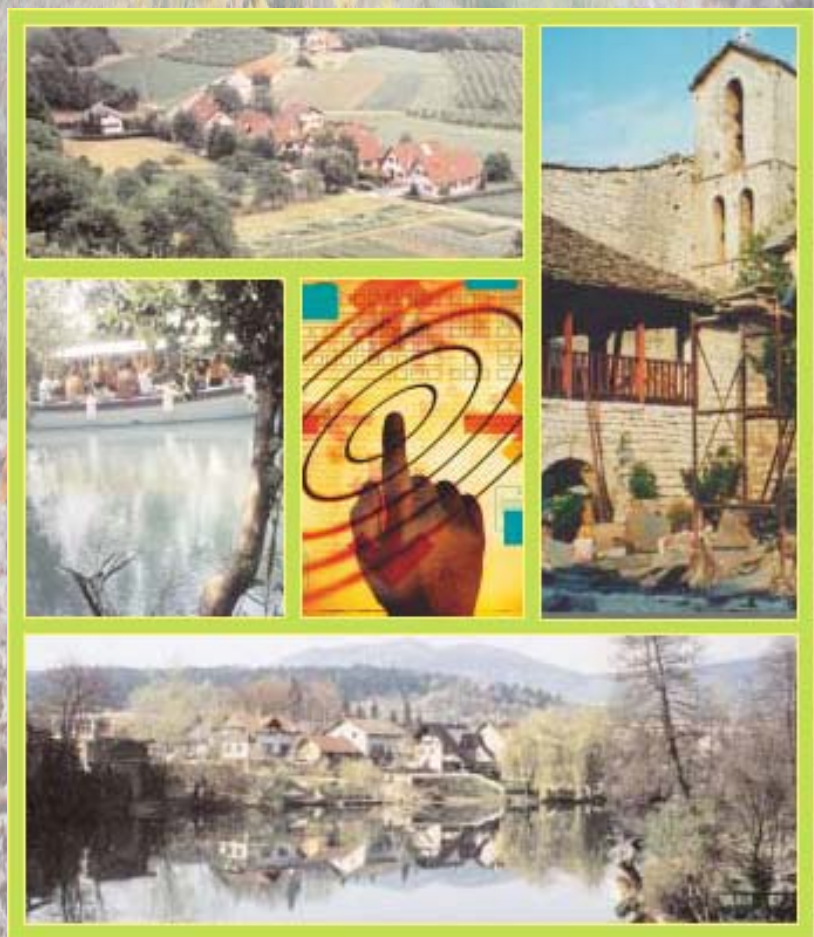




**8<sup>th</sup> Summer Academy on  
Sustainable Agriculture and  
Rural Development:  
an integrated approach**

**to be held in San Marco dei Cavoti, Benevento, Italy**



**18<sup>th</sup> – 26<sup>th</sup> July 2009**

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## PREFACE

**E**uracademy Association is a pan-European, non-profit membership organisation devoted to capacity-building of rural communities in Europe. The Association brings together planners, researchers and practitioners of rural development from a host of European countries. A Summer Academy on a theme pertinent to sustainable rural development is organised every year in a different location; also, a Thematic Guide is published every year and a distance learning course is run, on the same theme as the Summer Academy. In addition, the Association organises conferences, undertakes research and coordinates EC-funded projects with a view to building up a body of knowledge on sustainable rural development. These activities aim to prompt lifelong learning opportunities amongst members of rural communities, by using a variety of educational means.

This is the Eighth Thematic Guide in the Euracademy series. It was included as a reference tool in the Eighth Summer Academy, held at San Marco dei Cavoti, Italy, from 18 to 26 July 2009. This Eighth Thematic Guide was revised in the light of the discussions in the summer academy, enriched with examples brought in by participants and published. It aims to provoke the reader's thinking on such key questions as:

How do our food choices as consumers influence rural development?

What are the landscape management measures in your country?

How can food production, distribution and consumption be a part of local, regional, national and global democracy?

How do policy decisions affect our rural landscapes and communities?

In what way do the leadership, management and marketing skills of rural communities determine the success of a rural area?

For the Euracademy Association, this issue is part of the broader challenge of **sustainable rural development**. It inevitably cross-relates to, or overlaps with, themes of previous Summer Academies, e.g.:

- **Sustainable 2020 for the Environment in Rural Europe**
- **Diversifying Rural Economies**
- **Developing Sustainable Rural Tourism**

*Good reading!*  
*The Euracademy Association*

**EURACADEMY ASSOCIATION**

**EUROPEAN ACADEMY FOR SUSTAINABLE RURAL  
DEVELOPMENT**

## **THEMATIC GUIDE EIGHT**

**Sustainable Agriculture and Rural  
Development: an integrated approach**

**EURACADEMY THEMATIC GUIDE SERIES**

**EURACADEMY ASSOCIATION**  
**European Academy for Sustainable Rural Development**

**THEMATIC GUIDE EIGHT**

**“Sustainable Agriculture and Rural Development: an integrated approach”**

**Edited by Kristy Apostolides**

This Thematic Guide is the outcome of the collective work of a large team of Euracademy Association members and other collaborating experts. The contribution of authors to the various chapters of the Guide has been as follows:

Chapter 1 was written by Kristy Apostolides.

Chapter 2 was written by Kalev Sepp.

Chapter 3 was written by Wojciech Kniec

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Athens, July 2009

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## CHAPTER 1

# *Contribution of Sustainable Agriculture to Rural Development: technical, social, economic and institutional aspects in the context of an integrated approach*

## *Introduction: Sustainable Agriculture and Rural Development:*

1.1 Agriculture is a critical part of the rural communities and in order to fully address sustainable rural development, sustainable agriculture has to be at the forefront of the conversation. The character of rural areas is significantly contributed to by the ecological, social and economic influences of agriculture. Farming activities often shape the landscapes, birth community rituals and celebrations, and the success of agricultural enterprises in rural communities can affect and influence their viability and growth. The application of sustainable agriculture practices, and the necessary enterprises to support these activities, offers opportunities for rural areas to both maintain their character and traditions while modernizing to create viable and attractive rural communities for the present and future generations.

## *What is sustainable agriculture?*

1.2 The philosophy behind sustainable agriculture generally revolves around methods that make smart use of natural resources in order to maintain productivity for the long term. However, the discussion about a truly sustainable agriculture involves not only production practices, but also its role in society and as an industry. These next sections will explore in further detail the components of sustainable agriculture, from the environmental/technical, economical and social perspectives. Finally, this text explores the institutional influence in the application of the philosophies and practice of sustainable agriculture into rural development: the role institutions have played and how they could further the successful implementation of sustainable agricultural development.

1.3 According to the United States Department of Agriculture (USDA) sustainable agriculture is "an integrated system of plant and animal production practices having a site-specific application that will

over the long-term: 1) satisfy human food and fiber needs, 2) enhance environmental quality and the natural resource base upon which the agriculture economy depends, 3) make the most efficient use of nonrenewable resources and on-farm resources and integrate, where appropriate, natural biological cycles and controls, 4) sustain the economic viability of farm operations 5) enhance the quality of life for farmers and society as a whole." (US Code, 2009). The Food and Agriculture Organization of the UN defines sustainable agriculture as a component of sustainable development that "conserves land, water, plant and animal genetic resources, is environmentally non-degrading, technically appropriate, economically viable and socially acceptable." (FAO, 1995). These definitions both cover the technical/production aspects of sustainable agriculture, but also focus on the need for including economic viability and social equality as important factors in sustainable agriculture, showing how sustainable agriculture as a philosophy needs to meet all demands of rural communities from all aspects of life.

## *Introduction to the Technical Specifics of Sustainable Agriculture: The need for sustainable practices: the agroecosystem perspective.*

1.4 Progress in agriculture worldwide over the last 50 years has been measured mostly on a scale of efficiency (Holloway, 2007), which required the adaptation of measures to increase productivity: mainly the mechanization and simplification of agricultural systems. This mechanization and simplification is represented by monocultures and mono-animal operations (Eriksen, 2008) and has driven agriculture out of the balance needed for long term sustainability. The driving factor in the development of this industrialized and efficient agricultural system was to minimize the uncertainties in and lower the costs of production by applying assembly-line mechanisms to simplify the materials (plant or animal varieties, soil

amendments for nutrient needs, etc) and processes (harvesting, weed control, etc) so they could be controlled with the greatest accuracy. In order to maximize the production - and therefore availability - of food, the industrialization of agriculture attempts to minimize uncertainties of weather and the resultant production yield with the introduction of external inputs (fertilizers, pesticides, etc) and mechanization of harvesting, and by essentially ignoring the ecological aspects of agriculture (Ericksen, 2008).

1.5 At the same time, the paradigm of environmental *conservation* has been just that: keeping open space in its natural state, with as little human influence as possible. The environmentalists have therefore been at odds with the farmers. How can a system which ignores the needs of an ecosystem be incorporated into the need for environmental health of communities? When looking at the current mainstream methods of agricultural production, the answer is that they cannot. However, the new paradigm in agricultural development has shifted to include the needs of the ecosystem and to review agricultural production - a farm - through the lens of ecology: as an *agroecosystem*. Using ecological principles, the processes and practices within agricultural systems can be studied and understood in order to design new agricultural systems that are more in line with the needs of the environment.

