteen is given to a registered association under French law (1901).

3.4 An example of a local initiative: the s.c.i.c. dordogne

3.4.1 Context

The Dordogne Chamber of Agriculture together with its "satellite" offices in Sarlat and Vergt worked with local authorities and farming organisations to divide up the issues requiring attention. This enabled a number of procedures to be taken forward in different parts of the Department from 2009/2010, notably in Central Périgord and the district around Sarlat. This included:

- the setting-up and coordination of a "local and organic produce steering committee" with key stakeholders to carry out an audit of catering requirements and the potential of the local offer, the testing of a 'virtual' local supply platform which pooled the different elements comprising offer, dissemination, centralised management of orders with modifiable technical and administrative terms of reference drafted in consultation with the relevant municipal federations
- The signature of an agreement between the Chamber of Agriculture, the Federation of Municipalities of the Sarlat District and the local agricultural college to create a training course on organic market gardening using farmland donated by the local authority with the aim of supplying local canteens
- organisation of three study trips to other regions involving business managers, politicians and officers from local authorities or farming organisations to evaluate the suitability of the approach in comparison to other initiatives
- exchange of experience from the Anatole Project coordinated by the AC3A
- growth in local (and organic) produce supply initiatives with support from the Departmental Council via secondary schools and the Regional Council via the sixth form colleges
- the development of other initiatives in other

parts of the Dordogne Department (Périgord vert, vallée de l'Isle)

Today, the supply of local produce accounts for 3 million meals served each year out of a total of 16 million meals prepared and directly managed by the catering sector. This is the tipping point to move to an organisational model which is capable of responding to such a large demand. It must be acknowledged that the absence of a logistical function is a major stumbling block to further progress. The volumes needed to satisfy the demand require:

- an organisation similar to a wholesale company that the producers cannot at present manage sustainably as individuals.
- a coherent organisation of resources to address needs that have been identified in advance.

3.4.2 S.C.I.C.: towards good governance

In order to ensure the engagement of all stakeholders, both public and private, the appropriate legal framework requires the creation of a social enterprise in the form a limited liability company with a minimum social capital of Ð18,500 and the setting-up of several different associated categories: SCIC salaried staff, users of the cooperative (individual and collective organisations), public authorities and other stakeholders contributing to the activity (consulars, etc.).

The main principals concerning this type of organisation are the following:

- a Departmental-wide catchment area
- governance based on a partnership approach such as a cooperative including the public and private sector and the local community
- added value to the territory through sustainable development enabling the presence and diversity of farming to be maintained. The organisation must ensure that the quality of local products is given recognition and it must provide real added value to existing farming and production sectors.

3.4.3 S.C.I.C.: operating instructions

This social enterprise has several functions:

- a commercial function:

→ Identify and communicate the local produce offer to managers/cooks.

→ Respond to calls for tenders issued by local authorities. • Centralise orders (one intermediary only between the managers/ cooks and the producers). • Organise deliveries.

→ Edit and issue purchase order forms.

→ Ensure good commercial management (payments to suppliers, invoicing to schools, etc.).

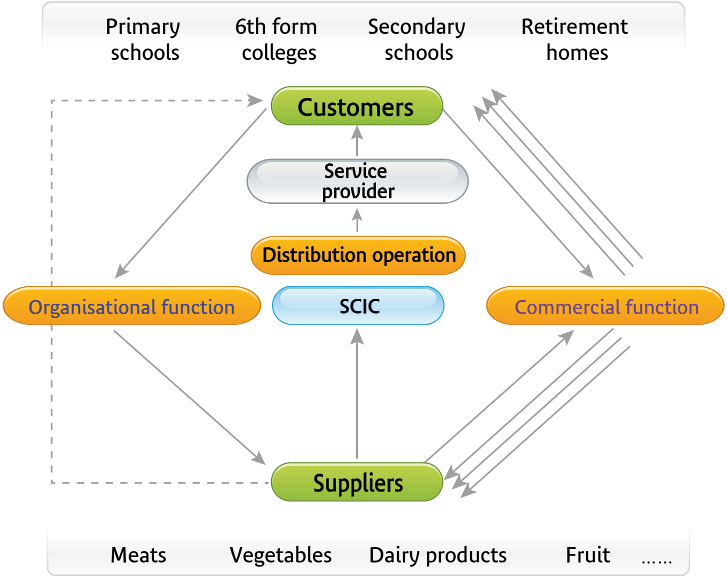
→ Reception and controls on products (grading procedure to be defined) in 2 or 3 locations.

→ Grouping of batches to match orders received (receive, sort and store products).

→ Distribution of local produce to school canteens and issuing of delivery consignment slips by a professional freight transport service provider.

→ Be in a position of strength concerning referenced suppliers to the organisation to optimise resources required to meet the different needs.

→ The operation of the social enterprise is set out in the following diagram:



3.5 Conclusion

Meeting the demand of 10 million meals per day by supplying meals to different local authority areas on the basis of the local economy requires organisation based on knowledge of local available resources. With the support of public policy (see chapter 1), the response becomes a little easier on condition that it leads to the engagement of competent service providers who can deliver a professional quality service (see chapter 7).

Capacity building to become more professional is needed to meet the demands of informed consumers. According to the expectations set out in chapter 8, these informed, intelligent consumers are very attentive to the offer. They behave not just as consumers, but also as stakeholders capable of questioning public authorities and even taking action themselves (AMAP). If they question the role of public authorities, it is principally to be a contributor to local development through what they choose to purchase. This activity requires a good knowledge of local development potential. As concerns supplying catering operations, the influence of informed consumers is no less important than their choice to use shops selling local produce. In this case though, their approach will be directed at local councillors.

The aim of cheaper seasonal local produce runs up against the difficulty that its inclusion in canteen menus means that there can be no interruption in the supply chain. Comprehensive planning prior to engaging with catering services is absolutely essential. This can only be achieved by consultation and contractual agreements and the regulations governing public procurement require this. The pricing of seasonal local products must be competitive with that of imported produce on condition that they use production methods at a sufficiently large-scale to withstand this competition.

New organisations: the implementation of commercial catering through the bringing together of stakeholders and anticipating future supplies requires organisations adapted to these demands. Linking up local authorities (the payer but also intermediate beneficiary) with technical operators (skills/ experience and contractor) requires a flexible organisation. In this case, the legal status of the social enterprise provides the answer. A business is therefore set up bringing together the different stakeholders while conserving the relationship between the contracting authority and the contractor to jointly develop the supply of catering establishments with local products.

4.

The local economy and territorial issues

Pascal Dagron

The growth of the local economy raises the question of territorial issues at different geographical scales (territories) and at different levels of decision-making, particularly different levels of administration. As a result, the promotion of the local economy through the ANATOLE Project clearly influences territorial (or regional) strategies, especially on food-related issues. The case for governance which is another objective of the ANATOLE Project, seeks to raise this question with managers of local and regional strategies, in other words, local authorities.
But first, the development of a local economy generates different local strategic issues and the good practice guide shows the conditions necessary for growth regardless of the mode of governance (see paragraph 3 for examples).

4. 1 General introduction: a few facts

As it develops, the local economy generates new strategic issues. Before looking at what the ANATOLE Project delivered in the 20 participating areas between 2010 and 2011, let us outline some aspects to provide a framework on the historical dimension, on the economic impact and on local authority capabilities.

Taking something old to make something new

The local economy is certainly not a new phenomenon. All in all, the focus on it given by ANATOLE Project could look like a backward step, or even a rejection of modernity.
Changes in modes of transport, the attraction of 'exotic' products, the acceleration in trade, national balances of trade, the arrival of operators capable of introducing new commercial trading practices, etc. are the cause of decline of the local economy. Its return involves new organisations combining the very principles of "eat local, grow local" with modern and realistic tools which are attuned to sustainable development.

Production differentials and consumer behaviour

In the Western regions of France, local supply chains between producers and consumer represent less than 5% of food volumes produced (including wine). At the same time, the volumes of food produced in general in West France are nearly 4 times greater than the national average (more than 40% of national volume on less than 25% of the farmland). If other regions are to register higher ratio between the volumes of food produced and consumed locally, these figures must be reflected in greater local production capacity.
In this case, an increase of 5% to 20% for local produce consumed locally in the west does not have the same significance as in the Rhône Alpes region where, for example, to register the same increase, consumption would have to increase from 20% to 80% of volumes produced. Nevertheless, consumer behaviour is roughly the same from one region to another, but consumers in large urban areas are more in the market for local products than consumers in rural areas (excluding growing your own produce).

The necessary involvement of all stakeholders

The slow and rather unrepresentative increase (see chapter 6) of volumes produced and consumed by local supply operators (producers to consumers) in comparison to what is produced and consumed overall is an indicator that needs to be closely monitored. The weak growth in volumes (not in proportion) has masked consecutive strategic issues for technical operators (producers, processors, distribution and packaging logistics coordinators, distributors and regional planners, etc.). The involvement of technical operators such as those from large food corporations could transform the local landscape in the relationship between production/

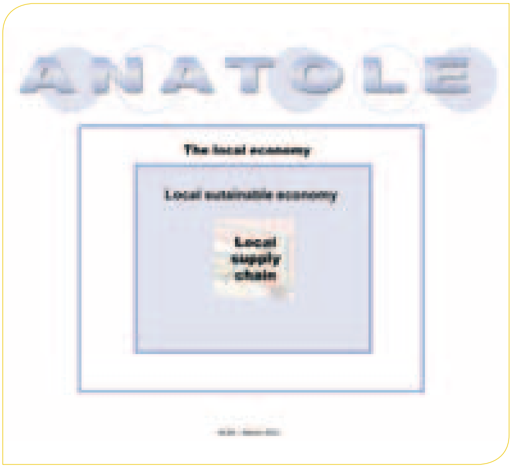
processing/distribution, public policy and the end users/consumers. What can be seen from the ANATOLE Project is that the changes will only happen with the support of service providers. That said, this observation must not leave local authorities insensitive, especially in response to the expectations of the local population that they serve.

Local authority decisions linked to "goodwill" of service providers

The choice of local authorities to promote the local economy should have an impact on service providers. Consequently, this should influence the result in the form of setting-up vectors for the consumption of local produce, but also a two-dimensional mechanism (longer supply chains and shorter supply chains between producer and consumer) with these same service providers which at present is not the case with local supply chains (see chapter 7: the role of intermediaries). If service providers find benefits from their involvement in helping the local economy to grow, local authorities will have succeeded in their challenge. Conversely, if they only find problems, they will tend to steer clear of these public sector-backed initiatives. Only incentivising actions (financial, coercive or marketing) by local authorities can motivate these service providers to become stakeholders, or to bring new contractors into the process (see involvement of large retail outlets).

The different response from operators according to products and out of home dining (restaurant and catering) circuits.

If the plan for governance of the local economy is confined to supplying the local food market or even the large and medium scale retail outlets, the service providers will feel, indeed will be, less solicited for their services. On the other hand, if all local authorities decided to supply school canteens, university cafeterias, hospitals and prisons under their responsibility, the issues would be different for the service providers. Moreover, some of them are already involved in supplying the out of home dining sector managed by the public services. Nevertheless, product origin is not included in the requirements making up public procurement regulations, yet it should be. If the local economy is to develop, traceability would have an additional purpose of firming up public procurement terms of reference.



Organisation at different scales (global/local/territorial).

The local economy in a general sense encompasses local sustainable economy initiatives which include local supply chains between producer and consumer. "the different forms of the economy" do not arise from the same issues.

- Local supply chains = social links,
- Local economy initiative = territory,
- Local economy = economy.

4.2 Introduction to food issues

4. 2.1 A broad theme

Food issues are a subject for consideration in the good practice guide. The ANATOLE Project deliberately limited itself to examples of good practice concerning food. The issues are geopolitical, economic and social in nature and the public authorities were considered to have both the right and capabilities to prioritise a particular concern. Without going into detail, the different issues were compared highlighting that they are not the same according to the mode of organisation proposed.

4. 2.2 Direct impacts on the trade of raw materials:

The low level of volumes currently traded in local supply chains from producer to consumer has no effect on international markets. However, if volumes were to grow, clearly these changes would have an impact on international markets. Europe's autonomy in terms of foodstuffs has long been considered a strategic issue (and one of the founding elements of the CAP) and has been at the heart of European cooperation as well as a stakeholder in the World Trade Organisation and a strategic issue between the USA and Europe and more recently between MERCOSUR, the USA and Europe.
Foodstuffs circulate throughout the world. They are often used as currency for manufactured goods for security reasons and food self-sufficiency. They are once again becoming strategic key elements in the direction of certain countries, be they developing countries with high demographic growth such as the countries of the Maghreb, or developed countries such as Germany or China. Food products represent a new paradigm which is influencing development policy at all levels. As a bargaining tool, foodstuffs could become a much sought after resource in the same way as oil. They could be substituted for manufactured goods which themselves, could become currency due to their proliferation. In this context, what does the future hold for the local economy? Is it a regulator or will the world markets become the adjustment variable for business?
In addition, if raw materials exported to wealthy countries were to remain where they were in the developing countries, for strategic trade reasons (the poorer countries and the wealthy countries would favour a local economy model for different reasons), they would no longer be a global strategic issue, but a local one.

This change would not however eliminate speculative processes. On the contrary, the local consequences of a drought, an outbreak of a disease, or a pollution incident would be highly detrimental to local dynamics (e.g., Minamata in 1973 or Fukoshima in 2011).

4. 2. 3 Water is the primary food (in terms of volume and prospects)

We must not forget to mention water in this good practice guide though not as a local product, but rather as a local resource. It is the rarity of water which, combined with increasing population and global warming, makes it a major issue. Large exporters of produce that require a lot of water (fruits, vegetables and meat products) cannot ignore this parameter. It is not just transport costs which are a preoccupation, but also water management and use. After all, even if water is a basic necessity for human life, access to it will become increasingly difficult. Agriculture will have to compete for water with other users ranging from civil society to industry (see issue of water catchment perimeters which at present are in a qualitative manner). Water is a fragile local resource and food exporters who produce products which use or contain a lot of water must give some thought to their future operations.