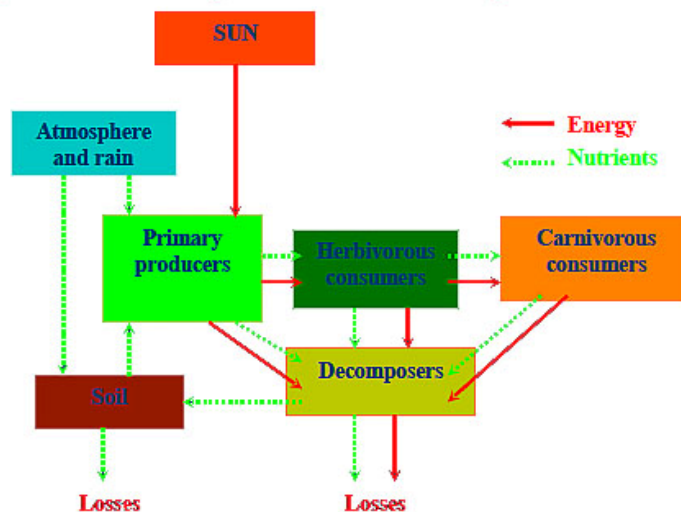
1.6 Generally, it is thought that by applying the principles of a healthy ecosystem to the variables within an agricultural system, we can develop a sustainable agricultural construct. An ecosystem is defined as "a functional system of complementary relations between living organisms and their environment, delimited by arbitrarily chosen boundaries, which in space and time appears to maintain a steady yet dynamic equilibrium" (Gliessman, 1998). Relationships within an ecosystem maintain a balance among the influencing factors, both biotic and abiotic. Biotic factors are any living organism and abiotic factors are the physical or environmental factors such as light, water and temperature. Balanced ecosystems naturally maintain these relationships between biotic populations and the influence of the abiotic factors so that one species is neither dominant or in great need, which results in a dynamic state of change, and allows for the long term sustainability of the entire system.

1.7 In an agroecosystem, human inputs have great influence on the ecosystem, completely changing the dynamic within the space of the ecosystem. For example, a field that has been left fallow for several years would have a wide variety of plant species, all playing some role in the maintenance of soil fertility (through the recycling of nutrients), of populations of insects, and of populations of other plant species. In a farm field, many of these species are replaced by those of interest to the farmer (the crops) and with the

crop much of the vegetative production is removed from the field at the time of harvest. Since the farmer decides the species growing in the farm field area, and removes much of what would normally be returned to the soil in a natural ecosystem, the farmer needs to consider his role in the agroecosystem. He therefore needs to take great care to determine what techniques and inputs need to be applied to maintain an ecological balance.

1.8 Crop rotations and intercropping play a significant role in maintaining a balance of insect populations so that one species does not dominate the area. Adding animal or green manure can replace the soil nutrients lost by harvesting the plant material from the field. (Green manure refers to the use of a crop, usually a nitrogen fixing plant in the legume family, as fertilizer. This crop is grown on a field and then plowed into the soil to enable the nitrogen stored in the plant material to be incorporated into the soil for use by later crops.) Generally, in a well managed agroecosystem, the farmer needs to understand the balance that needs maintaining within the ecosystem, what activities he does to throw off this balance, and what activities he needs to do in order to keep it maintained. However, in order for the farmer to have a product to harvest, achieving the characteristics of a natural ecosystem must be able to sustain a profitable harvest.

Fig 1. Functional Components in a Natural Ecosystem

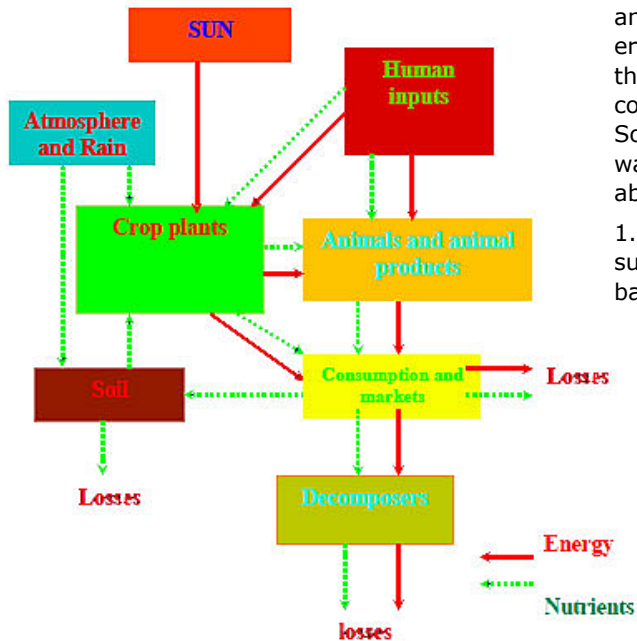


Adapted from: Gliessman, S.R. 1997. *Agroecology: Ecological Processes in Sustainable Agriculture*

1.9 Figure 1 shows an example of the general relationships between the factors that are at balance in an ecosystem and where nutrient and energy exchanges take place. In Figure 1, nutrient and energy losses take place in the decomposers, because they are usually not eaten by anything (and therefore are not providing energy to them) but do provide nutrients to the soil. Some level of nutrient loss occurs from the soil due to leaching. However, these losses are in balance with what is supplied by the rest of the system.

1.10 Figure 2 shows a similar representation, only within an agroecosystem. In Figure 2, it is necessary to note a new area where energy and nutrients are lost: through the product that is removed from the field and taken to market. This can be a significant area of loss and therefore is one major factor that influences the role of the

Fig 2. Functional Components in an Agroecosystem



Adapted from: Gliessman, S.R. 1997. *Agroecology: Ecological Processes in Sustainable Agriculture*

human in the system. The farmer needs to pay special attention to ensure that this area of nutrient loss is being met by another area in the system or all the other areas will suffer. Note that in this case, the waste from the consumption and markets would ideally be reincorporated into the system, in the form of compost, in order to complete the nutrient cycle, as well as incorporating wastes from crop and animal production (i.e. crop residues and manure).



An example of a farm field with high plant biodiversity, reflective of a natural ecosystem.

1.11 In a conventional agricultural system, these losses are usually supplied by chemical fertilizers, which can temporarily replace the role animal and

plant material have in restoring the nutrient balance. However, if the system is dependent on these external and artificial sources of nutrients, over a period of time the use of these external inputs will begin to destroy the capability of the soil. This is a common situation in the case of grain farmers who have been heavily dependent upon chemical fertilizers and now they are suffering from the inability of the soil to support any plant life (due to compaction and/or severe erosion problems). Soil compaction occurs when the weight of livestock or heavy machinery compresses the soil, causing it to lose pore space. Soil compaction may also occur due to a lack of water in the soil. Affected soils become less able to absorb rainfall, thus increasing runoff and erosion.

1.12 The farming practices that achieve a level of sustainability on-farm abide by the idea that a balance between inputs and outputs needs to be maintained. This is sharply contrasted with the goals of conventional farming systems which focus only on maximizing yields with the least cost. Without taking the ideals of ecology into the farming system, you get a methodology that is generally unsustainable. Table 1 compares the properties of a natural ecosystem with that of sustainable and conventional farming systems. As you can see, the conventional farming processes are not stable and are completely dependent upon the inputs from humans.

1.13 Sustainable farming systems involve human management, but are not completely dependent upon outside inputs. For example, if a shipment of feed to a conventional livestock operation were interrupted for a few weeks, the cattle would begin, probably within a few days, to suffer from lack of food and malnutrition, illustrating the low autonomy and reliance on external human inputs. If this system were compared to a livestock operation that utilized a rotating grazing system where the cattle were let out to pasture on prairie land or rotated among fields containing grasses grown for their consumption, there would be no dependency on outside feed. If the farmer wasn't able to tend to the cattle for a day or probably even a few weeks, the cattle would not suffer from malnutrition, since their food would be at their feet.

1.14 As it stands, organic or ecological agriculture, when practiced holding to these ecological ideals, is the best example of sustainable agriculture that we have available to us today. The principals of organic agriculture, for the most part, are dominated by maintaining this ecological balance within an ecosystem. Some of the techniques commonly in use are explained in Figure 3.

Properties of Natural Ecosystems Compared with Sustainable and Conventional Agroecosystems by Professor Stephen R. Gliessman			
	Natural Ecosystems	Sustainable Agroecosystems	Conventional Agroecosystems
Production (yield)	low	low/medium	high
Productivity (process)	medium	medium/high	low/medium
Diversity	high	medium	low
Resilience	high	medium	low
Output Stability	medium	low/medium	high
Flexibility	high	medium	low
Human Displacement of Ecological Processes	low	medium	high
Reliance on External Human Inputs	low	medium	high
Autonomy	high	high	low
Sustainability	high	high	low

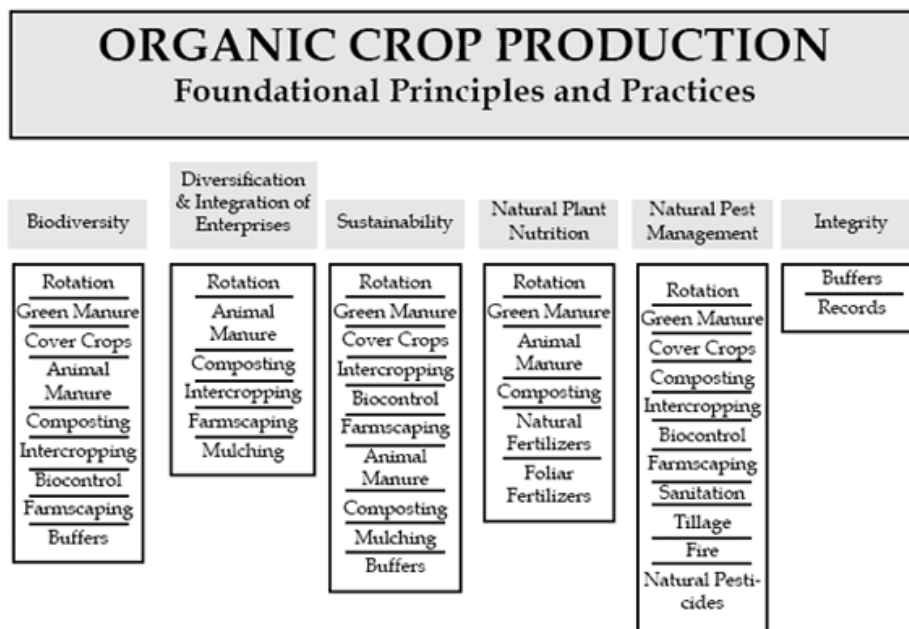
\*Properties given for these systems are most applicable to the farm scale and for the short- to medium-term time frame.  
From: Gliessman, S.R. 1997. Agroecology: Ecological Processes in Sustainable Agriculture

1.15 Each of the listed practices meet some need within the ecosystem. Pest management methods such as crop rotations (planting a different succession of crops on one area of land each growing cycle) prevent the population of any one species of pest from growing too high, keeping the insect populations in balance, and while maintaining biodiversity in the system. Adding compost to the soil not only adds nutrients, but it also makes use of crop residues and animal manure, closing the waste cycle. The most important elements in maintaining a sustainable

green manures. When compost and crop rotations are used in conjunction, a major increase in soil fertility occurs as well as maintenance of insect and other pest populations. The scheme below is an example of a crop rotation and soil fertility schedule and the photo following shows an example of a corn-soy-wheat-red clover field rotation, where each plot is planted with one of the four mentioned crops and changed each growing season.