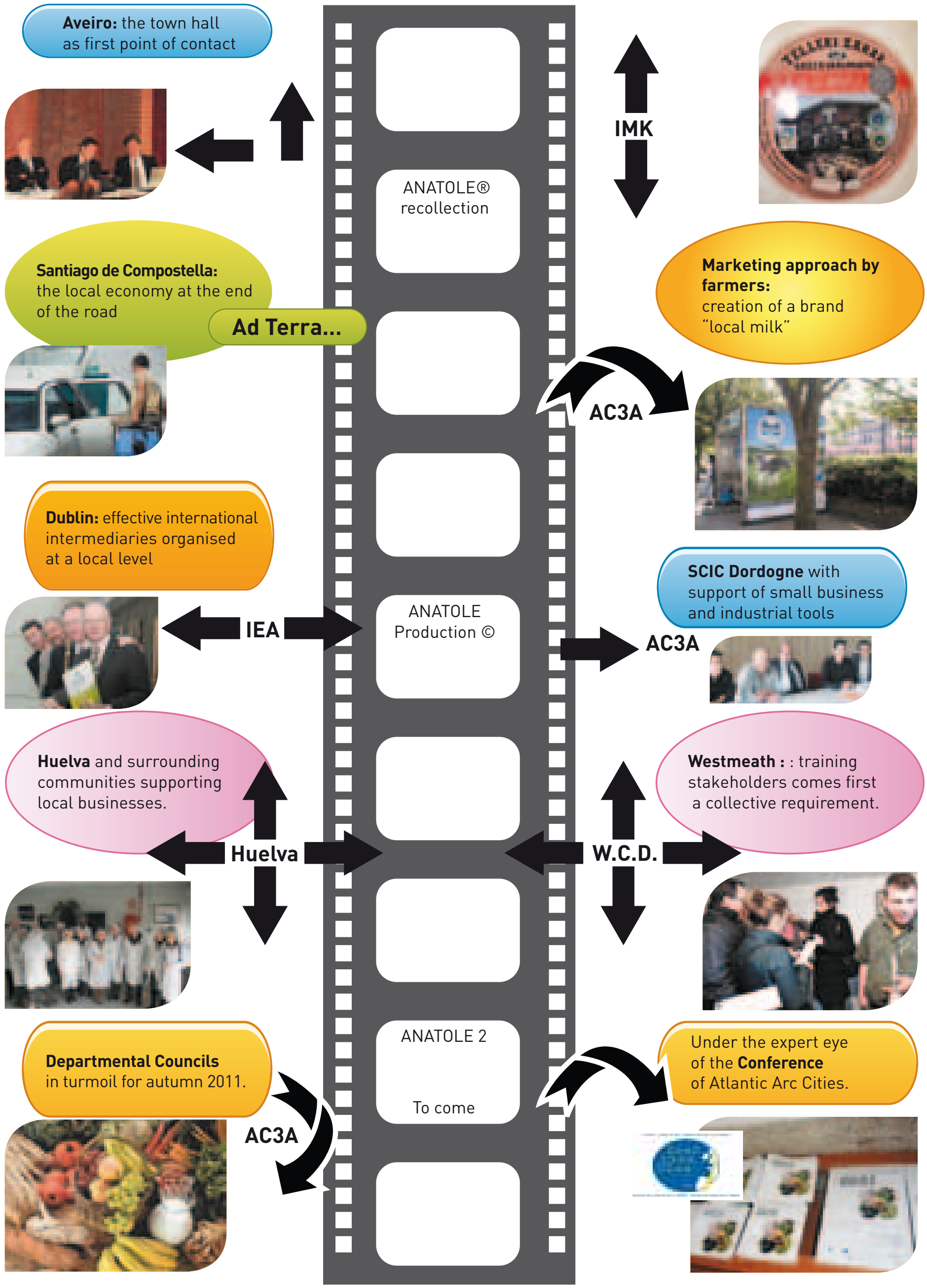
Certain countries have turned to clever methods to collect water such cloud catchers (fine nets) in Peru, or more costly options such as sea water desalination plants in the Gulf States, or more ecological methods such as waste water recycling in Taiwan. There are also more extreme methods such as in Libya where deep boreholes draw water from fossil aquifers and even surreal proposals such as in Mali which wants to import icebergs. Before looking at methods to produce water, it would be useful to focus on a more sustainable management of water. After all, let us not forget that the global requirements for water have doubled in the space of 20 years! *(Source: 2011 Water Forum).*

Local areas must learn to manage local water resources. Local authorities are the most influential stakeholders concerning this issue and if, in westernised countries, the consumer is not made aware of this issue, he or she will certainly be alerted to it if climate change were to compromise access to water resources in the near future.

The privatisation of water catchments for bottled water

Water is becoming an increasingly important economic asset, so much so that water bottling companies have bought entire water catchment areas which feed springs used for bottling. For example, the Contrexéville company has acquired 4,000 hectares. For the time being, the reasons given for such actions are environmental protection and public health, but not yet the scarcity of water.

4.3 Examples of good political practice and associated stakeholders



And fishing!

Context: The fisheries sector has contributed to supplying food to coastal populations and further afield. Conservation techniques such as salting, canning and more recently freezing and ready meals have turned fish into a staple food, even a fallback. In Ireland, Cromwell's blockade obliged the population to turn to fish which contributed to the poor image of this foodstuff. Elsewhere, fish was an asset to regions which had little farming or industrial potential. Fish stocks were therefore over-exploited and their virtual disappearance hangs on the issue of managing the resource before it is exhausted.

An example of good practice: In 1967, when West Germany was facing the territorialisation of maritime space, it decided to dismantle its fishing fleets. The plan was to withdraw from fishing zones beyond the 200 mile limit in order to maintain a coastal fishing industry in a restricted area. In 1990, the Rostock Agreement extended this initiative to ex-East Germany. This severe decision meant that Germany no longer had to deal with territorial conflicts with its near neighbours. The decline in fishing in its territorial waters encouraged the conservation of a small fishing sector adapted to the surrounding environment.

The future: Can fishing be once more part of the local economy? In the present state of organisation of this sector, fishing and the local economy may well end up with their backs to each other apart from a few sales on the quayside and some exotic fish destined for restaurants. The growth of local fish farming operations could however, provide the impetus for a local fisheries sector on condition that production does not affect fishing stocks and that the processing plants are adapted to local needs *(Source: Le Marin)*.

Atlantic area regions that possess considerable food and energy production potential and have good inter-regional connectivity have invested their future in the development of this potential. Under the aegis of the Atlantic Arc Commission, this strategy aims to preserve this resource, to use it to develop new activities and to be at the heart of the European Union as a region of excellence in the subject. The local economy could be one of the keys to unlocking this potential as much for the food production sector as for the energy production sector, or even for activities closely linked to the sea such as the development of by-products like seaweed.

Source: CPMR Atlantic Arc Commission

Poor "good practice" in Haiti – an example of poor management of the local economy

During the dictatorship of François Duvalier, Haitian agriculture began a deforestation programme to grow export crops to enable the country to secure foreign currency. This programme considerably reduced domestic food production and when Jean Bertrand Aristide took power, a referendum was held in 1987 in response to the population's desire to have access to global produce. The result spelt death for the local economy and local supply chains.

The earthquake in 2010, together with the total collapse of the already weak economy, led the local authorities to see that there was no other option to feed the local population. Only foreign assistance could help feed the people.

Indeed, when people try to find out how to create local markets, they realise that they have to start from scratch. There are no producers any more, no more know-how, no more local markets, no more customs and no more land available or products. What is grown is totally unaffordable to the local population.

(Source: Department of Agriculture, French Embassy in Haiti).

The purpose of this example is to demonstrate that all forms of the economy must be maintained including local and longer supply chains between producer and consumer, and interaction between both to bring about a sustainable local economy.

4.4 Analysis

4.4.1 Why is the local economy going to grow?

EThe territory can be liked to a building site of human activity. Social linkages are formed here which are the result of relationships between the different stakeholders of a given territory. The activities encouraged by these relationships go to building and strengthening this link and vice versa. According to Bernard Pecqueur (Dublin, March 2011) *"the local economy is like a political objective which is not a constriction of geographical activity or a contraction of the markets (small markets). It is rather an issue of reconnecting people to their own economy. This disconnection can be put down to two aspects: the growing distances between where people live on one hand and the centres of production (and work) on the other. In 50 years, this has grown from 4km to more than 45km. Then, there is the fact that people ignore the provenance of the products they consume while the producers do not know the destination of their own products. The global economy tends to operate independently from society".*

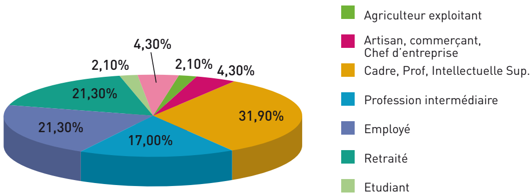
Territorial development: a new scientific paradigm

Territorial, or territorialised, development (endogenous, local, etc.) is based on social and economic innovation, "empowerment", systems of local production, different environments and partnerships. Philippe Aydalot (1987) said that local development is based on growth by market opportunities, internal propagation, the play between social inequalities and by endogenous local dynamism. This new scientific paradigm gives local areas, other perspectives than simply a form of development by either stimulus or programming. The local economy feeds off this form of endogenous energy. The examples above show that the projects are not instigated by the public authorities, but rather driven by local stakeholders. In effect, the ANATOLE Project is merely a sounding board for a social phenomenon currently underway, otherwise known as "territorialisation".

Territorialisation: a contributory phenomenon for the local economy

According to Pecqueur (quoted by Bruno Jean from the University of Quebec in Paris, 2011), the form "territory" is clearly a modality that is emerging from the organisation of stakeholders who exert a strong influence on the changes in globalisation. This observation fully corroborates the idea of the ANATOLE Project to conserve all forms of the economy in a territory (according to the economic model) that it could generate (see paragraph 42).

The local economy and socio-professional categories



Executives are the socio-professional category that represents the biggest market for local products (see further details in chapters 5, 6 and 8).

The Dublin workshop: the contribution of territories to the local economy according to experts

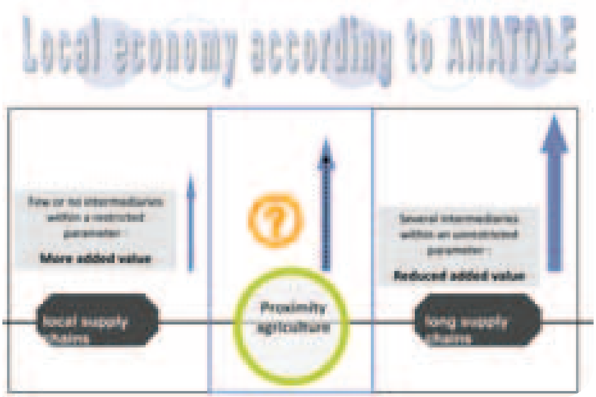
"The wide range of experiences addressed in the ANATOLE Project clearly shows that the local economy is more of a reality than simply a name. Looking back 10 years, it has moved on from its status of an alternative or marginal pilot project. This means that we will have to evaluate its place in the market together with its share, even if we think that it is increasing.

Its current growth is partially linked to the economic downturn, but the emergence of the local economy is also down to a significant ground-swell.

One could define the local economy by the local supply chains with few stages in between and by short distances between producer and consumer. However, we must now include other parameters like the development of local networks through the involvement of stakeholders supporting the existence of local industry, but also associations, planners, etc. The local economy brings these three types of contributors together with the mix of local and longer supply chains that they represent", (André Torre Dublin 2011).

4.4.2 Maintaining all types of economy in the same territory

The local economy according to ANATOLE



This diagram shows that the different methods of production and sales can be juxtaposed and even be complementary. In light of the terrible events in Haiti, or the opposite to that of Fukoshima Dashi which can no longer use its own food resources, it is clear that a territory must preserve all forms of the economy (long supply chains, local supply chains and intermediate chains initiated by operators which are all quite distinct one from the other).

It is likely that both long and local supply chain stakeholders will gravitate towards the local economy, some for reasons of added-value, and others for reasons of simplification.

Ideas proposed for the book to be published in relation to the PSDR LIPROCO project(links producer/consumer)

1. Business relationship between producer and consumer
2. Organisational complexity
3. Food governance and territories

The local economy must find its own logic. If local agriculture, according to the ANATOLE Project, is the economic model which can generate new endogenous activities in a given territory, it cannot be achieved without the political support of local decision-makers. Let us not forget that this political will of the local authorities comes from the demands of citizens. (see investigations and chapter 8). It is therefore possible to deliver this using what already exists. The local authorities can use private sector initiatives for long supply chains which are different organisational (performance-based) models.

For canteens and cafeterias, let us remind ourselves, the local economy depends primarily on the political will of local councillors to enable the establishments they are responsible for (see chapter 3) to be supplied locally and thereby generate the endogenous added-value. This political will is not costly since it depends on frameworks in force which address hygiene requirements, public health, organisation and economies of scale.

In addition, it could benefit from the examples of initiatives backed by large retailers which lay just as much claim to this response to society's demand for local products.

Another model linked to local supply chains and the global economy

- **Local supply chains which respond to social demand: local supply chains based on the relationship between producer and consumer.**

Even if certain studies reveal it to be principally a trade relationship, local supply chains encourage first and foremost a social tie. This relationship with a social tie does not consider the question of local economic issues. We therefore refer to international supply chains where there is still a close relationship between the producer and the consumer. Wine, is a good example and gives the system a greater quantitative representation than other products.

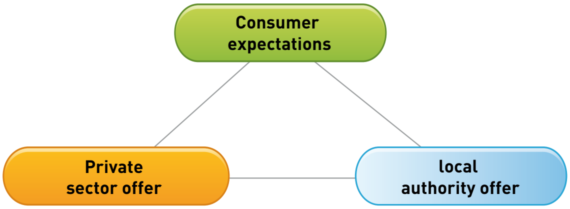
- **A global economy: circumventing politics**

Longer supply chains underpin the global economy and are based on trade between different countries. Increasingly, it is multinational or global groups which organise their markets on a planetary scale. Functioning with food products just as with industrial manufactured products (cars, electronic equipment, energy products which will soon include farming), these large groups use the world market for their trade. Conversely to trade between countries (cereals for petrol), the larger groups are attempting to overcome national strategies. The biggest risk they run is saturating a market, like the car market, where constructing ever cheaper cars does not increase demand. For food products, on the other hand, global demand is far from being saturated, but the large groups have no currency from trade with poorer regions where the potential consumers have no money. In the medium term then, longer supply chains will be subject to the political strategies of different nations.

- **A less liberal economy which returns power to politicians.**

In the same vein, the local economy based on political will in a given territory, implies a new form of governance. In this new territorial set-up, citizen demand is a defining factor. The growing phenomenon of territorialisation is a social form which once again features in an unstable and uncertain context. Its particularity is that it uses an essentially endogenous economy (see chapter 41). The dramatic economic growth in Asia is flagrant proof, if it were needed, of a new territorial model.

The ideal triptych or the Celtic triskelion



The local economy would take on less liberal forms if it was better structured. Political power is the simplest mechanism there is to provide this type of market regulation. Returning the role of politics recreates a local economy where the issues are above all focused on "territorialisation" and citizen demand. The two are linked and the global economy does not know how to deal with territorialisation (see Pecqueur). Paradoxically, it is the global economy which is the accelerator for citizen demand and the territorial approach is the consequence of this.

4.4.3 Analysis of examples: the actions instigated in ANATOLE

the role of local authorities as drivers:

- Local authorities have a capability of stimulating activities. In the ANATOLE Project, conventions or charters were immediately offered to local authorities as a way of generating activity to develop an activity as part of the project. Very quickly, the observation was made that a local authority had the power to drive forward approaches by enlisting service providers, by providing guidelines and by establishing itself as a monitoring, control and evaluation organisation.
  All the activities in the ANATOLE Project were undertaken using this operational framework.

- Local authorities have the capacity to enlist support thanks to their different services or external service providers. This brings reassurance to local economy operators.

- Confidence, generated from the simple fact that the local authority is involved, this breeds confidence among the service providers, small producers, health and hygiene services, fraud prevention and consumers alike.

The local authorities of local authorities and the others

In the ANATOLE Project there are two types of local authorities. There are those with the capacity to grow the local economy on their own account (towns, districts, Departmental and Regional Councils) and those which intervene on behalf of local authorities (deputacion (SP), autarchies (P), urban or district communities). The authorities do not have the right to engage in direct action on their own account however, they operate through the authorities in their administrative area for incentivising actions, supporting actions or simply making resources available to others.

Such organisations have shown capacity for innovation in the ANATOLE Project whether it be in Huelva with the provision of guidance to towns and the involvement of private businesses in the food production sector or in Nantes land management (chapter 2) or Westmeath CD with training.

"Negotiating" with large retailers

Large retailers (supermarkets) are stakeholders with the resources to help develop the local economy by soliciting producers and running promotional campaigns for local products. As we have seen with the example in Dordogne, large retailers can attract mainstream media such as TV coverage at peak viewing times. (the 1pm news on TF1 has the highest audience figures – see report 1'20 shown during the Dublin seminar).

Using the strategy of a large retailer

Large retailers fight to defend their images by attaching themselves to the different trends in society. They meet the desire of consumers to stock up with local produce. They are also able to involve intermediaries, even to pressure them to enter into local supply chains with traceability tools. Their method of organisation and their networks mean that they are capable of reaching representative levels of volumes from local producers. Large retailers are also able to attract the interest of local producers so long as the terms of reference are adapted to them (see chapter 3). Finally, local Councillors could promote the supplying of canteens through large retailers which would enlist producers and intermediaries in order to supply the local population with local products.

In the case of the Dordogne Chamber of Agriculture, there was an agreement between the producers and large retailers using a framework agreement published by the Chamber that the prices paid to producers had to be negotiated on a contractual basis and that the profit margin of the distributor had to be transparent and that there would be special concessions (back margins paid to large retailers). This negotiation requires the involvement of a public sector body (local authority) or a semi-privatised body (Chamber or other) or a private organisation such as Irish Exporters.

4.5 Conclusions

ANATOLE has started a process that must not be allowed to peter out...

Its results show that consumer demand is the keystone to successfully developing the local economy and a prop to three pillars:

- The involvement, support and control of local authorities,
- The capabilities (trained and experienced) involved and the regulatory and control mechanisms established on the basis of relationships both negotiated and drafted.
- A territory (territorialisation of the activity) which brings together consumers, capabilities (producers and food chains), the production area and local authorities representing the territory

The conditions required for success are based on concrete examples and the Good Practice Guide brings them to light. The exchanges between the partners show that mainstreaming is one of the most effective mechanisms to develop the local economy. With the support of local authorities, the results are achieved more quickly. However, it is necessary to:

1. Continue the activities,
2. Organise training and support implementation with training and accompaniment services to develop the local economy provided by the Chambers of Agriculture and the partners involved in the ANATOLE Project.

From now on, the ANATOLE Project must find the financial and organisational resources to pursue the exchanges as well as the activities undertaken. Maintaining and strengthening the process that has been set in motion is the guarantee to a good use of Structural Funds attributed to the ANATOLE Project through the Interreg IVB Atlantic Area Programme.

5.

Local producers supplying local shops

Laurent Magot

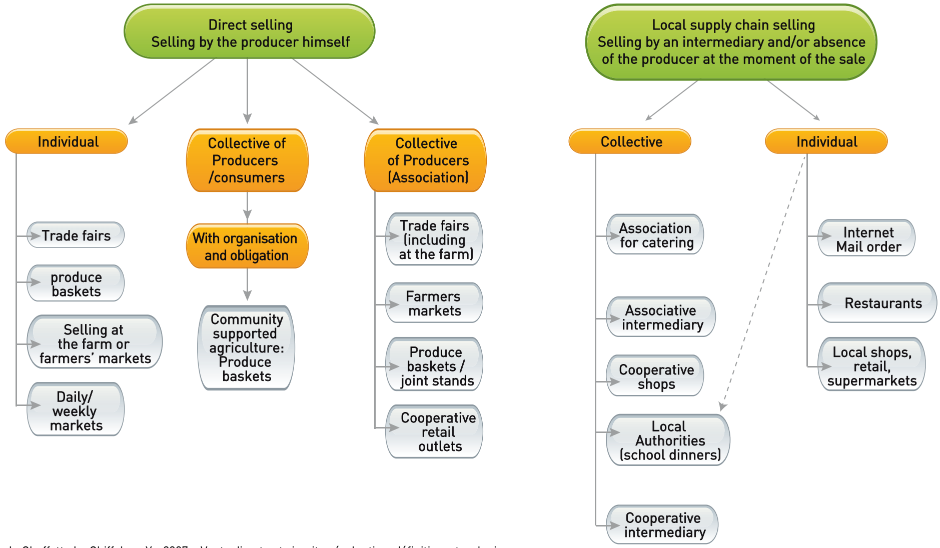
5.1 Introduction: background

Demand for local foods has never been greater and producers, processors and distributors alike are constantly seeking to satisfy their customers' requirements. This trend can be put down to several factors:

- → The fear of pandemics fuelled by events over the last 10 years have illustrated the world's inability to quickly and effectively contain outbreaks of various geographically specific diseases which threaten human health. Mad cow disease, avian flu, pig flu, etc. have brought about a natural consumer reaction to favour local produce based on the principle that it is a safer, more easily monitored option.
- → Growing environmental awareness with a genuine motivation on the part of the consumer to favour locally produced products coming from farms in their locality or region. This fundamental change in buying habits is not just limited to food products, but is found in more and more sectors of the market economy. The producers, like the distributors, therefore devise retail strategies based on the sustainable development of their regions. As a result, even certified organic food production must also adapt to not just be organic, but to be 'local' in response to increasing consumer demand for conventional locally produced goods rather than certified organic produce from abroad with a large carbon footprint.
- → The will to develop a civic-minded local economy during a period of global forces and an economic downturn. Consumers are fast becoming more informed and empowered and increasingly aware of the role they play in their choice of daily purchases. This explains why so many retail initiatives have been introduced by consumer associations or producers as well as by distributors and retailers and (increasingly so) the supermarket sector.

It is first and foremost this new and unrelenting consumer demand that has created the right conditions to develop the local economy around everyday food requirements. Farmers, just like processors can, indeed, must seize this opportunity to establish new relationships with their distributors and retailers to share the added value in a fairer and more transparent way. Getting there, is the main challenge and if territorial operators are to adopt a new model for production, processing and retail which is both local or regional and on a national or international (export) level, they must agree to change practices which are all too often compartmentalised or corporatist as well as the tools they currently use which are too focused on integrated market sectors.

5.2 The different methods in practice



In Chaffotte L., Chiffoleau Y. , 2007. «Vente directe et circuits : évaluation, définitions, typologie». Les Cahiers de l'Observatoire CROC, n°1, INRA Montpellier, www.equal-croc.eu.

This diagram shows all the existing forms of local supply chains between producer and consumer in France. The left-hand side focuses on "direct selling" methods, i.e., where the producer is involved and responsible right up to the transaction. We are going to concentrate on the right-hand side which includes only retail methods using an intermediary for the end sale of products in growers' cooperative shops, local shops or local supermarkets.

Several Departments in France have developed what are referred to as "cooperative retail outlets" or "cooperative shops". For example, in the Rhône Alpes region and the Dordogne Department there are more than 10 of these. Conversely, partnership initiatives with supermarket chains to increase the shelf space of local products from farms or local food companies are still quite rare. It is also important to emphasise that these major supermarket chains (Leclerc, Carrefour, Auchan, Système U, Intermarché) also develop their own local produce strategies in the absence of adequate organisation and anticipation on the part of the farming sector. The example of the umbrella brand "Saveurs du Périgord" (Flavours of Périgord) is a good one. Created 3 years ago, it has the distinction of positioning itself right at the heart of a strategy to develop a sustainable and fair local economy which can be seen in its mode of governance as much as in its political objectives and retail practices.

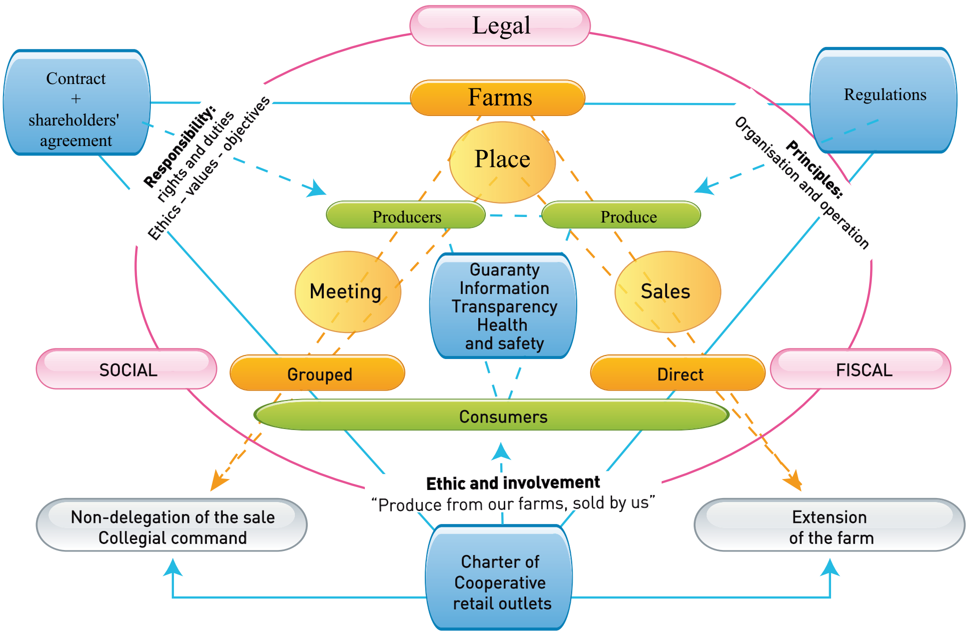
5.3 Cooperative retail outlets

5.3.1 Definition:

Cooperative retail outlets (CRO) are locations where producers come to sell their produce directly to the consumer. They have several characteristics:

→ Location: the cooperative retail outlet can be situated in rural, urban or urban-fringe locations for customers living close by, or in 'tourist areas' for passing trade.

→ Products sold derive from local production on farms where the product is grown and sold by the farmer
→ Organisation: The cooperative retail outlet gathers together a core group of 6-8 producers, but this can be as high as 14 or 15 in some cases.
→ The producers themselves take responsibility for the sale of their products, receiving and providing a service to customers. It should be noted that several cooperative retail outlets use a system where the producer simply supplies the retail outlet.



5.3.2 A step by step process

The initiative undertaken in the Dordogne and in other regions has helped define 10 stages necessary to succeed in creating a collective retail outlet (CRO)

1- Constituting the group

The first objective is to understand everyone's aims and ambitions to give the right shape and form to the venture

All partners must take the time to define their aims and objectives:

→ What is the scale of the anticipated markets in terms of volumes and turnover?

→ Where does each partner stand in relation to the collective retail outlet in comparison to their other markets (principal and secondary)?
→ What kind of growth is expected in the short, medium and long term?
→ What are the capacities for the venture to adapt in the short, medium and long term

(volume of products to be supplied, time required to manage the venture, potential to supply several market outlets simultaneously)?
→ How much of one's own time must be invested?
→ What are the potential financial investments?

The more everyone's aims and objectives coincide, the more the collective retail outlet will be capable of meeting everyone's needs creating a greater harmony within the group.

2- Defining the venture

→ Agreement on the type of CRO and on the chosen market positioning
→ Define the product range and organise supply
→ Find producers to complete the product range

3- Choice of location

→ Make an inventory of potential locations (according to the type of CRO chosen and distance from the farms)

→ Analyse the market potential of different sectors in the area:

- Determine the catchment area
- Assess direct or indirect competition in farm produce and non-farmed food products respectively
- Identify the expectations and the demands of potential customers
- Calculate the potential turnover (market share)

→ Locate a building for rent or a piece of land to build a shop

4- Financial planning

→ Assess investments
→ Establish a cash flow
→ Assess overheads
→ Assess financial charges
→ Calculate the break-even point

5- Internal organisation

→ Draw up rules of procedure
→ Choose a legal status
→ Hygiene regulations to comply with
→ Management and accountancy

6- Operation and planning the shop

→ Car parking
→ Opening hours
→ Merchandising: product facings, selection, store layout and customer flow, customer behaviour, etc.
→ Decor: objects, photos, product information, recipes, etc.
→ Fittings, shop window, lighting

7- Sales techniques

You have to know how to sell all the products, the most difficult part being how to sell other people's products!

→ Promoting the product: learn how to speak about the product, its principle characteristics and be able to answer questions from customers
→ Retail behaviour: the notion of welcoming customers, information and service, etc.
→ Increasing sales: by associating other products, by free tasting, etc.

8- Communication: identifying the customer

→ The group should think about its identity, what it is about, the values it shares and the objectives it wants to attain
→ Following this thought process, a name must be found for the CRO
→ Think about a logo
→ Identify messages to communicate to

customers based on the group's identity. Make sure that the messages match the expectations or the customer profile
→ A communication plan: resources required, tools and communication supports, etc.

9- Establishing a communication plan

→ Draw up a communication plan in three stages: reputation, seduction and loyalty
→ Design a promotional brochure
→ Organise a media publicity campaign
→ Organise shop-based activities
→ Find ways of generating customer loyalty

10- Prepare for opening

→ Mail shots
→ Invitations
→ Communication plan with press packs
→ Reception (drinks)

In conclusion, it is important to point out that this type of retail cooperative can be set up in a rural area, on the urban fringe or in the middle of an urban area. All that must be done is to analyse the catchment area and competition from the 'traditional' retail sector before going ahead with the venture. Finally, it is better to spend 6 months planning together to validate each of these stages rather than go too quickly and realise too late in the day that the shop was badly designed, operates on a system that was not fully thought out and was poorly defined by the group.

5.4 Supplying local shops

Supermarket chains were developed in the 1970's and today represent nearly 80% of food purchases made by French households. Only specialist shops as well as bakers and butchers still manage to hold their own in the face of this stiff competition. It is incredibly well organised and tracks consumer demand with very advanced marketing policies. In parallel, supermarkets have established a really tough buying policy, particularly through centralised purchasing units and price referencing policies which impact on suppliers and especially farmers at the end of the supply chain.

As we have seen in the introduction, even if this observation is still valid, the context has changed and all the conditions are there to make the most of current supermarket requirements in terms of local produce. Their customers are asking for local produce and given that they are currently losing market share to other forms of distribution (discount stores, e-commerce, specialised retailers, etc.), they cannot afford to ignore local producers unless they want to eat into their traditional profit margins in favour of a communication drive they promote under the guise of sustainable development.

To make the most of this opportunity, certain regions have equipped themselves with tools and organisational methods capable of offering an all-inclusive service guaranteeing the local origin and quality of products. These initiatives are still quite rare, but nearly all have delivered concrete results where they build a fairer financial return on added value into their objectives benefiting farms and food companies in the region.

The following example concerns the Dordogne and focuses on an initiative which has run over the last 3 years as part of the umbrella brand "Saveurs du Périgord" (Flavours of Périgord). The website www.saveursduperigord.fr gives more information and detail about all the different activities delivered.