1.16 It is possible to maintain sustainable farming systems for all types of products, but it requires

**FIG 3. ORGANIC CROP PRODUCTION OVERVIEW: FUNDAMENTALS OF SUSTAINABLE AGRICULTURE**

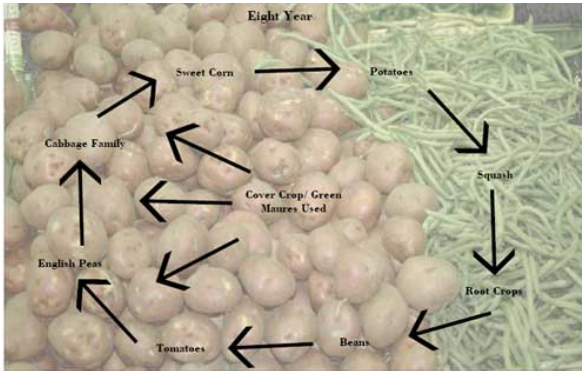


By George Kuepper and Lance Gegner. ATTRA Publication, August 2004  
(<http://attra.ncat.org/attra-pub/PDF/organiccrop.pdf>)

agricultural system are soil health and crop rotations. Soil health can be improved by the constant addition and monitoring of organic matter, in for form of compost, raw manure, or

extensive understanding of general ecological principles, knowledge about how a wide range of crops and animals fit into this system, each crop's individual nutrient, water, and sunlight needs. It involves not only a change of use in inputs (for example, sustainable farming does not occur when a synthetic fungicide is replaced with an organic one like sulfur) but rather an entirely new thought process for finding solutions to the difficulties of farming. (See Case Study 1.1).

**FIG 4. EIGHT YEAR VEGETABLE CROP ROTATION**



### ***Maintaining the Rural Character in light of Development: The Social/Cultural Opportunities Presented by Sustainable Agriculture***

1.17 In the past, progress meant industrialization: Move the rural communities to the cities and get them to work in factories. Farming should be left

to those who have the capital and desire to amass large tracts of land and big machinery. Technology will solve all the problems and make the world a better place. The future is in the cities. These realities of the past are becoming myths as huge numbers of people move to cities and live in poverty. As resources become more and more scarce and the industrialization of the planet, and the resultant pollution of water and loss of biodiversity, occurs at rates that are not only unsustainable, but disastrous. The erosion of rural communities – where the youth workforce moves out, corporations own large tracts of farmland, migrant labor lives in shanty housing, pastures are replaced with confined animal feeding operations and the sense of community is lost from the villages – would signify to some the death of the countryside. Instead, along with growing concern about the environmental detriment caused by agriculture, individuals are evaluating the social costs of the current industrial methods of production, attempting to introduce more equitable solutions for development in developing nations

and determining ways to reverse the detriment caused where industrial agriculture has already been introduced.

1.18 Agriculture of the past was a community affair; labor was shared among neighbors, each individual pitching in to help with the harvest on the farm next door knowing that he will need the help later. Farm owners were responsible to their workers and to their animals, knowing that the farm's livelihood depended in great part on their health and satisfaction. With the introduction of industrial agriculture, have come also human and animal abuses unheard of in a different system of production. In industrial farming, every action is measured only against its cost to the farm, so animals are treated as inputs and nothing is invested in the welfare of farmworkers (Ahn, 2004).

1.19 This lack of responsibility has taken the community out of farming and turned it into a factory: the workers are given one monotonous task to accomplish day after day and the animals are seen as commodities from which production should be maximized at the least cost. Segmenting the farm into a series of nearly automatic tasks has taken the craft out of the process, and the sense of responsibility for a farm's impact on a community is no longer a concern of the owner.

1.20 However, many of these same innovators in the environmental sustainability of farming also see the necessity to include these social aspects of farming in their assessment of sustainability. These first innovators that were able to turn to the traditional techniques of farming and update them to the current needs for environmental sustainability are doing the same for the social concerns. Consumers are also seeing the needs for greater social responsibility among the food industry and as a result producer consumer relationships have developed that are "vertically (i.e., politically and institutionally) disembedded and horizontally (i.e., spatially and ecologically) embedded" (Sonnino et al, 2006). In other words, the priorities of the producers and consumers are not to benefit political, institutional, or corporate agendas, but of that with local communities and their environment.

1.21 In these instances, it can be said that the individuals are involved in a sustainable rural development that is governed by a philosophy of community and common sense, encouraging practices that not only enable the control in decision making to rest with the offsite corporate owners of the farms, but also gives a voice to those who, within a conventional farming system, are powerless.

1.22 In the where instance where farming practices are based on these principles of a community's sustainability, all parts involved in a farm's livelihood would be able to influence decisions about the farm: the workers, the neighbors, the animals (in respect to their health

and comfort), and the consumers. In the context of rural development, this decentralization of control puts the power back into the community and can mean the difference between a thriving rural culture and an empty 'factory farm'. Reorganizing the control structure and decision making to include the entire sphere of influence of the farm builds a sense of owner responsibility to the community as well as a community responsibility to the farm and its owners. Local ownership of the food chain – from production to consumption – builds the social capital within and between communities and encourages a cyclic community responsibility (Ericksen, 2008).

1.23 Agriculture can be used as a base to build rather than destroy the social capital within rural communities and between rural and urban communities. The agro-ecosystem philosophies at the foundation of sustainable agriculture can be extended into the social realm as well; a balance must be preserved within all players in the farming society for it to be sustainable. Laborers can be seen as a potential area for investment, especially through their skills development and role in decision making about the farm. If farm workers are invested in the success of the farm, they can begin to take on the responsibilities that are inherent in building the farming community and stability of a rural region. Since diversification in business knowledge (such as in management or marketing) is necessary for a farmer to move away from a commodity-dominated form of production (where they produce on crop and sell it to a distributor or processor) having a labor force that is skilled and motivated to make the farm succeed is imperative (Kilpatrick et al, 2003). By trading the exploitation of workers for their empowerment and education, farm communities that are resistant to unpredictable weather and global market conditions can develop. These stable and productive rural communities can then exist as a strong support for the urban areas, providing a constant and healthful supply of product to the urban communities, further enhancing the social capital of both regions.

1.24 Enhancing social capital and empowering the members of rural communities is not dependant upon close geographic proximity. While most international trade relationships encourage the industrialization of agriculture and the reject the importance of *communities* in agriculture, not all international trade relationships have to be based on exploitation of resources or workers (Kilpatrick et al, 2003). There is an emerging paradigm that development can be more successful when communities are empowered as trade negotiators (setting product prices and making production decisions) and rural areas more stable when investments are made in social capital. Recently these discussions grew into efforts to develop social standards for sustainable agriculture and a certification scheme to ensure these standards and make them easily understandable to consumers.

Coupled with the ideals of fair trade—the idea that producers or workers benefit from the sale of their product internationally, where they receive a price for the product that covers the costs of production and allows the farmers and workers to receive a fair wage—a group of organizations has been working to develop social standards in farming benefitting producers and consumers alike. The application of these standards into the generally accepted practice of sustainable agriculture is imperative to the proper adoption of a true sustainable rural development methodology and philosophy

1.25 By illustrating that successful enterprises can be achieved without the exploitation of a people, a society, animals, or the environment, we can begin to form the basis for a development plan that will benefit all members of society now and in the future.

### *Sustainable Agriculture Creates Economic Growth in Rural Communities: Economic promise of sustainable agriculture*

1.26 By incorporating the social aspects of sustainable agriculture with the environmental practices, a picture of a strong rural community begins to develop. This community has built its social capital and through smart use of resources has a thriving agricultural sector and ecologically sound landscape. However, even though the society and its environment are stable, in order for rural areas to be truly sustainable, there needs to be some level of economic security generated from the area. This can be met through the development of sustainable agriculture and processing enterprises, coupled with more diverse directives, such as tourism. Since the landscapes are preserved and there is a strong social network, it is possible to support a tourist industry that is taking advantage of the rural landscapes.

1.27 Additionally, other linkages with urban communities are often important to the economic stability of rural areas. It is not uncommon that farming enterprises produce much more than is able to be absorbed by the local market, so farmers look to sell their product elsewhere. By encouraging these urban-rural linkages and short supply chains, it is possible to imagine a sustainable rural farm that meets all the environmental and social criteria for sustainability, and to meet the economic needs of the farm, is supported by marketing product in a nearby city.

1.28 There are several successful examples of these urban-rural, farm-to-consumer, and short supply chain linkages. The most successful examples of these are embodied in the recent "locavore" movement, where consumers' purchasing decisions revolve around the idea that they purchase food produced in areas that are within a certain distance from their home. Those involved in this movement take advantage of

direct farm-to-consumer marketing efforts like farmers' markets, restaurants that make an effort to purchase directly from farms and community supported agriculture or box scheme agreements. In each of these cases, the middle man (a wholesaler or distributor) is eliminated and the farm receives 100% of the final sale price of the product. These local purchasing schemes benefit the farmer, while he has to bear the cost of distributing the product, he also receives the entire retail value of the product. Therefore, the farmer can earn a decent wage and pay his workers a decent wage as well.