5.4.1 "Saveurs du Périgord" focuses on several objectives:

› promote local products,
› unite local suppliers,
› encourage communication between suppliers and consumers,
› establish a relationship based on confidence with consumers,
› enhance the image of the Department.

The creation of this brand has led to numerous opportunities. Its aim is to benefit the local market and to cater for customers looking for food that delivers pleasure and taste while asserting sustainability criteria based on "products from our neck of the woods".

5.4.2 Positioning

Saveurs du Périgord positions itself as a local food produce brand which promotes products from the Dordogne Department. It asserts its difference using the 'local products' angle. The logo portrays proximity and the pleasures associated with taste while accentuating the notion of quality and flavour of products.

› **Attractive:** The tone is original and it attracts attention. Having opted for a strategy setting it apart from the rest, you might as well go the whole way. Why not subscribe to value and the key priority of taste? And if there is nothing to add, then "taste, full stop!" says it all. The fact that the logo identifying Saveurs du Périgord is associated with an image strengthens the dimension of proximity. There is therefore no need to reinforce this priority in the image.
› **Distinctive:** Generally, the symbols used are subtle and play on the same message, that of convenience and humour. Saveurs du Périgord asserts its difference by flavour.
› **Sustainable:** The logo is simple and realistic. It is easy to understand and dynamic and will adapt perfectly with the passage of time. It does not use a vocabulary which is associated with any particular current fashion.
› **Credible:** The logo is authentic and does not play on the imaginative world. The credibility of the brand is therefore ensured by its ambassadors, or the products which have lots of flavour.

The Saveurs du Périgord logo is above all about quality because its consumers are very attached to the taste of products from Périgord and remain conscious of brands. This brand generates great confidence in the products derived from local farming that guarantee flavour and give people pleasure right from the moment they purchase them. The main difficulty was in drafting terms of reference that comply with the existing official "Périgord" quality marks (IGP, AOC), without forgetting all the other industrial sectors not directly involved so that they too could benefit from this approach.

5.4.3 Product referencing

Terms of reference

Food products sold under the Saveurs du Périgord brand must comply with specific terms of reference. Each supplier is assessed by a steering committee when they apply to join the brand and the committee decides whether they meet the required standards. For this to happen, the supplier must pass an assessment focusing on hygiene, quality and traceability. Traceability checks are made on the products throughout the year in each retail outlet.

It should be emphasised that if the product is processed or fresh (e.g. eggs, or milk), the checks are sub-contracted to a third party. The supplier can be either a farmer/producer or an independent trader operating on either an industrial or cooperative basis. Regardless of this, the products must of course come from farming businesses in the Department. In the case of meat products, the animal must have been born, raised, slaughtered and processed in France within the Dordogne Department.

Regulations governing use

Use of the brand is reserved for suppliers and distributers (supermarkets, fair trade stores, etc.) who make a request and have undergone an assessment to ensure that their products comply with criteria contained in the terms of reference controlling the promotion of the brand on behalf of its members.

Only those suppliers having obtained a reference for their products by the Chamber of Agriculture can use the Saveurs du Périgord brand in accordance with the conditions specified in the regulations governing its use

5.4.4 What are the advantages of this umbrella brand?

Advantages for distributers

- a local brand embodying quality
- the enhancement of local products
- a wide and rich product range enabling large-scale promotional initiatives to be undertaken such shop aisle displays or trays of samples
- a modern and dynamic point-of-sale display such as shelf wobblers, shelf edge strips, advertising kakemonos, banners and stickers, etc.
- provision of video clips (strawberries, nuts, wine, foie gras, veal, lamb, chicken, sweet chestnuts) included as part of the service
- close relations with the press on an upbeat theme which distinguishes the distributors involved
- promotional activities delivered by producers in the shopping aisles
- contacts with reliable and responsive suppliers and any eventual management of conflicts managed by the brand-holder.

Advantages for suppliers

- guidance through commercial procedures and terms of reference recognised by the major supermarket chains thus eliminating additional assessments to include shops in the initiative
- a market displaying strong growth and a substantial record book of distributor contacts covering numerous retail chains (Leclerc, Auchan, Carrefour, etc.)
- promoting the profession and know-how through various communication tools
- collective product promotion for mass effect
- introducing a collective process in retailing and trade
- assigning the official brand logo to their Saveurs du Périgord products
- benefiting from the reputation and image of products from the Périgord

→ ensuring a fair remuneration from the marketing of their products.

This last point is of course essential and evidence gleaned from the last 3 years enables us to confirm that pressure on pricing is much less. The suppliers' rates are rarely called into question and the tripartite relationship of supplier – brand holder – distributor enables any eventual problems to be easily resolved.

5.4.5 How to get involved?

For distributors

To be part of the Saveurs du Périgord brand, distributors must meet 5 conditions:

→ transparency with the brand holders on prices and volumes sold over the year as well as for periodic retail initiatives;
→ assign the brand only to Saveurs du Périgord referenced products as is;
→ develop a willingness for fair remuneration for suppliers and be able to prove this;
→ communicate on know-how and the professions of local suppliers by using all communications tools provided by the brand holder.
→ pay an annual membership fee ranging from several thousand Euros for large supermarkets to a few hundred Euros for independent butchers and bakers

For suppliers

To become a distributor of "Saveurs du Périgord" products, 5 conditions must be met:

→ to be based in the Dordogne under an official quality standard if applicable to the industry concerned, either raised, slaughtered and processed in the Dordogne for meat products, or produced and processed in the Dordogne for crop-based products;
→ to undertake a quality, hygiene, traceability and food safety assessment imposed by the brand holder;
→ to comply with the terms of reference and regulations for use of the brand;
→ to pay annual membership fees based on an admission fee to be paid in full plus a percentage of the annual turnover for Saveurs du Périgord products for the year n in order to cover the year n+1 ;
→ only affix the Saveurs du Périgord brand to products in the range which have been selected

5.5 A few figures by way of a conclusion

Today, the brand represents more than 50 suppliers, mostly independent businesses as well as food companies, but also some farmer/producers who can generate large volumes. A dozen supermarkets have signed up to the Saveurs du Périgord process and some fifteen bakers use local flour. There are also some fifteen independent butchers in the process of joining the brand in the run-up to summer 2011.
No recruitment process has been used for suppliers. They must register their interest through distributors or by contacting the Chamber of Agriculture. The procedure is showing strong growth and at the time of writing, only 2 suppliers have left Saveurs du Périgord. The procedure must also dovetail with another initiative in the Périgord. This is the creation of S.C.I.C.(partnership cooperatives) to supply the catering sector. The suppliers are often the same and the operating methods for both initiatives are similar. This is also one of the most important factors of success because the different operations must not be too segmented to rationalise their resources in relation to the offer and the demand.

6.

regulation: advantages and **disadvantages** for local producers

Rosa Leis

6.1 Context

Globalisation, amongst other things, has meant an inexorable growth of world trade. But, it is obvious that, more than anything else, this growth must be sustainable. It appears to no longer suffice to stop environmental damage; now this process must also be prevented. Environmental quality requires compatibility between economic development and environmental protection. This sustainable development requires the application of new technologies, the rational use of raw materials and energy, as well as the optimisation of logistic and distribution processes, etc.

In just a few decades, the eating habits of consumers in developed countries have changed considerably. At the same time, the raw material production means and methods have also evolved. Process sophistication, as well as the extension of product distribution logistics, has naturally led to qualitative errors; errors that are quite uncommon in relation to the consumer mass, but sufficient enough to cause great security concern in all the agri-food sectors

Globalisation, in parallel, has multiplied both the number of products and competitors, reducing even further the potential added value of European producers. Despite this, the international exchanges of a structurally importing Europe in all agri-food sectors, seem essential and are constantly developing. To respond to this two-fold problem, the political and professional actors have initially favoured the "labelling" of products as there is a need to identify a great majority of agricultural and fishery products which have no brand and to protect them from globalisation. Right from the start it seems essential to complete the framework by comprehensively tracing the products.

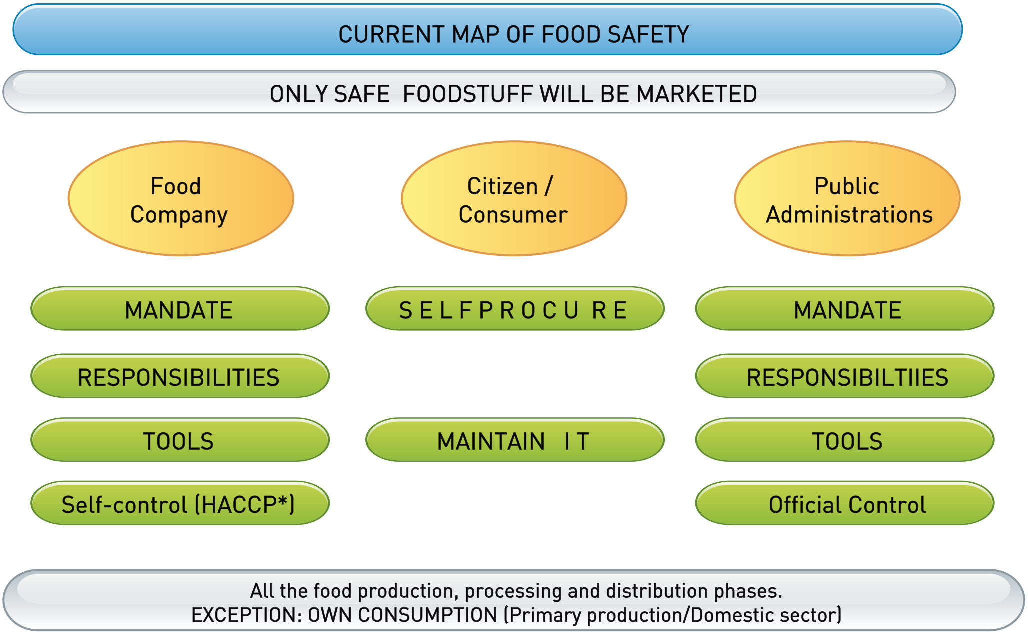
6.2 Traceability as a means of enhancing production quality

Traceability can be defined as: "the ability to follow the route of a food product through the necessary production, processing and distribution phases".

Traceability of food products and food safety has become a source of constant concern today for everyone in the food chain. Whether they are producers, processors or distributors, they must identify and solve the critical issues, respect the regulation and perform self-controls. Public services must establish and enforce food hygiene related regulations; consumers must be informed of the nature of the products and know how to handle and preserve the products they purchase through well-defined labelling.

Following European (EC) regulation nr. 178/2003, traceability has become a legal requirement. This regulation affects the entire agri-food sector and, since the 1st of January 2005, it has established a general traceability obligation. Farms must be able to identify who their suppliers and customers are, and implement systems that enable them to place this information at the disposal of the competent authorities.

Traceability is a tool that provides a guarantee for the ingredients or components of a product. It also constitutes a real sale and marketing argument for the consumer. It is, then, a way of enhancing technical production know-how (ecological, traditional, etc.) or a certain geographical identification.



* HACCP - Hazard Analysis Critical Control Point

6.3 Regulation analysis: advantages and disadvantages for local producers

6.3.1 Local peculiarity and global credibility in the preparation of standards

There are many factors which affect the work of producers such as; type of climate, soil, the socio-economic situation and service and support infrastructure levels. On the opposite side of the fence are the consumers, who cannot be considered as a homogeneous group either, as their perceptions and priorities vary with respect to responsible production and trade concepts in the environmental and social dimension.

It is not surprising, therefore, that taking local peculiarities into consideration in the international standard preparation and verification systems at global level, is still a permanent challenge. The standards must not be too detailed, so that sufficient flexibility can be maintained for specific interpretations for each local context. However, if the standards are too general and vague, it is difficult to explain them to consumers. Likewise, the inspection and certification procedures may need to be adapted to the local situation, but too much flexibility also promotes the demand for strong credibility.

Standards prepared in one country or in one geographic area may discriminate producers from another country or area, if the different local conditions are not taken into account.

The involvement of a large number of agents in the preparation of the standards is important to make sure that no category of producers or processors is intentionally discriminated.

In general, the more legislative the standard, the more likely it is that it will discriminate certain producers. Conversely, standards formulated in terms of efficiency to satisfy the objectives will leave the producers to manage the "how". This point could be illustrated with an example:

if a standard pursues "the absence of water pollution", the standard can indicate the pesticides that cannot be used, etc., leaving the producers to decide what the alternative to not using these pesticides means for them, which would be advantageous for the production and local businesses.

Another way of integrating flexibility into the standards is to prepare generic standards at an international level, based on which the national, sectorial or individual standards can be developed for the certification body. In this system, accreditation is a means of controlling if the individual standards agree with the general standards.

The disadvantage of this system is the existence of different legislations to deal with the same problem. Certification bodies do not automatically accept the work carried out by other accredited bodies, among other reasons, because many of these bodies are subject to additional requirements, which may be due to the national or regional legislation, or to the consumers' preferences in the market where these bodies operate.

Another different way of guaranteeing adequate flexibility is to differentiate between basic standards and progress standards. Basic standards would be the same wherever they are applied and they would constitute the basis for the credibility of the "label" with respect to the consumer. The progress criteria could be applied during the period that takes into account the specific local circumstances and priorities. An example of this approach is fair trade. A potential disadvantage of this approach may be that it is difficult to punish producers who do comply with the basic regulation but who are not committed to putting into practice the progress criteria.

6.3.2 Potential and disadvantages of the certification systems

Agriculture is not the only sector affected by an increasing number of certifying systems and standards. Economic activities are becoming more and more "codified" and adhesion to the codes is becoming more and more controlled by third-party certification. This leads to an increasing number of auditing and certifying entities, which form a very profitable sector today. However, some differences in the verification systems may be necessary in order to fit in with the local circumstances. For example, for small producers with farms which are too small to justify the costs of certification, internal control systems have been developed by ecological and/or fair trade certifying systems. In this case, a group of small producers launches an internal control system to guarantee compliance with the regulation by all its members. The certifying system then controls if the internal system works correctly and re-inspects a certain percentage of farms.

Some standards require laboratory analyses to analyse the soil, assess the water quality or analyse pesticide waste. If this data is requested, it is normally also necessary for the laboratory that performs them to also be accredited, just like the certification body. Occasionally, these laboratories are too far away, they are too expensive or for other reasons inaccessible for operators that need this certification. As a result, in some cases it may be impossible to satisfy these certification conditions, particularly for small producers, so the regulation and certification preparation bodies must consider alternatives so as not to discriminate them.

In general, the social and environmental standards and the voluntary certification programmes offer the potential for better access to the markets. This can occur under the formula of "favourite supplier" for the purchasers, a better image in the market in general, or access to a specific market niche with price premium. However, this potential is not a static fact, as the market conditions can change quickly, and a certification that is recognised today may not be so important tomorrow.

In the majority of the cases, the first to be affected by the certification costs is the producer or the certified facility. If the costs have a considerable impact on the total production costs, this will very likely result in an increase in starting price of the product at the actual farm, if the market conditions permit this. This may be a case of ecological produce certification.