1.29 Linking urban based consumers with farmers has many benefits for both communities. When the urban rural links are strong, wealth can flow from the urban areas to the rural areas in the form of purchasing agricultural products, but it can also move the other direction to provide manufactured goods to the rural areas. When these links are strong, both communities benefit from this relationship and a security net is developed when these two communities are linked. In fact, there has been significant evidence that these relationships nurture multipliers that greatly contribute to the regional wealth (Mushi, 2003). In this way, we begin to see the less direct benefits of the regionalized purchasing schemes.

1.30 Local ownership of the economic activities in rural areas and local purchasing of the resultant products creates unique opportunities for invigorating greater economic growth within the communities. It has been shown that local ownership creates a multiplier effect for every monetary unit expended by that owner. For example, if you purchase vegetables from a farmer located in your town, that farmer will take that money earned and give it to a local mechanic to fix his tractor and the mechanic will spend his wage purchasing a dinner at a local restaurant. So because the farmer earned money from your purchase he was able to support a mechanic who was in turn able to support a restaurant in your community. However, had the purchase of vegetables been to a farmer or distributor outside of your community, whatever profits that farmer made from your purchase would be spent wherever he is located (Borst, 2006).

1.31 These direct producer to consumer relationships don't have to stop at the local level either. By choosing fair trade products, consumers can provide many of the same benefits to the communities that are not at their doorstep. In this way individuals can support the positive rural development of communities in developing nations. While this may go against the reasoning for regionalized food systems, fair trade initiatives can fill a production gap where the local communities cannot produce a product that is demand in a certain area. The reality is that these products (coffee is the perfect example) will be purchased anyway, it is better if it can be guaranteed that this purchase to benefit the

producer within a community, rather than some conglomerate distribution company. Additionally, fair trade activities tend to provide a positive cash flow from wealthier areas that are purchasing the product to often poorer areas in developing nations where the producers are located. (See Case Study 1.3)

***Institutional (universities, vocational education, NGOs) instruction and support as a necessary bridge to developing sustainable rural communities and linking them with market access in both the rural and urban context***

1.32 Institutional support in the form of policies, purchasing decisions, and business development opportunities are imperative to the enhancement of smart rural growth and the development of sustainable agriculture in rural communities. Policies of the old paradigm, focused on increasing production and externalizing costs, are beginning to give way to the new ideals of a sustainable development. This initiative is well illustrated in the changes being made in many of the industrialized nations and especially in Europe in the case of the Common Agricultural Policy (CAP).

1.33 The influence of the CAP in the rural communities in Europe is obvious: rural areas cover 90% of the land in the EU and farming has historically played an important role in shaping the landscapes and rural character of the EU. The current agro-environmental schemes within the CAP provide monetary incentives to encourage farmers to incorporate practices that go beyond the regulations around good agricultural processes and basic legal structures of environmental preservation. The incentives have been consolidated into an axis for Rural Development Policy beginning in 2007, which require member states to offer these incentive schemes to farmers (European Commission, CAP Explained).

1.34 However, incentives may prove to be not enough to enable a true adoption of more sustainable agricultural practices. Reforms have been implemented starting in the 1980s in New Zealand in agricultural policies, which were built around "the 'three pillar' (economic, environment and social) paradigm of sustainable development". The reforms have been judged to be "broadly positive and the short-term negative social effects were relatively muted" (Vitalis, 2007). The fact is that a recent analysis of these changes suggests that linking negative environmental effects of subsidies with their distortive economic effects illustrated the old paradigms failures and increased acceptance of the reform and the new "three pillar" paradigm.

1.35 Recent policy developments in the EU have adapted a strict enforcer for the adoption of environmental farming practices: cross-

compliance. This mechanism links environmental conditions to agricultural support payments, where farmers must comply with a series of restrictions related to the environment, food safety or animal welfare in order to be eligible for other support schemes. The farmer then has to measure the cost of compliance against the benefit of the support received as a result of compliance. This may still be a disincentive if the corresponding support scheme is not a very large amount of money, although some evidence of compliance has been shown within the schemes that include high payments (Bonnieux et al, Notre Europe).

Generally, the EU is encouraging the adoption of more environmentally friendly practices by:

- Offering financial assistance to farmers who agree to adapt their agricultural practices,;
- Helping with the cost of nature conservation; and
- Insisting that farmers must respect environmental laws and look after their land properly if they wish to qualify for direct income payments (European Commission, CAP Explained).

1.36 The EU has begun to develop these kinds of policy mechanisms with the introduction of the Fund for Rural Development. These initiatives are reflective of the need for change in payment support and have been developed to support initiatives that are not focused around increasing production at any cost. Instead they are focused to develop a more vibrant and diversified rural economy with initiatives like

- Training in new farming techniques and rural crafts
- Assisting young farmers to set up on farms
- Assisting older farmers to retire
- Modernizing farm buildings and machines
- Assisting farmers to meet demanding EU standards, e.g. environmental, animal welfare and public health
- Helping establish food processing facilities on the farm so that farmers can earn more income from farm products by adding value to them
- Improving product quality and marketing of quality products
- Setting up of producer groups in the new Member States
- Support for farming in mountainous areas and other areas with handicaps
- Renovating villages and rural facilities
- Encouragement of tourism
- protection and conservation of rural heritage
- Agri-environment measures to improve the environment

- development strategies put in place by local action group

1.37 Other than direct regulations for environmental practices, policy can influence purchasing decisions that develop a market-driven change. Policy requirements that dictate purchasing for government-run and other institutions can require the producers meet certain environmental and social standards. In this way, farmers will see the market is demanding a different kind of product and be encouraged to adopt these standards. This approach can also be applied to initiating marketing efforts for these standards so that consumers generate the same preference. A fine example of market-driven change is the organic agriculture sector, which has shown consistent growth over the last 15 years (Bonnieux et al, Notre Europe) (See Case Study 1.2)

*What can we do to get involved in encouraging sustainable agricultural practices?*

*What are the over-arching social, economic, and environmental philosophies for sustainable agriculture? How do they address the needs of the rural communities?*

*What are the implications for the development of our rural communities to our food choices? How can our food choices influence policies?*

*What are the environmental and social concerns of agricultural production? How can we know we are making the best choices?*

*How can sustainable agriculture provide a stable and sustainable rural community?*

## Case study 1.1

### *Pie Ranch, California, USA.*

#### **Profile and History:**

In 2002, three founding partners—Nancy Vail, Jered Lawson, and Karen Heisler—purchased a triangular 14-acre property to establish Pie Ranch. The shape of the land, and their shared vision to create a model center of sustainable farming and food system education, inspired the farm's name.

Since 2005, Pie Ranch has operated as a working farm, hosting youth from regional high schools to participate in farm-based programs and activities. Pie Ranch also works with educators and community collaborators in diverse urban, suburban and rural settings to help students apply what they've learned at Pie Ranch in their daily lives. In addition, Pie Ranch mentors aspiring farmers as resident apprentices who spend a full year immersed in all aspects of farm operations and marketing.

With initial help from the Peninsula Open Space Trust (POST), the land including and surrounding Pie Ranch has been removed from the speculative market. POST has empowered Pie Ranch to launch a capital campaign to permanently protect the site.

#### **Current Activities:**

##### **The Farm:**

Pie Ranch practices sustainable farming techniques that emphasize soil fertility and biological diversity and utilizes a sustainable marketing model by growing for local markets and creating a relationship-based food system. They state they "grow food to sustain ourselves, our community, and our environment."



On the pie-slice shaped piece of land, Pie Ranch produces pie ingredients including wheat for crusts, fruits for filling, raise chickens for eggs, goats and cows for milk and butter, and vegetables for healthy meals. The crops are sold at the farm stand, to local bakeries including Mission Pie, and have a Community Supported Agriculture egg share program.

#### **Youth Education & Leadership Development:**

An integral piece of Pie Ranch's vision is to partner with youth around food & farming. The youth are usually high school students from the Bay Area, Pescadero and Santa Cruz; however, they are happy to serve groups from all over the globe. The main focus is on providing the opportunity for repeat visits rather than one-time experiences on the farm because they believe that repeat visits create a cumulative learning environment; youth connect to the land, to the staff, and to each other. Trust and respect grow as youth experience the cycle of days, weeks, months, seasons, and years.

#### **Examples of Educational Programming at Pie Ranch:**

Mission High School Piesters: English & Science classes unite & come to the Ranch once a month to engage in farming activities, journaling, observation, and reflection, food preparation, and celebration. The year culminates in an overnight at the end of the school year.

Mission High English Language Learners: Monthly visits provide these youth the opportunity to practice their English in the context of a farm, engaging in farm activities and food preparation.

Oceana High School: During their "intersession" week, these students engage in the rhythms of the days & nights. Goat milking, egg collecting, farm activities & cooking three meals per day are balanced with hikes, journaling, and a visit to Ano Nuevo State Reserve.

The Urban School of San Francisco: Seniors participating in Cal-studies, focusing on food production, use Pie Ranch as a base from which to explore California agriculture.

#### **Farmer Apprenticeships and Internships:**

Apprenticeships are one year long and apprentices participate in all aspects of the ranch. Work includes sowing, planting, weeding, irrigating, and harvesting a variety of crops; animal husbandry; experiential education with youth; developing infrastructure; and direct marketing through the farm stand, farmer's markets, and Community Supported Agriculture program. In addition to an experiential education, apprentices earn a stipend as well as housing and food from the farm.

Unpaid summer internships for people interested in learning more about sustainable agriculture, food justice, and education on the farm are also available. Interns are expected to take part in all aspects of the work-week, including crop & animal care, educational programming, and maintenance of the grounds & infrastructure.

## Case study 1.2

### *School Meals Program in Rome, Italy*

There has been a remarkable (and enviable) shift in Rome's school meals – something on the order of a truly green revolution. If the food is not organic, you can probably count on its being seasonal and locally/regionally sourced or fairly traded (as with the bananas and chocolate), and always cooked from scratch. Environmentally-friendly equipment, cleaning products and the like are standard fare since Dr. Silvana Sari designed and introduced her ALL FOR QUALITY food procurement principles to Rome schools in 2001.

With strong support from both Rome's Mayor and the Counselor of Education, the school system – under the leadership of Sari – laid the groundwork of ALL FOR QUALITY through a series of contract changes that continue to evolve.

#### ***School Food Profile and history:***

In the spring of 2007, the school meals program in Rome, Italy will enter its third round of tendering to support its ALL FOR QUALITY principles introduced six years ago. Arguably, Rome's efforts are the most far-reaching worldwide – in terms of systems change – to support a “big tent” definition of health, one that includes the social and nutritional health of the child along with a clear philosophy of environmental stewardship. Interestingly enough, no one event seems to have triggered the profound change in Rome. Instead, more like a slow-moving train, deep and longstanding cultural traditions about food in Italy, together with a long history in sustainable food procurement have confronted a cluster of dilemmas: increasing numbers of overweight and obese children, specific concerns about BSE and pesticide residues in food and a more generalized food anxiety across the European Union.

School meals represents 40% of public catering in Rome, serving approximately 140,000 meals each day plus a mid-morning snack for all. Of the total meals served, 4,000 are based on special recipes for medical, ethical or religious reasons. 92% of the schools prepare their own meals on site in 645 different schools (for three to 14-year olds) and 180 kindergartens for the children up to three years of age. When children enter high school at 14 years of age, they begin their school day quite early and return home for lunch and the rest of their day.

Looking back to 2000, Sari describes the school meals at that time as being of poor quality. The food was mostly conventionally-produced, not much of it organic with little attention paid to seasonality, variety, and balance between caloric and nutritional content. She also viewed the monitoring system as ineffective. The cost of the meal, in terms of food and labor, was equivalent to

\$4.81 at that time. Her assessment led her to study all stages of the food chain – from its supply, to processing and packaging and through preparation.

#### ***ALL FOR QUALITY guiding principles of change***

Before looking at the specific changes introduced, it is helpful to consider some of the concepts that guided the overall change process in Rome. Sari found it essential to:

- Study the market capacity to accurately gauge the rate, type and extent of change possible.
- Strive for a gradual change that incorporates new elements and assesses the impact of these elements in order to make the appropriate corrections.
- Assume that making corrections is an inevitable part of the change process.
- Establish an ongoing contract monitoring process
- Use the monitoring process to impose real sanctions for all violations – large and small.
- Be transparent and consistent in approach.
- Be creative.

Contractual change with the food companies and proactive monitoring to verify compliance was the two-prong lever for Rome's radical change. In Sari's words: “It is easy enough to write the rules but it is very difficult to control that they are implemented. That is much more important.”

The food companies are responsible for more than food in Rome. The contracts are based on a 100-point system to provide “best value,” not simply lowest purchase price. In this framework, the purchase price of the food accounts for 51 points, the single most important criteria. The other 49 points include a mixture of infrastructural support and changes in the type, or quality, of food made available. Support for the infrastructure includes:

- Improving the kitchens, canteens and furniture;
- Training course and informational campaigns; and
- Organizational features of the meal service – adequate staffing, hiring of qualified personnel, monthly debriefing meetings with food companies and so on.
- In terms of the type or quality of food available, Rome aims for characteristics such as place of origin, organic production, products from bio-dedicated food chains, and fair trade.

Using the principle of gradual change, Sari weighted the three criteria (price, infrastructure and food quality) differently in the two three-year

contracts she has led during her tenure to date. With price as a primary concern (51 points), she defined the rest of the criteria (49 points) according to the condition of the meal system as each contract began – the first running from 2002 through 2004; the second from 2004 through 2007. In this way, the specific criteria would continue to be adjusted over time to “fit” the needs at the school level, correcting trouble spots as they inevitably arise. Also, in light of the success and what was learned during the 2002-04 contract period, the City invested 166 million euros during the second contract period. For the most part, this investment has institutionalized the monitoring mechanisms now in place.

#### ***First contract period, 2002 through 2004***

The most significant change was the introduction of organic food, which had not been included in any tender prior to this. In 2001, the Environmental Section of the Health Agency reported on the amount of pesticide residue in conventionally-grown fruits and vegetables. Because of these data, the meals program initially sought only foods that were organically grown. Rome increased the organic ingredients in school meals from approximately 10% to 70%, an outcome initially viewed as an impossible by many food companies. To accomplish this, Sari studied the market well enough to know which organic foods could be introduced to the schools without a negative impact on the market. Within this contract period, the school system steadily increased the organic foods along with an increase in meal price. In the 2002/03 school year, the cost was \$4.31; with the introduction of more organic foods in the 2003/04 school year, the cost increased to \$4.68.

In addition to organic fruits and vegetables, the first “reform” tender called for:

- Balancing caloric and nutritional intake;
- Serving three different kinds of fruit each week;
- Prohibiting GMOs in any of the food;
- Compulsory inclusion of PDO products (Protected Denomination of Origin) or PGI (Protected Geographical Indication);
- Forbidding the use of frozen vegetables except for peas, green beans and spinach;
- Replacing milk with water, which in Rome is naturally high in calcium coming from the Piedmont region; and
- Decreasing the amount of meat and increasing the amount of plant-based proteins.

During this period, Sari’s team increased the number of monitoring visits (160 in the period prior to her arrival) to 1,200 which, in turn, led to the increase in fines/sanctions on the food companies from 7 to 450. Clearly, the city of Rome fully intended to hold the food companies accountable to the newly introduced standards.

#### ***Second contract period, 2004 through 2007***

With one successful contracting period accomplished and with the increased financial support of the City, the “100 points” tender process has continued to drive change in the system. In the second round, a seasonal “face” was introduced using summer and winter menus, shaped by 5-week menu cycles. Menus change every week and no dish is to be served to children more than once a month. The range of organic food has expanded beyond fruits and vegetables to include olive oil, canned tomatoes, cheese, bread, baked products, cereals and legumes, pasta, rice, flour and eggs. Frozen fish fillets have replaced processed fish products and fair trade chocolate and bananas have been introduced. Finally, contracting firms must guarantee that quality and safety are assured at all stages of the food chain – farming and breeding practices, transport, processing, packaging and preparation of food.

Significantly, the contracting companies also agreed to:

- Replace plastic knives and forks with silverware and dishwashers;
- Increase use of eco-friendly building materials;
- Increase recycling by distributing non-utilized foods to facilities that feed the poor;
- Increase recycling by distributing partially-utilized foods to animal shelters;
- Reduce production of waste throughout process;
- Decrease food miles to decrease pollution; and
- Replace rectangular tables with square tables to promote interaction during meals

These changes have led to an increase in the meal cost to \$5.09, along with an increase in the number of monitoring visits to approximately 3,500. Sari is pleased to report that the number of fines/sanctions for non-compliance have decreased to 107, the decline suggesting that the contracting firms now really “get what is expected of them”.

Adapted from study conducted by Toni Liquori, EdD, MPH, Liquori and Associates, LLC

### Case study 1.3

#### *Equal Exchange Producer Profile: Oromia Coffee Farmers' Cooperative Union*

##### ***Fairtrade coffee production***

The Oromia Coffee Farmers' Co-operative Union (OCFCU) was founded in June 1999, and is the largest Fair Trade coffee producer in Ethiopia. The co-operative requested and received permission from the government to become a direct exporter of its members coffee, therefore bypassing the central auction and giving more control and market share to the producer.

Oromia has a total of 34 co-ops, with a total of 22,743 farmers. Eight of these co-ops currently export under FLO conditions. Last year they exported 947MT of Fairtrade coffee.

The region where the coffee is grown covers 40% of Ethiopia in the central, western, eastern and southern areas. The total area cultivated by the co-operatives is 163,192 hectares; of this 50,692 is certified organic. With the OCFCU being allowed to exclusively deliver the coffee by bypassing the auction, this also enables them to control and maintain their own quality standards during the whole process.

##### ***Agriculture methods***

Traditionally agrochemicals have never been used; instead environmentally sound methods developed over generations have thrived. All of the coffee is shade grown amongst acacias and oaks. The fallen leaves and decaying plant matter, along with animal manure, help to enrich the soil.

The coffee bushes are interspersed with plants such as cardamom and ginger, fruits such as papaya, mangoes and avocados, and root crops such as sweet potatoes. This intercropping helps to enhance the fertility of the soil, further enriching this already chemical free area.

The growers receive agricultural advice on pruning, picking, handling/processing and the storing of the coffee in order to improve the quality standard. Assistance is given from government agricultural and co-operative bureau and Union level that have over 20 years experience in this field.

##### ***Coffee worker - Fair Trade Investment***

Revenue from Fairtrade sales have allowed co-operative members to purchase two washing stations, and Oromia has developed a fund for the repair of de-pulping machines to safeguard the organizations capacity to produce high quality, washed Arabica.

The co-operative provides technical assistance to its members, including workshops on composting the by-products of coffee production and utilizing shade trees and natural fertilizers to enrich the soil.

*Adapted from:*

*<http://www.equalexchange.co.uk/producers/oromia.asp>*

## Case study 1.4

### *Sustainable Food and Farming Center, U.K*

The SFFC is a Leader+ project, which supports and coordinates the development of sustainable farming and local food links in Wealden and Rother (WARR) area of Outstanding Natural Beauty in south-east England. The area has a varied topography with generally low quality soils, small irregular fields, shaws (small woods) and ancient farm woodland and hedgerows. The WARR Local Action Group (project promoter) is situated in an area which is active in the agricultural sector and aims to create a balance between maintaining the exceptional natural environment and achieving sustainable economic growth. There is a general perception that the area is wealthy; however, this often masks pockets of severe poverty and deprivation, particularly areas affecting young people.

The project evolved following an in depth 18 month research and consultation phase on the needs of a specific food and farming community in the Leader+ area. The research identified gaps in the provision to farmers of local information, advice, training, networking, and marketing development. Through a bottom-up process in the project design, a proposal was prepared that aimed to tackle these issues, initiating the Sustainable Food and Farming Centre (SFFC) project.