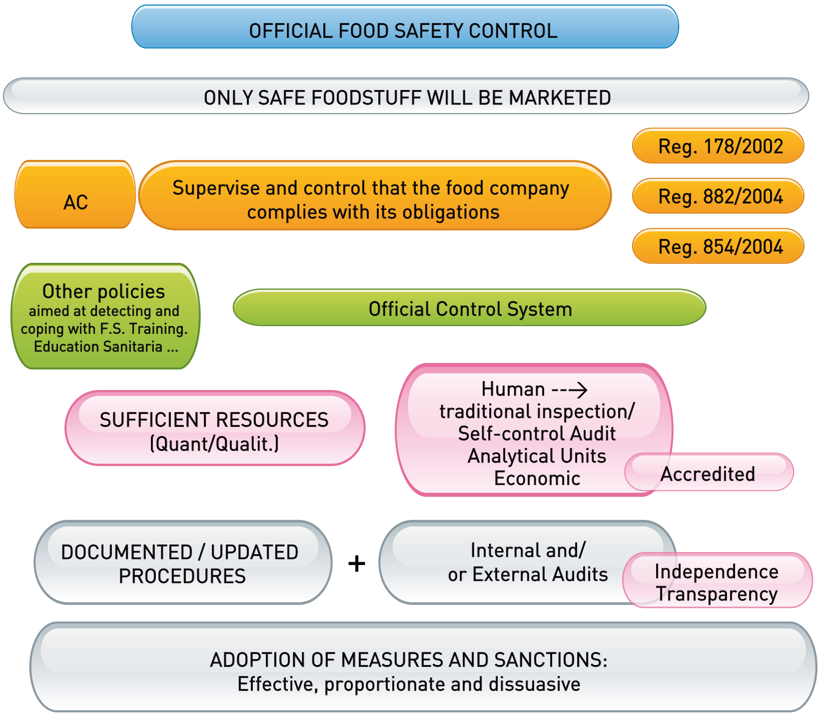
If the certification costs only affect the producers, it is possible that only those farmers with greater affordability will be willing to apply the regulation. This, once again, will reduce the impact of the regulation on the environment or on the working conditions. Within the framework of local economy, if there are no exceptions made, all the small producers may be excluded from the market.

6.3.3 European regulation

The European Directives are taken up in Royal Decrees in the Member States, which contemplate having to make exceptions depending on the countries or regions affected by the regulation. In the case of Spain, the State Royal Decree is taken up in regional regulations which prepare their own specific plan and also their own competences of the Local Administration, such as those corresponding to food hygiene and health in the municipal area.

(EC) Regulation nr 852/2004 on the hygiene of foodstuffs, contemplates primary production and establishes that this regulation will not be applied to:

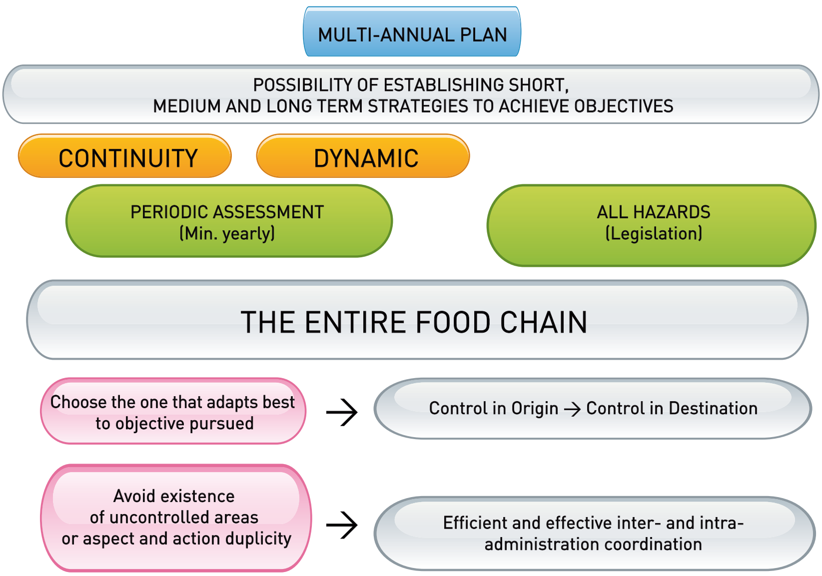
→ Primary production for private domestic use.
→ The domestic preparation, handling or storage of food for private domestic consumption.



→ Direct supply of small quantities of primary products by the food business producer producing them, to the final consumer or to a local retail establishment.

This regulation determines that the Member States will establish, in agreement with the national law, standards that regulate direct supply activities. These standards must guarantee the realisation of the objectives of this Regulation and will foster the preparation of national GGHP (Guides to Good Hygiene Practices). The European Commission will prepare guides at a European level.
(EC) Regulation 852/2004, in point 16 of its preamble, establishes that flexibility is appropriate to enable the continued use of traditional methods at any of the stages of production, processing or distribution of food and in relation to the structural requirements for establishments, so long as these do not compromise food hygiene objectives.
An example of this could be that the regulation applied to the food industry may be different to the regulation applied for **"home-made"** produce, in small production and local sale.

The "Foodstuff with traditional characteristics" (EC) Regulation 852/2004 indicates that to be acknowledged as such they must be acknowledged in the Member State that produces them as:
→ Historically acknowledged as traditional products
→ Produced in agreement with codified or registered basic references to the traditional process or following traditional production methods.
→ Protected as traditional food products by a community, national, regional or local standard.
In Spain, there are ongoing debates at a regional level, where proposals are made for the food quality law, such as:
→ Agricultural farm producers who carry out processing, and/or direct sale of own agri-food produce may access the health registration exemption and market their produce with the relevant health authorisation that guarantees



compliance with the major hygiene principles and also respect for the typical microbiological criteria of the product manufactured.

- → Local Administration Competences: Permit the sale of products in local markets without health registration, but based on the application of Guides for Good Practices which guarantee compliance with the regulation in force.
- → The participative certification is proposed to control the production system, which involves a relationship of trust and grants the same level of responsibility to everyone to assess their produce and production method.

6.4 Local economy initiative in Santiago de Compostela

Experience of "Ganaderia A Portela"

Description

Dairy farmers created the company "Ganaderia A Portela" to sell part of their production directly, by installing dispensing machines in local towns.

Result

The first machine was installed in Santiago de Compostela in Plaza de Abastos, the city's main market.

Compliance with the regulation

Advantages

- → Quality assurance in compliance with the food safety regulation: Direct breeder-consumer traceability and added value for the product
- → Quality assurance in the machine operation: cleaning and disinfection (by entrainment and steam at 140º) and internal active carbon filters

Difficulties found

- → The legislation only adapts to the needs of industry and does not favour small producers: The regulation in force in Spain does not include exceptions for the distribution of raw milk; the milk must be pasteurised, so in short circuits this can take away added value from the product
- → Lack of training for the Food hygiene and safety developers
- → Difficulties for the authorisation of public ground in municipalities to install the dispensing machine and to adapt to town planning requirements

6.5 Impact on governance: role of public policies in the regulation

Public policies may play different roles in relation to the certification programmes. Firstly, the national legislation has an impact on any policy-making programme, as it establishes the legal framework where it is developed. More specifically, public policies can legally protect the use of certain terms on the product labels.

Public bodies themselves can also take on the role of standard-making bodies or accreditation bodies, or both, and also the role of certifying bodies. They can also encourage the adoption of certain standards through the dissemination of information, agreeing upon tax advantages or grants.

- → Provision of the legal framework: the standards require entities and producers to apply the national legislation, and in particular the environmental or social legislation. In some cases, they can prepare voluntary certification programmes so long as these are not contradictory to the national and European legislations.
- → Protection of terms: in the case of ecological farming, many governments have decided to legally protect the terms "ecological" and "organic" and they have restricted their use to products that satisfy the ecological production regulation.
- → Preparation of standards or accreditation. This however, is not compulsory, as they can also recognise the standards adopted by others. At times, this role is delegated upon a three-party body, where professionals, consumers and the government are represented.
- → If the public policies observe in their jurisdiction that a regulation or a verification system is discriminatory for a certain sector of producers or processors, they can intervene to correct this. This could be the part of the regulation which will affect small producers in

short distribution circuits.

- → Provision of infrastructures: Accessible laboratory services for producers at an affordable price. Facilitate the paperwork and offer tax incentives, etc.
- → Institutional reinforcement: Public information campaigns for producers and consumers, which, in the specific case of local economy, could also be used as an awareness-raising campaign with respect to local product consumption. They can also take action by drafting decrees, directives, specifications, etc, which bear in mind certain social, environmental and local economy parameters when supporting and boosting initiatives in their territories.

Example of Santiago City Council:
Regional Department of the Environment 07/04/2011:

Open the deadline to request stalls for the "Lusco e Fusco" afternoon market. Among the requirements:

- → the products sold will be ecological
- → local and seasonal, such as market garden products produced on small regional farms that respect the earth's production cycles.
- → fair trade or crafts.

7.

The **role** of intermediaries and communication actions

Monica Duff

7.1 The Irish Exporters Association

7.1.1 Role of the Irish Exporters Association

The Irish Exporters Association (IEA) is the voice of the export industry in Ireland, representing the whole spectrum of companies within the export industry. This includes:

- SMEs taking their first steps in international trade
- Multinationals exporting their products and services worldwide
- Export service providers, who promote their products or services to the wider exporting community.

Members of the IEA receive support with their day to day operations in areas such as export advice and assistance, visa and legalization services and members are also represented by lobbying Government. IEA also supports its members through special interest groups such as Food and Drink Export Ireland and Life Sciences Ireland as well as hosting a range of annual networking events.

7.1.2 Mediators / Facilitators and the IEA

The Government is a key facilitator in creating the appropriate environment to grow and sustain Irish exports. The IEA is an active lobby group representing and promoting its members needs and concerns at the highest level and thereby aims to contribute to relevant policies and legislation. Additional mediators which the IEA work closely with and view as important to aid sustainable exports are:

• **The Media**

In terms of the IEAs lobbying role, the media is an important facilitator to voice its concerns and the latest statistics on exports and also to represent members' interests.

• **County Enterprise Boards**

County Enterprise Boards (CEBs) are an important mediator and are very impotant in terms of the Anatole project due to their local focus and expertise. CEBs were established in Ireland in 1993 to provide support for small businesses ('micro-enterprises') with ten employees or less, at local level. They provide direct grant-support to new and existing enterprises and also promote entrepreneurship, capacity building and women-in-business at local level. The CEBs are uniquely positioned to understand local needs and know the background and track record of those applying for support and assistance. CEBs offer a range of supports to both new and established businesses such as advice, mentoring, grants, and supports for training and growth.

• **Public Sector Bodies**

Public Sector Bodies are an important mediator/facilitator for producers. The IEA works closely with a range of public sector bodies. For example:

- o Enterprise Ireland which is responsible for supporting Irish businesses in the manufacturing and internationally traded service sectors.
- o Bord Bia, the Irish Food Board whose objective is to develop markets for Irish suppliers and bring the taste of Irish food to more tables world-wide.
- o Fás, Ireland's National Training and Employment Authority, which aims to enhance the skills and competencies of individuals and enterprises to further develop Ireland as a competitive, inclusive, knowledge-based economy.

While the IEAs role largely focuses on exports, the Anatole project highlights the importance of the local economy and the domestic market which the IEA supports. "Think global, act local" is a slogan which describes both perspectives. In light of this, community based and Non

Government Organisations at the local level can be very good mediators / facilitators in promoting the importance of the local economy, sourcing local products and working with local suppliers.

7.2 Introduction about the topic

7.2.1 Defining Mediator / Facilitator

The term «mediator»' or «facilitator» is used rather than «intermediary» which implies a commercial focus. A mediator or facilitator is an actor who facilitates the link between producers and consumers. This is a firm or person (such as a broker or consultant) who acts as a mediator between parties to a business deal, investment decision or during negotiation. Mediators/ facilitators usually specialize in specific areas.

7.2.2 Role of Mediator / Facilitator

Mediation is a brokerage function, which brings together seekers and providers of goods, information and money. The need for mediation occurs due to the imperfect nature of markets and everyday situations where the complete knowledge about providers and seekers (and about what they seek) is not available to everyone. The bridging organisation or broker's role is to connect organizations to one another as in bilateral or multilateral relationships (Dalziel, 2010)[1]. Many of the loosely described definitions of a mediator infer a relationship between two or more parties. Regionally embedded mediators usually take the form of economic development agencies, chamber of commerce, industry and trade associations, technology and business parks, research institutes, networks and business incubators. In the context of the Anatole project in Dublin, IEA and the CEBs are the mediator / facilitator between the producer and consumer.

7.3 Analysis

This section examines the reasons for using mediators / facilitators and what they can do, the challenges of distribution, marketing channels, strengths and weaknesses of using middlemen and setting expectations upfront.

7.3.1 Why use mediators / facilitators?

The product's path to the market frequently involves interaction with external agencies or mediators / facilitators that bridge the gap between the point of production and the point of sale.

Deciding whether to use a mediator / facilitator in the distribution channel depends on many factors, but essentially it involves determining whether the needs of the consumer can successfully be met by the available resources and skills of the producer. The three basic functions performed by a mediator / facilitator in the distribution channel are:

- **Transaccional:** this function involves adding value to the distribution channel by bringing in the mediator/ facilitator's resources to establish market linkages and customer contracts. The mediator / facilitator helps to establish buyer-seller relationships by serving as a link between the producer and the consumer.

- **Logistical:** This function involves planning the physical distribution of goods. It involves sorting and storing supplies at locations within the reach of the end customer.

- **Facilitating:** Although often confused with logistics, the facilitating function supplements the entire marketing flow of the product and is separate from logistics. The facilitating function includes financially supporting the marketing chain by investing in storage capabilities.

[1]Dalziel, M. (2010) Why do innovation intermediaries exist? Paper presented at the Opening up Innovation: Strategy, Organisation and Technology. Imperial College London Business School. June 16th – 18th 2010

Working with a mediator / facilitator is essentially a management issue. It is necessary to create constructive and positive relationships with mediators / facilitators through leadership and strategy. In addition, proper products, pricing and promotion can allow the producer to remain in control of supply and demand. Customer contact and ownership can be built through various marketing strategies, including promotions and market research that help to identify the consumer.

7.3.2 What a mediator/facilitator can do?

Mediators / facilitators can perform their role in two key ways - either directly working with one or more firms to develop innovation and products or, indirectly, by developing the economic environment and capacity of regions and nations. The latter role is largely adopted by the IEA and CEBs. Within a specific region or sectoral sphere mediators / facilitators have the ability to connect networks of business, government and education by influencing the flow of resources or by influencing the perspectives in which individuals make judgments or decisions in the absence of data or information (Podolny, 2001)[2].

Vonortas (2002)[3] discussed the idea that the positive externality effect of mediators/ facilitators is more general business functions such as developing business relationships, networking, developing trust, finance, effective management and the training of employees.

Literature has emphasized the importance of the function of a local mediator / facilitator to cater for the establishment of contacts for local firms, arranging and sustaining networks and increasing the entrepreneurial attractiveness of a region to secure leader firms (Bramwell, 2008[4]; Smedlund 2006)[5]. In this context, mediators / facilitators are a critical resource to the Anatole project to assist local authorities and local politicians to develop sustainable local economies.