The project aimed to:

- support farmers and growers to increase their incomes through diversification, processing, environmental management and marketing;
- stimulate demand for and access to local produce in the region

The project had many distinctive aims including to: support and encourage a vibrant and sustainable rural economy; increase the economic turnover of land-based businesses through diversification;

support and enhance the landscape and biodiversity; reduce food miles; improve access to local fresh healthy produce; and stimulate greater participation in training and education.

The main role of the SFFC is to provide central coordination for sustainable farming in the WARR Leader+ region. Its staffed by a full-time coordinator, a part-time advice and training coordinator and information officer. The center provides a range of activities to the farming industry including training events, seminars, individual advice and demonstrations, all of which are tailored according to local needs.

The project has managed to successfully establish a new advisory and training service and has supported 166 farmers who have used the centre as the first point of contact. A large number of local farmers have been assisted through advice, training and visits, and eight local producer networks have been successfully established. Younger members of the community were also actively involved and targeted in the project with 11 young/ unemployed members being trained in rural skills. As a result of some of the training and advice offered by the centre, 24 farms have introduced alternative activities, 17 local producers have participated in local networks, and four new market outlets have been established.

The project results have clearly demonstrated some of its achievements and the centre now continues to support farmers and the local rural community.

For more information visit:  
[www.warrpartnership.org.uk](http://www.warrpartnership.org.uk)

Adapted from Leader+ Best Practices 2008/2

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Text to be considered:

The bottom-up approach has been a fundamental element of the Leader+ project that initiated the Sustainable Food and Farming Centre (SFFC), both in the design of the project and its ongoing delivery. The flexible delivery of the project (such as its bespoke training courses, mentoring support, marketing schemes, etc.) has meant that its content can be finely tuned to the needs of the farming community that it is aiming to serve.

The broad nature of the project is very inclusive and has benefited various sectors of the community such as businesses, employees, low-income communities, young people, and women-led businesses. The SFFC is an innovative project as it provides local information and advice to local businesses. Particular innovative features of the project include: its specialised courses designed in response to local farming needs; hands-on practical skilled programmes; support packages such as ongoing mentoring and coaching; environmentally sustainable practices for training and advice; emphasis on networking and collaboration with support for new cooperative initiatives among farmers and growers; promotion of local products; and linking producers with retail outlets.

Its array of services and support mechanisms has clearly been a great achievement of the project as it has reached many different needs and requirements of the local community. Networking and cooperation opportunities have been plentiful and are very important in the operation of the project. It has successfully established a regional network of expert farmers to share experiences and best practices between each other. This has provided farmers with more support and enabled them to share skills and cooperative production/marketing schemes.

Partnership working among the project partners has also been important as it has combined traditional farming, agricultural education and expertise with a community-led approach that is in touch with wider concerns of health, exclusion and access to local produce. A strong partnership between the project promoters has created efficient working methods throughout the project with its two main partners: Common Cause Cooperative Ltd, a non-profit organisation that supports links between local food producers and consumers, the environment and the local economy; and Plumpton College, a further education college with years of experience in education, training and practical agriculture.

These partners along with the local LAG have accumulated their skills, knowledge and competencies to provide a wealth of experience for the farming community. The success of the SFFC has led to further funding applications and the project is now sufficient enough to ensure that its activities and operation continue beyond any support from Leader+. The project has supported and increased social, economic and environmental sustainability of the area by promoting farming practices and local marketing strategies that are environmentally sensitive, financially viable and accessible to local people. In addition, the centre has developed outbuildings that use resources from the farm which include renewable energy schemes. These are then used as working demonstrations and models for other farms in the area. The project addresses many of the Leader+ characteristics and it is a truly integrated innovative project.

Leader+ best practices 2008/2

## CHAPTER 2.

# *Impact of sustainable agriculture on the landscapes*

## *Landscapes as the interface between society and nature*

2.1 Perceptions of landscapes are rooted in history and local, regional and national cultures, and usually vary over time for the viewer and between different users of the landscape, such as between farmers, environmentalists and urban dwellers (Cary, 2000). Landscapes can be understood as man's tangible surroundings, where culture and nature meet. No clear boundaries exist in the landscape between what is cultural and what is natural. It is about natural features, about the farmed and wooded landscape or countryside, and about patterns of human settlement and the relationship between all of these things. There is a constant interplay between conditions of nature and factors of society in shaping the landscape. Of course, nothing prevents us from referring to landscapes as either natural or cultural, but these are only ways in which to articulate the specific interest of a certain study. In reality, there are few areas left untouched by human societies. Therefore, every study of the processes in the landscape must incorporate an understanding of how society organises itself -- economically, socially and politically -- to extract from nature some of the basic requirements of its existence.

2.2 The landscape is everywhere – it is not just something that occurs in beautiful areas that are designated as parks of one kind or another. The work on assessing landscapes does not imply that we think that, at a particular point in history, it was ideal or sustainable and should be retained, because the landscape is dynamic and evolving. The question is how we can use techniques of landscape assessment to manage change in a way that will retain its quality for the future. Landscapes have great public appeal: people find it hard to understand the more obscure aspects of resource protection or biodiversity, but they feel very strongly about issues to do with landscape, both at the local level -where many local communities have an extremely strong sense of place - and at the national level – where a landscape is often an important symbol of national identity.

2.3 There is no unique way in which the various landscapes can be defined, classified and then valued. This will to a large extent depend on who is viewing the landscape and the purpose for which they wish to use and/or analyse landscape. Hence,

the urban public tends to value the landscape from a general aesthetic, recreational and cultural perspective. The ecologist perceives landscape as primarily a provider of biodiversity and habitats. On the other hand, farmers, rural communities and ultimately consumers, are interested in, or at least benefit from, the economic value of a landscape related to the production of agricultural commodities and as a place to live and work. There is also no unique recipe for selecting landscape indicators, either: these depend on the purpose, scale, and available data, etc.

## *Landscapes and agriculture*

2.4 Agriculture plays a key role in shaping the quality of a rural landscape. Rural landscapes are the visible outcomes from the interaction between agriculture, natural resources and the environment, and encompass its amenity, cultural, and other societal values. The relationship between agriculture and biodiversity is contradictory. On one side agriculture has been one of the main reasons for land transformation, habitat loss and fragmentation (Vitousek *et al.* 1997, Hodgson *et al.* 2005) and, thus, has caused the loss of many local populations and even global extinctions of species. On the other hand, traditional and extensive agriculture has created landscapes and habitats that, at least in some cases, are diverse and species rich (Sammul *et al.* 2000, Kull *et al.* 2003). Moreover, due to its long-lasting effects on ecosystems, humans have replaced several natural ecosystem processes with human-induced ones and range of species have adjusted to and became dependent on man-made habitats.

2.5 The threats agriculture causes for biodiversity and landscape values are quite considerable: landscape change (habitat loss, fragmentation); chemical pollution (use of pesticides and herbicides, fertilization, contribution to the greenhouse effect); depletion of soil resources (including erosion); biological pollution and genetic homogenisation (use of GMOs, loss of local breeds, abounding monocultures); etc. Of course these negative events do not occur everywhere. In many cases, farmers and society have managed to avoid bad decisions. Moreover, there is hardly ever an intentional degradation of ecosystem functions (Sammul, 2006). These current, detrimental agricultural landscapes are just a by-product of

farming past. However, the continuation of harmful practices is by now inexcusable. There are plenty of examples where agriculture has caused problems in nature.

2.6 The main driver for landscape change is intensification of production, caused by an increased demand for agricultural products on one side, and farmers wishing to maximize profit on the other. Intensification of agricultural production brings about increase in the application of fertilizers and pesticides, drainage of wet and moist areas, creation of larger fields, abandonment of semi-natural grasslands, changes in the timing of sowing and harvesting operations, etc. A general trend in agricultural practices has been a simplification of crop rotations which has led to individual farms typically being either solely arable or pastoral enterprises, rather than adopting a mixed farming regime.

2.7 Among these effects, the direct alteration of habitats has to be emphasized. In Lithuania (and in other Baltic countries) approximately 80% of swampy lands were reclaimed and 70% of small rivulets were straightened between 1945 and 1990 (Kull *et al.* 2004), mostly to gain land for agriculture. In the UK, in the agriculturally favoured lowlands, nearly all of the grassland, both improved and semi-natural, has been replaced by arable fields. Very little semi-natural grassland remains and is generally abandoned (Hodgson *et al.* 2005). Half of the species-rich meadows disappeared in uplands of UK as late as between 1980 and 1995 (Hodgson *et al.* 2005) when the problem itself had already been known. Thus, despite problem recognition, agriculture has failed to alleviate the problem and take the necessary action. Everywhere in the world, extensive land clearance is still occurring, resulting in catastrophic biodiversity losses (McAlpine *et al.* 2002). In these places, ecological conditions are undoubtedly declining rapidly.

2.8 While creation of fields directly destroys natural and semi-natural habitats, the application of fertilisers, its runoff from fields nearby, and abandonment of semi-natural grasslands also cause the loss of populations and extinctions of species (Wotavová *et al.* 2004). Consequently, the management practices also play their role in maintenance of quality and sustainability of agri-ecosystems. Degradation of land can occur in many forms, including erosion, fertility decline, salinisation, lowering of the water table, pollution, etc. Generally problems arise from inadequate use of artificial fertilizers and pesticides, use of heavy machinery, irrigation, monocultures, replacement of perennial vegetation with annual crops and seasonally open soil. Declining soil quality and fertility increases the need for new fields and puts the pressure on natural habitats (see above), thus it also has a secondary, cascading negative effect on sustainability of land use. One of the most often noted misuses of agricultural land is overgrazing.

Its effects on whole nutrient cycling of the community can be tremendous and result in lower levels of soil fertility as well as lower levels of ability to buffer the water stress (Villamil *et al.* 2001).

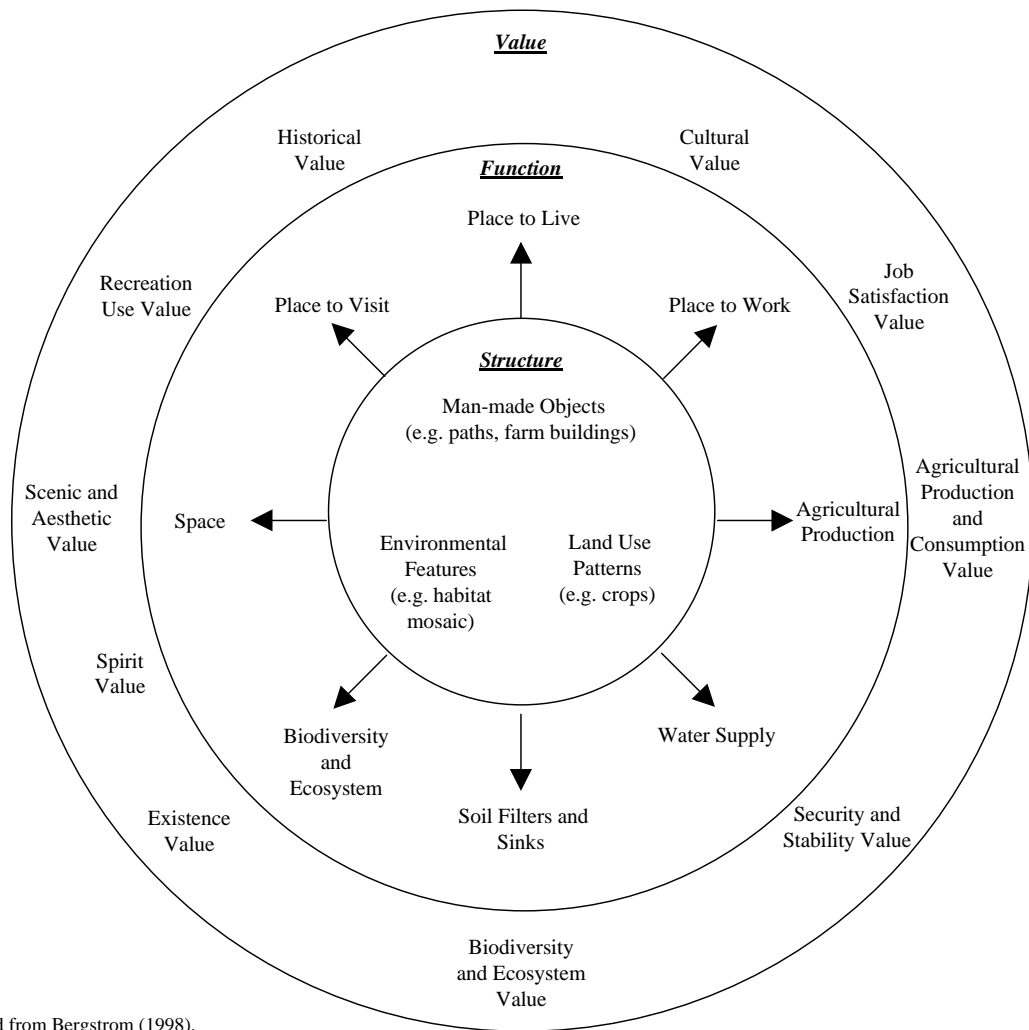
2.9 Moderate agricultural pressure may create and has created diverse landscapes which provide habitats to a large variety of species and ensures the fluency of biogeochemical cycles. Moreover, several habitats that are semi-natural in their origin are highly species-rich and provide niches for many species which would otherwise go extinct. However, this balance is fragile and intensification of agriculture has in most parts of the world destroyed these fine examples of human-created richness of life (Sammul, 2006).

### *Landscape structure, function and value*

2.10 Despite the variety of individual, local, regional, and national interpretations of agricultural landscapes, three key elements are relevant to any agricultural landscape (Figure 1). These are:

- **structure**, the interaction and relationship between various environmental features (e.g. flora, fauna, habitats and ecosystems), land use patterns and distributions (e.g. crop types and systems of cultivation), and man-made objects (e.g. hedges, farm buildings);
- **function**, provision of landscapes functions for farmers and rural communities as a place to live and work, for society at large as a place to visit and space for the enjoyment of various recreational activities, and also the function of landscape in providing various environmental services, such as the provision of biodiversity, ecosystems, water supply, soil filtering and sink functions;
- **value**, both the value society places on agricultural landscape, such as recreational, cultural, and other amenity values associated with landscape, and also, the costs of maintaining and enhancing landscape provision by agriculture.

2.11 The identification of these three elements can help to better organise the examination of agricultural landscapes to facilitate policy analysis and decision making. The structural landscape components provide the basis for landscape appearance and the connection to landscape functions. The latter have an important role in supporting the different societal values associated with landscape values. Figure 1 demonstrates the relationships and particularities of these elements and how they could be valued according to the specific judge (e.g. ecologist, farmer, or urban resident).

**FIGURE 1. KEY LANDSCAPE ELEMENTS: STRUCTURE, FUNCTION AND VALUE**

Source: Adapted from Bergstrom (1998).

### **Landscape functions and services**

2.12 Even though the problems agriculture has created for nature conservation are well-known, the acquisition of natural resources for immediate human needs that neglect the long-term view, development of urban areas, intensive use of agricultural lands, and population pressures continue to mount, more often than not at the expense of degrading environmental conditions. As a result, the scientific community has raised concern about the condition of global ecosystems and ecosystem services (Daily 1997). The rural landscape has until recently been regarded simply as a positive externality of the productive activity, taken for granted and not further examined. Now, however, it is being realized that agricultural landscape has also other functions - the environmental/ecological, the cultural/heritage and the amenity/scenic ones. These reasons are coming to light even more so as the underlying activity in rural landscapes, agriculture, is in the midst of a change of conditions, which may cause

it to change dramatically and in unforeseeable yet directions. So these other functions are coming under close scrutiny, as producing separate public good of increased value to society as they become scarcer, and whose value should be made to play a role in the decision making of the farmers.

2.13 In the last decades, the multiple benefits that are provided by ecosystems and landscapes have been described in a large number of studies which provided the basis for a recent global assessment of ecosystem goods and services (Millennium Ecosystem Assessment 2003, 2005). Four groups of functions (or services) are primarily distinguished by the Millennium Assessment: provisioning, regulating, cultural and supporting services, roughly corresponding to the production, regulation, information and habitat functions distinguished by de Groot et al (2002).

The typology of landscapes goods and services:

- **Provisioning functions** comprise functions that supply “physical services” in terms of resources or space. This category has been divided into two classes: production and carrier functions. *Production functions* reflect resources produced by natural ecosystems, for example the harvesting of fish from the ocean. *Carrier functions* reflect the goods and services that are provided through human manipulation of the natural productivity (e.g. fish from aquaculture). In these cases, the function from nature is the provision of suitable substrate or space for human activities, including agriculture, mining, transportation, etc.
- **Regulation functions** result from the capacity of ecosystems and landscapes to influence (“regulate”) climate, hydrological and biochemical cycles, earth surface processes, and a variety of biological processes. These services often have an important spatial (connectivity) aspect; e.g. the flood control service of an upper watershed forest is only relevant in the flood zone downstream of the forest.
- **Habitat functions** comprise the importance of ecosystems and landscapes to maintain natural processes and biodiversity, including the refugium<sup>1</sup> and the nursery functions. The refugium function reflects the value that landscape units have to provide habitat to (threatened) fauna and flora, the nursery function indicates that some landscape units provide a particularly suitable location for reproduction and thereby have a regulating impact on the maintenance of populations elsewhere.
- **Cultural and amenity functions** relate to the benefits people obtain from landscapes through recreation, cognitive development, relaxation, and spiritual reflection. This may involve actual visits to the area, indirectly enjoying the area (e.g. through nature movies), or gaining satisfaction from the knowledge that a landscape contains important biodiversity or cultural monuments.
- **Environmental functions** were defined as “the capacity of natural processes and components (landscapes and biodiversity) to provide goods and services that satisfy human needs, directly or indirectly” (De Groot, 1992)

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<sup>1</sup> In biology a **refugium** is a location of an isolated or relict population of a once widespread species. This isolation can be due to climatic changes or human activities such as deforestation and over-hunting.  
([http://en.wikipedia.org/wiki/Refugium\\_\(population\\_biology\)](http://en.wikipedia.org/wiki/Refugium_(population_biology)))

## Agricultural landscapes and policy and management

2.15 Nowhere is the need for the application of ecological principles more acute than in agriculture. Agriculture is the world's largest industry and has had an overwhelming effect on structuring the landscape. So far cropping systems focus on a single ecosystem service, the production of food, yet many other services (like clean water and air, pollination, disease suppression, habitat for other organisms, carbon storage, maintenance of biogeochemical cycles, etc.) are possible and needed. At its heart, this is an ecological challenge: agronomic yield is in essence an ecological productivity, and the ways that organisms interact among themselves and with their abiotic environments determine the productive capacity of the agricultural ecosystem, the proportion of ecological productivity that can be harvested as plant or animal products, and agri-ecosystems biological diversity and stability. Thus, the good understanding of ecological principles among farmers and agriculture policy-makers is highly critical. The future adequacy and environmental impact of agriculture depends on how effectively we understand and manage the ecological, but also the social elements of agricultural ecosystems (Tilman *et al.* 2002).

2.16 Policy makers have responded to the alarm launched by researchers with regard to the need for 'biodiversity conservation'. A reference to 'the conservation of biodiversity' is present in almost all conservation, land use management and environmental protection policies proposed at local, national and international scale. As can be seen from some reports and projects written at European Community (EC) level, policy makers use biodiversity for various goals and objectives without much specification.