7.3.3 The challenge of distribution in the Irish retail and foodservice market

Distribution covers both the physical movement of goods and the establishment of mediator / facilitator relationships to guide and support such product movement. Successful distribution is intrinsically linked to a company's sales level. This is why channel management, especially the management of distribution channels, is crucial to marketing. Distribution is a huge challenge for small food and drink producers in developing a business. It must be recognized as a key part of an integrated and well managed supply chain encompassing all stages of the process from production to the end consumer.

The Irish retail and foodservice market has changed significantly over the last ten years with the arrival of international players and a consolidation of Irish operators (Bord Bia 2008)[6]. The retail environment ranges from local, independent, specialist delicatessen, to symbol group retailers right through to large scale multiple retailers.

[2] Podolny, J.M. (2001) Networks as the pipes and prism of the markets. American Journal of Sociology, 107, pp33-60.
[3] Vonortas, N. (2002) Building competitive firms; technology policy initiatives in Latin America, Technology in Society, Vol. 24 No 4. pp433-59
[4] Bramwell, Bramwell, A., Wolfe, A, D. (2008) Universities and regional economic development: the entrepreneurial University of Waterloo. Research Policy, 37,pp 1175-1187.
[5] Smedlund, A (2006) The Role of Intermediaries in a Regional Knowledge System. Journal of Intellectual, Vol. 7 No 2, pp 201-220.
[6] Bord Bia , Irish Food Board (2008), Guide to Distribution for Food and Drink Producers in Ireland

The foodservice market has also changed and is dominated by Irish operators who have streamlined their businesses in recent years. The foodservice sector comprises local distributors and a few national distributors capable of handling large volumes.

These changes have had a huge impact in the way small food producers deliver their products to market. There has been a growth in central distribution centers, category management, electronic ordering and a range of other tools and supports.

Distribution is a fundamental part of the supply chain, from production right through to the consumer. It encompasses all the elements within that process which include:

- Inward raw materials
- The production process itself
- Outward logistics
- Distribution of the product through the various channels
- Getting the product on to the shelf

Each link in the chain requires the other links to function correctly.

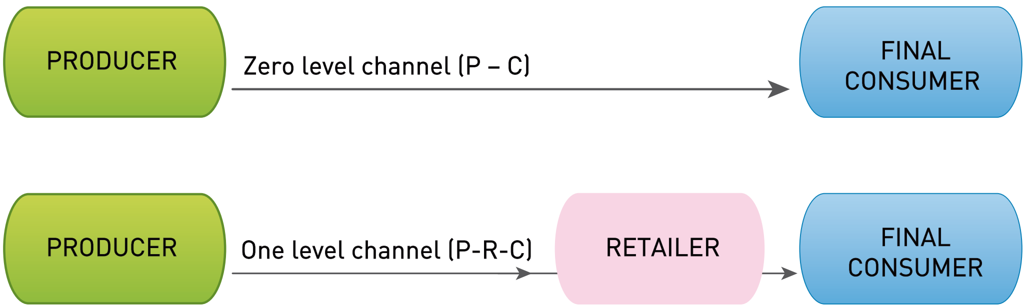
7.3.4 Marketing Channels

A marketing channel performs the work of moving goods from producers to consumers. Marketing channels can be characterized by the number of channel levels. Each middleman that conducts some of the work in bringing the product and its ownership closer to the final buyer constitutes a channel level. The producer and final consumer are part of every channel as they both perform some work. Figure 1 illustrates examples of different level channels applicable to Anatole (Kotler, 1986)[7].

A zero - level channel (also called a direct marketing channel) consists of a producer selling directly to consumers, for example, door to door. A one-level channel contains one selling intermediary. In consumer markets this intermediary is typically a retailer.

It is helpful at this point to look at both the strengths and weaknesses of using mediators/ facilitators.

Figura 1 Examples of Different-Level Channels



[7] Kotler, P (1986), Principles of Marketing, Third Edition, Prentice – Hall International Editions, p413

Strengths :

The benefit of using mediators/facilitators includes market coverage, customer contacts, lower costs and systematic cash flow. There is value add to the marketing of the product by bringing in specialization, marketing knowledge, capacity to segment the market and selling skills that allow the marketer to implement marketing strategies effectively.

Weaknesses :

Producers often fear middlemen rather than view them as assets. The disadvantages of using mediator / facilitator stem from psychological apprehensions, market antecedents which have created such apprehensions, and lack of managerial skills or resources that are sufficient to balance and manage the middlemen. Fears, which may come true if the producer fails to manage them, might include:

- Loss of control
- Loss of customer contact / ownership
- Potential of opportunistic behavior
- Inadequate communication
- Conflict of objectives between the middleman and the producer
- Potential to extract rather than add to value
- Poor market management

Sometimes these fears undermine the working relationship and keep them from effectively utilizing each other's resources and maximizing the potential of the marketing mix. Setting realistic expectations upfront can help to eliminate this.

Expectations of a Mediator / Facilitator

The modern supplier and producer require a logistics and distribution partner who will act as a business partner doing more than on-time delivery. Expectations are entitled to be set, as both will benefit, with contributions such as:

- Inventory management
- Traceability of the product, for potential recalls but also with increased regulation in the marketplace
- Lean operations to keep the business effective and competitive
- Quality Assurance of supplies and delivery getting the right product to the right place with knowledge transfer supporting a quality assured response to issues when they arise.
- Performing against metrics and meeting 'Key Performing Indices'.
- Engaging with partners to look into opportunities, exploring supply of manpower or resources when value - add and financial benefits exist.

IEA Communication Strategy

As a membership trade organization, the role of communication in the IEA is critical to service our members and ensure their voice is heard at a Government level. The IEA has an integrated marketing communication strategy with a consistent set of impressions from personnel, facilities and actions that deliver the company's ethos and promise to its members. Promotion is that component of communication that consists of IEA messages designed to stimulate awareness of, interest in, and purchase of its various products and services.

The IEA uses various methods of communication such as print, newsletters, magazines and online such as email updates, ezines and a member log in section to its website. The Association also hosts annual events for members and key business / political figures such as the Presidents Lunch and Export Awards which facilitate networking. In terms of Anatole, the Dublin Food Chain was created and initial research through focus groups was conducted.

The IEA target audience comprises SMEs exporting for the first time, multinationals exporting on a global scale and export service providers who promote their products / services to the wider exporting community.

IEA is a partner on EU funded projects in relevant sectors to its members, for example Food and Drink and Life Sciences and each project has a communication strategy to encourage and promote member buy in.

The CEO heads up the IEA communication function and is assisted by a dedicated Marketing Manager. The Association has built up a good rapport with the various media across industry sectors and this helps to convey key messages on a national basis.

Two examples are outlined below to illustrate the mediator / facilitator role by the IEA and CEBs in the ANATOLE project.

7.4 Example : Dublin Food Chain

7.4.1 Dublin Food Chain

The Irish Exporters Association together with the County and City Enterprise Boards in the Dublin Region (comprising Dublin City, Dun Laoghaire Rathdown, Fingal and South Dublin) created the Dublin Food Chain. This is a network of food producers, distributors and retailers located in Dublin, Ireland.

The purpose of the Chain is to research and pinpoint the key challenges facing small producers, distributors and retailers in the food sector in the Dublin region and to develop a support network where the various players can work together to develop a sustainable local economy.

Focus Groups were held among companies involved in different sectors of the food sector in the region to assess the viability of the network. Focus Group findings indicated participants wanted the network to satisfy some of the following industry needs/wants:

- Networking / knowledge sharing
- Facilitated discussions on industry challenges

- Category Management
- Market Analysis Data
- Best practice models
- Training and mentoring

Additional perceived benefits of the network include:

- Greater influence/identity as part of a group, for example, group buying power.
- Collaborations and synergies such as joint marketing and promotion initiatives and logistic and distribution channels
- City and County Enterprise Boards are an important intermediary which influence government channels
- Lead Company involvement, for example An Bord Bia, The Irish Food Board

The proposed network structure comprises six evening meetings per year, from 7-9pm, rotating around the greater Dublin region. Proposed meeting topics include:

- Distribution channels-logistics, collaborations and synergies
- Roundtable discussions on specific industry challenges
- Guest speakers from industry recognized 'Best Practice' companies
- One to one clinics with food industry expert mentors
- Presentations by multiples on category management, listings, shelf space
- Explore online marketplace potential

It is planned to develop a brand strategy and identity around the network to give members credibility, visibility and competitive advantage.

The food industry in Ireland is supported and regulated by a number of Government Departments and state agencies, the support and advice of which is intended to be sought in the development of this project. Other initiatives actively working to promote Irish Food Producers will also be targeted.

A second example outlines the IEA mediator role in EU funded projects which it has secured.

7.4.2 IEA Mediator / Facilitator Role in EU funded projects

The Irish Exporters Association is focused on acting as a mediator / facilitator between SMEs and the public sector by involving companies in EU projects, which enable them to benefit from public sector funds and expertise.
The latest EU projects, which the IEA are involved in, include:

1. Channel Clusters Project – where public sector bodies:

- Partly fund the project
- Participate on the Steering Committee
- Ensuring that IEA Programmes are linked without over lapping to ensure best services to producers and consumers.

2. Celtic Recipes Project – where public sector national training body FAS collaborate with the IEA to:

- Partly fund the Programme
- Validate the training by visiting the client companies with the IEA regularly during the Programme.

3. ANATOLE

- IEA and the CEBs are working together and have created the Dublin Food Chain under the Anatole project.

7.5 Conclusion

The IEA, CEBs and public sector bodies work closely together to facilitate the local producer – consumer relationship. Initiatives such as the Dublin Food Chain enable producers to state what they need and what the mediator / facilitator should be offering to ensure alignment.

Impacts on governance

Of the four themes provided, the impacts on governance center on two namely:

1. Local Authority Policy and
2. Sustainable local economy and food related issues

Each will be outlined in turn. First, the impact on local authority policy is explained. The County and City Enterprise Boards play an important role in local governance. For example, local government is implemented through South Dublin County Council which is the political forum of South Dublin County.

The South Dublin County Development Board in 2000 was a critical development in local Government reform. The Board comprises members of local government, representatives of local development agencies, the social partners (employers, trade unions, farming and the community and voluntary sector) and representatives of the state agencies. It seeks to promote economic, social and cultural development within the county. By integrating the policy making process and coordinating service provision, it provides a key focus for strategic development within the county.

New legislation (Feb 2010) provides for a Mayor specifically for the Dublin region. This legislation gives the Mayor the authority and powers to implement the policies which the Mayor and the revamped Dublin Regional Authority lay down. The Mayor will also chair a powerful Regional Development Board which will include major public sector, educational and enterprise interests from across the Dublin Region.

The office will raise the profile of Dublin, nationally and internationally and assist local government in taking the initiative in Dublin to support local and national economic recovery, and to drive and lead local development to hasten this recovery.

In addition, the scheme provides that the Mayor and the Regional Authority will have general objectives as follows:

- Develop the Dublin Region in a manner which contributes to environmental sustainability, economic progress, social cohesion and the cultural vitality of the region
- Provide efficient local government services through coordinating and maximizing co-operation
- Provide a coherent approach from relevant public and private sector interests
- Promote the Dublin region on a national and international basis and
- Co-ordinate the development of the Dublin Region with that of the Mid East Region.

Secondly, the impact on the sustainable local economy and food related issues. Local production systems and food markets must be advanced through complementary policies. There have been greater demands and efforts towards procurement of local food by public authorities.

At a local level there are various movements and celebrity chefs working towards the importance of promoting local food production for producers, consumers, retailers and local communities. As a result, consumers are reconnecting with food production. The Irish Food Board Initiative 'from farm to fork' focuses on the entire system from the growing, processing and distribution of food to its purchasing, cooking and consumption.

Environmental sustainability must be part of the overall distribution strategy. Locally produced food has limited food miles and carbon footprint and hence contributes to a more environmental friendly sustainable approach.

It is vital to ensure that the global food chain and local/regional food networks can coexist.

Additional food related issues include food labeling / packaging, future consumer preferences and trends, taste, food safety, organic produce and innovation. There is a shift towards urban horticulture, local food, slow food, provenance and organic gardening. The Dublin Food Chain will address some of these food related issues.

8.

Consumer demand, the **traceability** of food **products**

Begoña Sevillano / Arantza Ariztimuño

8.1 Introduction

The increase in **global free trade**, the continuous deregulation of the agrofood markets through the elimination of production control mechanisms such as tariffs, public intervention, etc., and the ongoing **distribution concentration** process, are creating an environment where it is **becoming more and more difficult for small producers to subsist**, and as a result agricultural activity is being abandoned more and more.

It is calculated that in the European Union one rural family disappears every minute and that in the Basque Autonomous Community (Spanish acronym, CAV), one family abandons the rural area each day.

Apart from the food and raw materials that go to the markets, agriculture generates other goods and services for society as a whole. The global name given to all those functions undertaken by the agricultural activity is multi-functionality. These may be paid for by the market (commercial goods and services) or they may not (public goods or services, or externalities). Some of the externalities that are derived from agricultural activity and are not paid by the market are: territorial management, rural landscape maintenance, biodiversity maintenance, cultural heritage, prevention of natural disasters (fires, floods, avalanches, etc.). They also provide for a general framework where other activities such as rural tourism, leisure, etc. can be carried out.

The multi-functionality of agriculture is greater in quantity and quality than that of other sectors and we must not forget that the public goods generated by it decrease in the same degree as the actual agricultural activity does. It is, therefore necessary to reflect upon the role that society must/wants to play in maintaining these goods: **Responsibility and/or co-responsibility.**

The agricultural policies developed over the last few years, based on removing the incentives from production and causing the abandonment of farms, are also fostering a trade in agri-food products that is developing with a worrying **concentration of power in the hands of large agri-food distribution companies**. These companies control the entire agri-food chain, especially the weakest and most numerous links of the chain: producers and consumers.

An exemple of this would be the **food pricing** process which is characterised by **a lack of transparency, resulting in the excessive prices paid by the consumers and to a greater extent the prices received by the producers**, which on many occasions does not even cover their production costs. If we analyse the evolution of the Consumer Price Index of food and non-alcoholic drinks from 1990 onwards and compare it with the General Index of Prices received by the farmers, we can see how the former has risen by 66% in 16 years (with an average annual growth rate of 4.12%) and the latter has risen by 26% (with an average annual growth rate of 1.6%). *In the period from 1990 to 2006, consumer prices have risen almost three times more than the prices paid to the producers.* These figures should make us reflect upon the behaviour of the food chain and upon the need to create a legislative framework to regulate the agri-food marketing (involvement of public powers), so that each one of the links of the value chain obtains the margins that are proportional to the investment and risks adopted through the «course» of the product.
Source: La Tierra Books, nr, 4. UPA

The mass **import of economical foodstuffs** over

the last few decades has meant that products from other continents are consumed in our homes, sometimes relegating the consumption of our own products to a secondary plane. **Local production has dropped in the ranking,** nutritional and food dependences have been created, consumer habits have changed, making the local production, local economy and biodiversity, per se, fragile and precarious.

8.2 Introduction of the theme: consumer demand in the Basque country

In Spain, **81.9% of the food purchases** are made through the so-called "dynamic channels", that is, self-service distribution (super, hyper and discount); only 2.7% in traditional shops and 11.2% in specialised shops. Likewise, the concentration of the "dynamic" segment is very high. The figures show **that end consumers are increasingly concentrating and organising their food purchases around the large food distributors**. But, on the contrary, and by virtue of the statement below, it seems that **there is a demand for fresh and seasonal produce but curiously, consumers find it difficult to have access to them**: *"The more industrialised the societies are the less choice options the consumers have with respect to the commercial channel to go to. Often they have no choice but to resort to the large multiples or hypermarkets. Although these handle all types of products, fresh and seasonal produce leave a lot to be desired with respect to quality and proximity".* [2]

A more intensive and industrial production model is implicit in this consumption model, which requires larger farms, with fewer farmers and has the ability to produce according to the requirements of the agri-industry. The farms of the CAV have an average working farming area of 27 cubic acres and due to the relief of the land, among other factors, it is difficult for them to enter this intensive production model, so if they want to be feasible in the future, the difference must lie in the quality of the processes and products.

The present-day consumer and production models are models that generate dependence on a human, citizen, consumer and producer level, and to cope with this dependence, the principle of Food Sovereignty has been developed. Food products are more than just something to eat; they are our culture, health, identity, the work of many men and women....

Food production also spans our landscape and environment and doing this in one way or another, conditions us as people. It must not be forgotten, either, that our **consumption causes a social and environmental impact,** not only when we enjoy the product or service acquired, but also before and after its use.

If all the people who live on the planet were to follow the same consumer guidelines as those of the CAV, the biologically productive surface of the Planet would be 2.5 times greater than the available surface. [4]

It has been confirmed that both the demand and the purchasing habits of consumers vary with the passing of time because the level of development and modernity of a society, its demographic reality, the composition of the families in the homes, the family income, etc. are factors that explain their shopping behaviour. Depending on the consumers' endogenous and exogenous factors, the type of purchase, the way in which it is carried out, the type of establishment, the product chosen, etc. vary a great deal.

Throughout this work, we are going to analyse the behaviour of consumers, mainly from the Basque Country, based on studies that have been carried out in this regard.

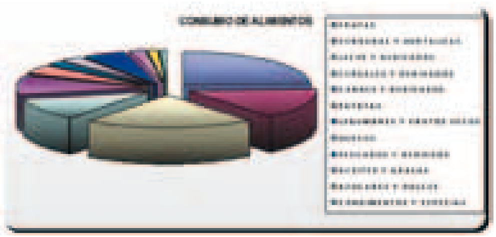
8.3 Analysis of consumer behaviour in the Basque country

Surveys have been carried out with the adult population of the CAPV (Basque Country Autonomous Community) over a full year (2006-2007), and the AVERAGE QUANTITATIVE DIET, as well as the variations of this diet depending on age, sex or time of year, has been ascertained. With the information obtained it has been possible to assess the possible risks derived from the consumption of food that the people of the CAPV are subject to and be able to direct the public policies towards improving the safety of the products.
With respect to the way the food is consumed, it can be deduced from the study that:

- On average, between 13 and 14 products are consumed per person per day, of which 39.6% are drinks.
- 86.4% of the food products are consumed at home and 12.5% in cafes, restaurants and canteens.
- 67.4% of the products are consumed without processing, in other words, they undergo no cooking process.
- 31% of the population follows some type of diet, mainly low salt, low-fat, low-sugar or low-calorie diets.
- 8.1% of the food consumed is considered dietetic or special, such as the "-free" products (salt, cholesterol, gluten), "with" products (bifidus, omega 3, etc.) or low-calorie products.

The following conclusions can be drawn with respect to the consumption of the different groups of foodstuffs:

- More than half the food products that make up the Basque diet belong to the groups of fruit (20.9%), dairy (18.8%) and vegetables and pulses (12.7%).
- To a lesser extent, they consume cereals (9.8%), meat (8%), fish (4.7%), potatoes (3.9%), eggs (2.5%), pulses and dried nuts and fruit (1.6%).
- Other groups of food products, used generally to accompany the previous ones, are oils and fats (1.7%), sugars and sweets (1.3%) and herbs and spices (0.7%).
- Finally, the consumption of drinks represents 13.2%, not taking into account water, which amounts to 831 grams per day. Alcoholic beverages represent 4.7% and non-alcoholic beverages 8.5%.



- If we compare the diet obtained through this study with the scales that establish a varied and balanced diet, it is observed that in the Basque country (the consumption of proteins (dairy produce, meat, fish and eggs) exceeds the recommended quantity, whilst in the case of energy food products (cereals, potatoes and olive oil) and of vegetables and pulses, the consumption is less than the recommended quantity.

It can be deduced from the study that there are variations in the diet depending on **the age and sex**:

- There is a greater consumption of dairy products in the younger population (yoghurts and milk desserts), cereals (pasta, biscuits, breakfast cereals, bakery products), meat, eggs, sugars and sweets.
- The older people get, the more fruit, vegetables (above all boiled) and white fish they consume.
- The male population consumes more cereals (bread, pasta, rice and bakery products), meat, pulses and blue fish (eg: tuna, anchovies, mackrel).
- Women consume more fruit, vegetables and milk, and dairy products.

Variations in diet are also observed depending on the time of year. This is not important at a quantitative level, but at a qualitative level there are several groups of food products where consumption varies a great deal depending on the season.

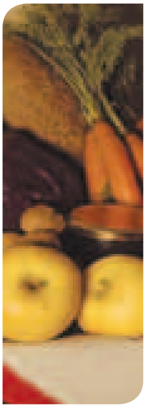
- **Fruit:** In autumn and summer, apples, pears and oranges are predominant, in spring, strawberries, and in summer, melon, peaches and nectarines.
- **Vegetables:** The consumption of boiled vegetables, such as leeks, Beets, courgettes and carrots, is greater in autumn and winter. In spring and summer, peppers and salads, mainly made with lettuce and tomato, are predominant. So at that time of year there is also an increase in the consumption of olive oil.
- **Fish:** In spring and summer the consumption of blue fish, such as tuna, anchovies and mackerel. In autumn and winter, on the contrary, there is a greater consumption of white fish.
- **Pulses:** These are mainly consumed in autumn and winter, above all, haricot beans. Consequently, the consumption of chorizo sausage also increases at this time of year.
- **Beverages:** The Basque population consumes more wine in autumn and winter, whilst in spring and summer they prefer more beer and soft drinks. Cider is mainly consumed in winter too.

Based on the analysis of the data obtained through the study, it can be deduced that the following tendencies exist in the Basque diet:

- Consumption of dairy products is rising, mainly due to the increase in by products such as yoghurts and milk desserts instead of liquid milk to the diet.
- Although the consumption of raw vegetables is increasing, inparticular tomatoes and lettuces, the amount of boiled vegetables included in the diet is becoming less and less.
- Whilst the consumption of bread remains the same, the consumption of cereals is increasing, mainly in the form of breakfast cereals, biscuits, pasta and bakery products.
- The consumption of beef, lamb and rabbit is dropping whilst the consumption of pork and cold meats is rising.

- The Basque population tends to each less fish every day, although there is a greater preference for blue fish.
- With respect to drinks, the consumption of beer, soft drinks and fruit juices is increasing, whilst the consumption of wine is decreasing.

Source: Study nr.5



Four different profiles of citizens / consumers have been identified, based on the perspective of food practices as a whole.

- **"Elderly":** They see themselves as the generation that has the capacity to judge both the purchase and preparation of products and services. Basically, they are very proud when they talk about their knowledge about the two indicators that they base their decision-making on, that is, "price" and "quality". For this generation, family cohesion has a lot to do with the meals being rituals and meeting spaces and they make an effort for this to continue to be the case.
- **"Housewives":** In their food practices, we can find both changes and similarities with respect to the older generation. In many cases, the meal is no longer a ritual or meeting place: The hours of the family members are not homogeneous; sometimes their tastes are not the same, either. The TV appears as an important distraction. More and more meals are eaten away from home. Some meals are simplified (just one course) although this is not the norm; housewives show they are more and more willing to simplify, although these changes do not often come about because of the resistance of other family members (who continue to demand "first and second courses, and dessert").

One of the most noticeable changes has to do with these women's inability to recognise seasonal products and the quality indicators of the products. They themselves say that they have lost a lot of knowledge if compared with the older generation.

Grandmothers play an important role for these women (and for the entire extended family) as meal buyers for the entire extended family (celebrations, etc.) but also as suppliers of food servings to be distributed throughout the week, thus saving their daughters time, even those who work in the family environment.

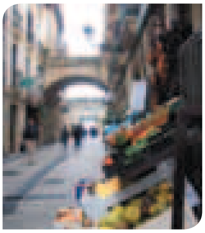
A certain frustration is perceived by these women, on the one hand due to not responding to the role that they must respond to socially, but on the other hand, due to the lack of recognition of the product or prepared food.

- **"Singles":** They represent the maximum level of change. The paradigm of "singles" would be the consumption of "Florette". In general, these citizens show little yearning for/support towards the more traditional food practices.
- **"Young people":** The younger people define their situation as transitional. They acknowledge "not knowing", but unlike the singles they do not show indifference, but rather a certain predisposal to re-learn. The reference is always the mother's house.

Some studies confirm that knowing the food habits of the population goes much further than detecting the quantity of daily nutrients of particular food products consumed. Knowing the food habits also means determining what the complete food practices of the population are: acquisition, preparation, adaptation and commensality. All the phases are strongly related to each other.

It must also be taken into account that some food practices favour the visibility of the production phase and its leading players (the producers) and the acquisition of local products.

Let us consider, for example, the channel (acquisition phase) and commensality. If what we want is an increase in the consumption of local quality productions, we must consider the channels that are more favourable for this. The purchasing of products in large hypermarkets (which are usually associated with canned products and special offers) needs to be balanced out by also purchasing local products from smaller stores or markets. Local and quality are terms that appear in the results of this study as being more associated with small businesses. And in this sense, it seems logical to favour the presence of these products in this type of channel. Although, on the other hand, small business is more a central part of the politically correct discourse than a deep-rooted daily practice, which may place us in a kind of dilemma. From this viewpoint, it seems that facilitating the presence of local products on the supermarket and hypermarket shelves makes more sense.



On the other hand, certain commensality is also associated with the local products, which has to do with pleasure and the idea of the meal as a meeting space. So, to favour the acquisition of local products and make the farmers visible elements as leading players in the production phase, promotion, training and awareness-raising activities may be required with respect to certain commensality practices.

In any case, whether these examples are correct or not, it is advisable to express how important it is not to forget the complete cycles of the food practice when analysing changes in habits, adapting the production to the changing demands or having a bearing on certain habits. *Source: Study 3*

Although the relationship between the image that consumers have of the rural environment and the purchasing habits does not seem to be direct, we will observe how this perception influences the purchase decision of our consumers. Below, we are going to define and analyse the image that the population at large has of the rural environment and its residents.

- The underlying concepts and ideas in the minds of the Basque population when the rural environment is mentioned are: nature, tranquillity and the village/hamlet.
- The elements acknowledged as being given to society by the rural environment are, firstly, fresh, quality produce, followed by traditions and customs, and culture (different to that of the urban environment).
- The rural environment is associated with primary sector activities such as stock-breeding and agriculture: The production function of the rural environment is the first thing that comes to mind. The rural environment is seemingly indissoluble from primary activity. It is difficult to think about a rural environment without a primary sector.
- There appears to be considerable agreement about the offer of quality products and sanitary guarantees in the agricultural sector, although the price of these products for the end consumer is high.
- The importance placed by the people consulted on the purchase of fresh produce from the Basque Country is high.
- Elderly people place more importance on the purchase of fresh produce than the younger population, towns between 2001 and 10,000 inhabitants and residents in Guipuzcoa.
- In addition, the purchase frequency of these products obtains an average of 3.4 importance (over 5).

- Municipal markets (45.7%), followed by supermarkets (41.2%) and traditional shops (31.6%) are the establishments where fresh produce is mainly bought in the Basque Country.
- The main reasons for buying fresh produce from the Basque Country are the quality, guarantee (53.3%), origin, label (14.8%), flavour, taste (10.3%).
- And the main drawback referred to is the price of the product (63%), followed at a great distance by the lack of availability of these products in their normal shops (14.3%).

Source: Study nr. 2

To understand the keys of the image that the consumers of the CAPV have of the products, two opposing factors must be taken into account: on the one hand, the opposition between artificial and natural, and on the other, the opposition between local and delocalised.

Thus, the "types of agrifood products" perceived by the consumers of the 3 Basque capitals are reflected in these two factors.

1. On the one hand, the agri-industrial products, which are identified as delocalised (both in time and in space) and artificial. The symbolic spaces associated with this type of production are the supermarket and the greenhouse.

2. On the other hand, we have the hamlet products, which are identified as local, seasonal and produced on a small scale. They are considered as a one-off option rather than as a daily supply strategy. These products enable the buyer to visualise the producers, whilst the previous ones conceal them.

3. The label is used to identify and distinguish the agri-food products produced, processed and/or prepared in the CAPV; it offers the guarantee of a localised, here and now, production, and the monitoring of the production process by a public entity. They are a solution between agroindustrial products and hamlet products.

4. Finally, we have the organic products that have connotations of "naturalness", although in many cases they are associated with local products. Organic produce is associated, on the one hand, with fashion, and on the other hand, with old production methods, and this mythical image means it is difficult to update.

According to the results of this study **the "Labelled products" are the ones that have greater credibility.**

Source: Study 3

- 80% of the Basque consumers trust highly or totally in the monitoring that the fresh produce undergoes before it reaches their homes.
- 83% of the total number of interviewees consume food products with quality, origin, processing stamps/certifications, etc.

- The factors that consumers take into account when they are going to buy fresh «quality» products are:

1. The aspect/image of the products.

When they purchase fresh produce, the first impression is key, so its aspect (freshness, cleanliness, degree of ripeness, etc.) is the primary factor, over and above certifications, guarantees, origins, etc.

2. The price of the products.

This is not a universal criterion, greater quality at a higher price is not admitted but it is a factor that contributes considerably to distinguishing those that have quality from those that do not. In other words, there are products whose prices are "so low" that their quality is questioned.

- **After the two primary factors**, we find another five that are quality indicators for at least two thirds of the interviewees:
  1. The presence of a visible quality stamp/ certification.
  2. Place of sale.
  3. Presentation/packing.
  4. Products whose cultivation/preparation systems have been respectful with the environment and animal well-being.
  5. Products whose consumption favours the development of the Basque agricultural, stock-breeding and fishery sectors.

•The reasons change depending on the age:

From 20 to 30 years: The more pragmatic and brand-based.

From 31 to 40 years: The more susceptible to the prescription of trust

From 41 to 55 years: The ones that depend more on the origin and production of what they consume.

- **We can find the highest rate of consumption of food products with quality certification:**

- Consumers aged 31 to 46 years
- Residents in medium-sized towns.
- Normal and occasional consumers of products with Eusko Label

Source: Study 1

- Municipal markets (45.7%), followed by supermarkets (41.2%) and traditional shops (31.6%) are the establishments where fresh produce is mainly bought in the Basque Country.
- The main drawbacks when purchasing fresh produce from the Basque Country is the price of the product (63%), followed at a great distance by the lack of availability of these products in their normal shops (14.3%).

Source: Study 2

The consumption and consumer tendencies in the 21st century indicate:

- Less time dedicated to buying and preparing food.
- The concept of what is natural will change, and ready-made food will be widely accepted as long as it has been prepared with recognised and specifiable natural elements.
- Decisive increase in quality in the choice of food.
- Consumers will increasingly associate the purchasing activity with the leisure activity.

- Increasing tendency to buy food with more herbs and spices, and increase in freezing. *Source: Study 4*

SWOT ANALYSIS

Strengths

- Existence of a traditional direct structure in hamlet produce. (Traditional market).
- Identification of local and hamlet produce as quality produce.
- Existence of acknowledged quality standards positively assessed by the consumer.
- Drive by certain institutions towards the development of new innovative initiatives.
- Awareness of the producers about their products. (Appreciation of the hamlet produce).

Existence of dynamic producer groups and associations.

Weaknesses

- A non-organised, structured and "visible" offer that makes it difficult for the consumer to "comfortably" access local produce.
- Underdeveloped commercial networks due to lack of initiatives and innovative marketing techniques: online sale, consumer groups, etc. .
- Lack of support and involvement of public institutions and administrations to boost the consumption of local produce and highlight the product of the producer.
- Little recognition in the media of the products that are produced in the area, their quality, value, etc. Little marketing.
- The fairs that are held to sell/promote this type of product, have more of a festive character than that of promotion and enhancement of local products. Low influence on regular consumer tendencies.
- The majority of the territory is qualified as mountain area, which is characterised by having small family type farms with high production costs.
- Food consumption loses importance in family expenditure.

Opportunities

- Existence of entities that boost the sale of local produce: LurLan, Behemendi, Biolur, etc.
- Geographic proximity between production and points of sale.
- Increase in demand for quality, healthy, local and community products (integrated production, organic, etc.)
- High purchasing power of Basque Country consumers.
- Low production level with respect to the potential demand.
- Promotion campaigns for local produce associated with quality. (advertising campaigns, talks, conferences by caterers, fairs, etc.)
- Existence of novel initiatives in short circuits, supported by institutions: consumer groups, home sale, online sale, milk dispensing machines.
- Greater environmental awareness of the consumer: Agenda 21, reuse of containers, product without packing, bulk sale, etc.
- Primary sector, strategic for the Basque Administration.
- Administration is aware of the problems of the sector.
- Lack of habit of consuming local produce in the new generations.
- New food consumption habits: precooked, frozen, clean products, etc.
- New shopping habits: hyper-markets vs small shops (accessibility, infrastructures, parking, etc).

Threats

- Existence of well-established distribution chains and intermediaries.
- Market liberalisation:
  Economic competitiveness with large producers and third countries.
- Health regulation scarcely adapts to reality and needs of the small and medium-sized farms.

8.4 Experience : daily market of the bretxa in san sebastian

In the CAPV, the daily markets are the ones that are most important in the sale of local produce (fresh and seasonal). These are normally municipal markets that have undergone in-depth transformations over the last decade but that maintain quite a stable area for producers, where, with a lot of effort, they try to maintain the number of participants. The products sold par excellence are usually horticultural products and in the majority of the cases this sale is done in the mornings, from Monday to Saturday, generally by a female member of the family and in many cases elderly people, in an activity that the family unit have been carrying out for decades. It responds to a traditional farm model, that sells its produce in the market, completing the offer with products from other horticulturists, generally from the area, but also from outside.

The typical customers are normally elderly people or housewives who live in the proximity.

Description and operation

The market of Bretxa (San Sebastian) is a daily market that sells fresh produce, where the retail sale of agricultural products produced on the farms that have stands there, is authorised. Its aim is to provide customers with a varied, seasonal, fresh and quality home produce offer, which can satisfy their daily food needs.

These markets are open every morning from Monday to Saturday (when it coincides with a holiday, the market is closed).

Bearing in mind the structure of the majority of the communities of Guipuzcoa (surface limitation, slope and diversified production) and in order to guarantee customers some basic products, the sale of products produced by other "baserritarras" (villagers) is permitted. The sale of products produced outside Guipuzcoa is not permitted in any way.

Each *"baserritarra"* has a typical stand assigned by the Council, as it is personal and untransferable.

Producer participants

There are 20 producers on the Bretxa market list. 25% of the Bretxa market producers are communities from the same municipality of Donostia-San Sebastian, whilst the other 50% and 25%, respectively, come from the region of Donostialdea-Bidasoa and from the province of Guipuzcoa.

Products

The products offered in the market include: vegetables (lettuce, spinach, peas, broad beans, young garlic, spring onions, Swiss chard, tomatoes, pods, green peppers, courgettes, carrots, borage, chicory, cauliflower, escarole, leeks, cabbage, onions, potatoes, haricot beans, white beans, beet, cucumber, celery, parsley, Brussels sprouts, red onion), fruit (kiwis, apples, pears, cherries), cut flowers, eggs, Tolosa beans, nursery plants for market garden, and cow and sheep cheese.

Typical consumers

The typical consumers that come to the Bretxa market are end consumers who come to satisfy their daily needs. They are mainly housewives who come to the market (they also do so regularly and three to four times a week), but first thing and last thing in the morning, the influx of working females can be observed (more sporadic influx). On Saturdays, the profile of the shopper varies more: Young people, tourists, etc.

Involvement of the public powers

As it is a daily public market, it is the City Council of Donostia-San Sebastian that authorises what product will be sold in what designated space. In addition, it is the City Council that processes the sale permits, collects the quarterly rates, regulates the loading and unloading of market vehicles, monitors compliance with the market regulations and can fine members because of the production itself or for damage caused to public elements and paving.

The Behemendi Rural Development Association (Spanish acronym ADR) and the Regional Council of Guipuzcoa, certify the condition of "baserritarra" – producers by processing the relative statement of farms of the Autonomous Community, which is then compared with the property register. Subsidies are also given to provide financial aid to market members for them to purchase and acquire stands-tables and the necessary elements to keep them tidy: table cloths, baskets to display the produce, etc.

8.5 Conclusion : the influential role of the consumer

Nowadays, **the general assumption is that our eating habits must be sustainable and responsible.** What does this mean? It means that our consumption must be guided by certain social and environmental criteria to guarantee a healthy and decent environment, not only today, but also for coming generations. In fact, in the Local Action Plans of the CAV (within the framework of the Local Agendas 21) new areas of action are being included, one of which is sustainable consumption. [5]

We, the consumers, have the capacity to influence the market, creating a demand for products and services. By **consuming responsibly**, we can take advantage of the power of influence that we have got to change the economic reality, the production and consumption models, and become a leading player. If we make use of the laws of the market and we demand, for example, more locally produced food or organically grown produce, etc. the market will gradually react and will offer these products. **Where there is a demand, there will be a supply. This idea is also shared by the European Commission:** "Corporate social responsibility has evolved over time, partly in answer to consumers' expectations and demands. In their consumption habits, they demand more and more information and a guarantee that their interests are taken into account, mainly in social and ecological-related matters. Companies, on their part, are more and more aware of these demands, both to preserve their regular consumers and to attract new customers". [6]

According to a European study[7] on the environmental impact of European consumption, agriculture and the food industry (above all meat and dairy products) are responsible for 20-30% of the impacts on the environment of all the consumption. One way of reducing these impacts is the consumption of organic, seasonal and fresh produce[8].

It is necessary, therefore, apart from leaning towards **healthy food**, for us to lean towards sustainable food, too, which is based on respect for people, animals and nature. **It must be clear to us that the shorter the distance the product has to travel from the place of production to the place of consumption, the healthier and more sustainable our food model will be.** And, as an example we can say that a common diet of a person in a developed country requires 17 times more oil than a diet based on local produce[9].

Although it cannot be generalised for all products or circumstances, **generally speaking, both the production and the consumption of seasonal and fresh produce have less environmental impact**. Nowadays, the majority of products can be found all year round thanks to them being cultivated in greenhouses, being imported or preserved in cold rooms or frozen, which, in all the cases, represents a greater consumption of resources and energy. In the case of deep-frozen vegetables, the consumption of energy varies between 80 and 280 kWh/tn. In addition, this can represent a saving as seasonal produce is usually **more economical** as a greater volume is available. Furthermore, fresh **produce**, as it is not processed, is **healthier** because it does not contain a whole series of additives (both natural and chemical), such as colouring agents, antioxidants, preserving agents, sweeteners, stabilisers or flavour boosters and normally there is usually less packaging[10]. Although, for nutritional reasons, it is necessary to maintain a certain variety, **it is advisable to prepare menus respecting the seasonal produce cycles.**

Table 1: Summary of the main social and environmental advantages derived from the consumption of local and seasonal food marketed directly by the producer.

SOCIAL ADVANTAGES

→ Fresher food: healthier.
→ Personalised information about the product and the production process (appreciation of the product).
→ Fairer prices for the consumer and the producer. Greater added value for the producer (no intermediaries, greater margin).
→ Greater development of the local economy.
→ Employment promotion in the region.
→ Investment of taxes and profits in infrastructures and local services.
→ Preservation and development of own customs and culture in the local area.
→ It contributes to the feasibility of local agricultural farms that are responsible for:

- Producing quality food.
- Managing the territory.
- Shaping and maintaining the landscape.
- Preserving the identity and values of the rural environment.
- Maintaining the cultural heritage (tangible and intangible).
- Participating in the feasibility of rural communities.
- ....

→ Food, health, culture and nature are melted together in one single product.
→ Revitalisation of the cities: Social relationships are favoured...

ENVIRONMENTAL ADVANTAGES

- → **Respect for product** planting and ripening lifecycle .
- → **Production that adapts** better to local needs.
- → Less need for packaging and over-packaging (less waste).
- → Less transport distance (of the product, producer and consumer), **less CO2 contamination**
- → ...

There are many experts, researches, studies, etc, which indicate the social and environmental advantages derived from consuming local and seasonal produce and which also recommend their consumption. **Over the last few years, the concern for the consumption of local produce has gone from being a "fashion" to being a "tendency" that we have to provide an answer to.** It is necessary, therefore, to look for alternatives to the market system itself and also within it, and to do this **the collaboration between producer, consumer and administration is key**.

If **consumers demand** local and seasonal produce, the **producer** should **offer** the quality and quantity of food demanded by the market and by the **administration**: on the one hand, **formulating the** necessary **legal instruments** to regularise and facilitate the sale of these products (health requirements in agreement with the sale and production model, permits for fairs and special events, investment in municipal markets, advertising, etc.), and on the other hand as **a consumer** (school dinners, homes, events, etc.) when demanding food, **the social and environmental criteria,** as well as economic criterion must be taken into account, always within the framework of the Laws that regulate Public Procurement Contracts.

As an example of good practice of the local administration, we can quote the following actions: *"The City Council of San Sebastian contracted a local catering company in 2003, Gureak Ostalariza, to offer this service at the meeting of the municipal Commission of Local Agenda 21. All the products offered came from organic farming and Fair Trade coffees".* [11]
"The Town Council of Usurbil has been incorporating organic farm produce into the meals service of the municipal nursery since 2004. Currently, practically all, with the exception of fish, the produce used to make the meals of the Haur Eskola come from organic farming". [11]

The trade of the historical centres of our villages, towns and neighbourhoods contrasts with the peripheral trade models typical of urban structures that are strange to us both from the cultural viewpoint and the occupation of the territory, and which predispose to an overdimensioning of the road network and to the subsequent use of private cars, with all the consequences entailed. At the present time, the globalisation of the economy, the mergers and concentration processes of the large commercial operators, the incorporation of new technologies, and above all, the change in consumer behaviour guidelines, lead to a **process where there is a loss of prominence of the urban centres and important changes in the commercial axes of the municipalities**[12].

In short, **adapting our production and marketing models** to the expectations and demands of the people, as well as **having an impact on certain habits** through communication campaigns, requires an important level of **knowledge** of each one of the moments that comprise the food practice as well as considerable **COORDINATION and COOPERATION** between the links of the agrifood chain and our administration.

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Conclusions

Examples of good practice mean little if they are not useful to others, or if they are not taken up by others as a way of benchmarking. Work carried out by the ANATOLE Project showed that the local economy opened up new doors for local and national/international supply chains by involving new stakeholders to generate greater local added value. With the direct and indirect support of public (government) authorities and the range of expertise they possess, the local economy can become a significant, indeed major, regional development factor. Observations on how real needs can be addressed and contributing to local added value are all very well, but it is resources that are needed to achieve this.

ANATOLE helped pool different ideas of activities targeting the catering sector, the supply of local produce and support for the implementation of these processes. Nevertheless, ANATOLE highlights the fact that growth of the local economy cannot be achieved without additional dedicated resources for organisation and for training/capacity building.
At present, resources are emerging to address these two questions. Concerning organisation, we can point to the fact that capacities already exist (see chapter 7: the role of intermediaries). There are also a number of proposals put forward in chapter 4 using power of supermarkets as a catalyst, or in chapters 3 and 5, with the support of local authorities in the form of co-operation which often has to be adapted or started from scratch.

As well as organisation (which should not be the most costly aspect since the resources (knowledge and capacities) exist and are available), training requirements are much more of a preoccupation. Amongst the examples of good practice, the partners demonstrated that they could use whatever resources were at hand to train themselves up, to test ideas with no assurance of success, to invite service providers (as consultants) from other sectors of the economy to take part. The growth of the local economy can be achieved if the following conditions are respected:

- Adapt learning materials to the target audience concerned (producers, retailers, intermediaries, etc)
- Create learning materials that incorporate skills in terms of designing and putting together terms of reference adapted to local potential,
- Involve training establishments and government training schemes in these new markets.

The ANATOLE Project must therefore give some thought to how the work defined in its initial project proposal can be pursued by local authority engagement and what resources are required to develop a local (sustainable) economy. Local authorities are beginning to engage in a process that offers them regional development opportunities using endogenous resources. While these 'key points' of developing the local economy are checked off, the next step is operational implementation by enlarging the partnership so that:

- organisational models are offered to intermediaries and other local economy stakeholders;
- learning materials are exchanged between partners adapted to the requirements of different target groups concerned;
- the case for (future) good governance of the local economy convinces other local authorities.

The ANATOLE Project partners have already decided to pursue this work together by continuing their co-operation.

ANATOLE

The good practice guide for the development of an Economy of Proximity is a* ***unique*** *document at this level of cooperation. The ANATOLE guide presents both national characteristics and Atlantic public policies which are very different from one part of the Atlantic area to another. However, the examples given in this guide show that the issues we face are very much the same. Therefore, local authorities become* ***facilitators*** *in order to respond to the needs of these Atlantic societies. The concept of an Economy of Proximity is spreading throughout the Atlantic area: it is one of the* ***"atlantisation"*** *tools of the Atlantic strategy proposed to the European Commission and Member States.*

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