2.17 A large number of countries have legislation which explicitly recognises the importance of the recreational, cultural, heritage, aesthetic and other amenity values embodied in agricultural and other landscapes. *European Union*, agri-environmental measures (EU Regulation 2078/92), include aid to farmers who adopt "farming practices compatible with the requirements of protection of the environment and natural resources, as well as maintenance of the countryside and the landscape". Within the EU, member States' national agricultural acts typically set objectives for the protection and restoration of landscapes and also to provide public access to these landscapes.

Three types of measures adopted by OECD countries for agricultural landscape conservation and restoration:

- **Economic incentives**, such as through area payments (e.g. *Norwegian* area and cultural

landscape payments) and management agreements based on individual agreements between farmers and regional/national authorities, where payments are provided in compensation for restrictions on certain farming practices and maintenance of key landscape features (e.g. the *EU* Environmentally Sensitive Area Schemes).

- **Regulatory measures**, which may set certain minimum standards on the whole agricultural area and can designate certain areas of 'high' landscape value as national parks or reserves, and impose restrictions on certain management practices for farmers in these areas (e.g. the national park system created both in *France*, see Bonnioux and Rainelli, 1996); or protect specific landscape features (e.g. the Hedgerow Regulations in the *United Kingdom*).
- **Community and voluntary based systems**, which set out to devolve the responsibility and management of natural resources, the environment and landscapes to farm families, rural communities and local governments.

2.18 Measuring the **costs of landscape provision** can help policy makers determine the outlays by farmers in maintaining and/or restoring certain landscape elements. These costs may relate to cultural and heritage features, such as spending by farmers on the conservation of historic sites and/or buildings on farmland. However, expenditure could also involve costs incurred in hedge or stone wall maintenance that, while providing a positive externality in terms of the landscape, may also generate benefits for the farmer, for example, by providing a windshield for crops and livestock.

2.19 The difficulty for policy makers is that there are few precise rules that indicate the 'correct' or optimal provision of landscape. How much is optimal, precisely which landscape features does society value, and to what extent do changes in policies and policy mixes affect landscape? (Sinner, 1997). To help answer these questions indicators of agricultural landscapes provide a tool to better inform future policy decisions by recording the stock of landscape features, determining how these features are changing over time, establishing what share of agricultural land is under public/private schemes for landscape conservation, and measuring the cost of landscape provision by farmers and the value society attaches to agricultural landscapes.

## Landscape and landscape indicators

2.20 Agricultural landscape indicators provide a tool to better inform policy makers by: recording the current state of landscape and how its appearance, including cultural features, is changing; establishing what share of agricultural

land is under agri-environmental program; and measuring the cost of landscape provision by farmers and the value society attaches to landscapes.

2.21 Concerning indicators related to the **management of an agricultural landscape**, this seems to be an area where existing information and data could be further exploited, especially those covering government measures that address landscape issues in agriculture. While information does exist concerning the payments to farmers for biodiversity, wildlife habitat and landscape conservation, it is not always clear as to the precise objectives of these measures, nor the methods by which they are being monitored and evaluated. Further information on regulatory measures, community/voluntary approaches and private initiatives in the landscape area would also be valuable, so that countries could share different experiences in addressing landscape conservation issues.

2.22 For example, looking at EU policy influences on landscape could examine how the interaction between assisted agri-environmental activities and natural, biophysical forces influences landscape structure, function and value. Evaluation criteria would be:

- The perceptive/cognitive (visual, etc) coherence between the farmland and the natural/biophysical characteristics of the zone has been maintained or enhanced
- The perceptive/cognitive (visual, etc) differentiation (homogeneity/diversity) of farmland has been maintained or enhanced
- The cultural identity of farmland has been maintained or enhanced
- The protection/improvement of landscape structures and functions relating to farmland results in societal benefits/values (amenity, values, etc).

2.23 Farmers practicing high nature conservation value farming systems do need support to help them continue farming in the ecological way. This would be not as nostalgic museum piece but as one of the valued strands of European agriculture: A strand that produces sustainable environmental, social and cultural benefits. Support for the continuation of the often difficult farming practices needs to reflect their important contribution for nature conservation and the wider environment. Financial support must be aimed at promoting locally appropriate rural development which reflects environmental, agricultural, and social priorities instead of pushing Europe-wide homogeneous measures or short-sightedly focusing on increase in production. Success is most likely when decision makers, conservationists, scientists, and farmers are collaboratively involved in delineation of sustainable life-style and diverse landscape. This,

unfortunately, is often neglected in designing agricultural policies (Sammul, 2006).

### *Diversity of the agricultural landscape*

2.24 Diversity of the agricultural landscape is one of the greatest values of a region from the point of view of both preservation of biota as well as development of land tillage and recreational activities.

The principles, which should be observed on managing agricultural landscape are as follows:

- formation and management of buffer zones along the bodies of water which means leaving untouched areas with natural communities along the water's edge (ditches, rivers, rivulets, lakes, spring, etc). Patches at the shore provide habitat for many plant, bird and animal species. Shores with natural communities serve as buffer zones for the non-point pollution originating from the fields and help decrease pollution of surface water. Shores, if appropriately cared for, improve the diversity of the landscape and biota;
- preservation of single landscape elements (spring, ancient trees, boulders, stone fences, ponds, old riverbeds, hedges, single trees or groups of trees, etc.) They all add to the value of landscape for the holidaymakers and in contrast to continuous urbanisation;
- preservation, maintenance and restoration of semi-natural communities (wooded meadows, flooded meadows, coastal and dry meadows, alvars, forest pastures etc);
- preservation of natural communities within agricultural landscapes (wetlands, forest patches etc.). For successful pollination of field crops it is necessary to have appropriate habitats for the pollinating insects. The inhabitants of natural and semi-natural enemies of agricultural pests. In areas where cultivated fields alternate with natural and semi-natural communities, the need for chemical plant protection decreases;
- leaving and maintaining belts of natural plant cover between the fields. These so-called "green corridors" preserve a safe environment for animals, making it possible for them to move around a cultivated landscape safely;
- avoiding fertilization and plant protection products at the edges of the fields to preserve the stability of the surrounding landscape;
- carrying out agricultural tasks at the proper time. For example, ploughing too early in spring, compacts the soil and has a negative impact on the soil ecosystem. Roadsides and the edges of fields as well as natural and semi-natural grasslands should be mown as late as possible. Mowing too early destroys the fauna habitats and affects breeding;

- planting new hedges, trees and groves and making new ponds to improve the variability of landscape;
- preserving and taking care of sites of historical and archaeological heritage (sacrificial stones, burial places, sacred groves etc)

2.25 In addition to utilizing practices that increase diversity (both cultural and biological) within a landscape, political and socio-economic measures can be taken to ensure the sustainability of healthful rural landscapes. These include:

- Local people given an active role in decision-making on landscape and land-use
- Landscapes and traditional land use must become a mainstream in political concern
- We must combine different environmental measures (agri-environment, planning, management plans, landscape monitoring etc) for preserving landscape values
- A realization that our decisions today define the mosaics of landscapes in future
- Europe's populations want policies and instruments affecting national territory and preserving cultural symbols of landscapes

1.26 Generally, a more sustainable rural development combines continuity in development, innovation and conservation that must be interpreted through a spectrum of policies ranging from the local to the EU level. Additionally, it is important to realize that these policies must be blended with agricultural concerns within the EU – the second pillar of the CAP and confront both environmental ambition (stop the decline of biodiversity by 2010) and post transition challenges in the new member nations, specifically central and eastern Europe.

1. *What are the landscape management measures in your country?*
2. *What could be most important measures in coming years to maintain and enhance landscape values and functions?*
3. *What are the main landscape quality objectives for Europe?*
4. *Who is responsible for sustainable landscapes? Farmers, Local authority, State or ? Why?*
5. *How should the agricultural landscape be designated?*

## Case study 2.1

### *The Almo culinary region project*

Almenland is an idyllic region in central Austria, standing at an altitude of 1 200 to 1 700 meters above sea level. It is a region which has some of the most traditional Alpine pasture, namely 'Teichalm' and 'Sommeralm', and it is this cultural landscape that attracts a steady influx of tourists during holiday periods. Farming thought is the region's primary source of income. The area provides limited higher-educational opportunities and has a low number of high-tech businesses.

Farmers are often isolated, and have to work their farms single-handedly as well as producing and selling their meat; other businesses also struggle to market their own products. It was recognised that the local economy could be improved and developed if businesses started to work together. The "Almo culinary region" Leader+ supported project, provides such an example — by local farmers and businesses cooperating to produce, process, and market 'Almo' the mountain oxen meat.

This project presents an example of good practice as it has linked into the area-based approach with a clear connection between farming and the landscape. The high quality Almo meat has evolved from the unique mountain environment in the Almenland region. The project has specifically made use of the area's local resources.

The project has been implemented in true bottom-up style with farmers, tourist operators and regional providers engaging with the local people in planning, decision-making and implementing the development of the area. The LAG consists of 12 municipalities in the region, agricultural and tourist bodies, the Almenland marketing company, the Almo farmers' association and members of the region's cultural association. The LAG has successfully linked key actors to plan jointly, share resources, address problems and help the development and promotion of the area. The project has created local partnerships and the cooperation between

Almenland farmers and the regional producer "Schirrhofer" has been a particular asset in the project. It has generated a regional economic cycle as farmers are benefiting from the professional marketing of Schirrhofer.

The project has formed an integrated and multisectoral development network. The promotion of the region through the Almenland marketing company and the success of Almo meat have led to a knock-on effect and improvement for other business in the area such as tourism, golf, fishing, cycling and woodland products. The project will be transferable in the future as Almenland branding is now recognised among the Austrian population as being a unique high-quality product; other customers are now buying into the label.

Consumers have become more aware of where their food is coming from, and there has been greater interest in 'buying local'; Almo meat has certainly benefited from this change in attitude and the market suggests that the trend in buying local will continue to rise. There is optimism about the project's sustainability since the Almenland marketing company has created a long-term organisational structure for the region. A number of full-time and part-time jobs have been created along with high revenue generation, which has brought added value to the region. The project has already looked at ways to expand business, such as by developing a dairy business and producing quality cheeses from the region, thus sustaining the economy in the future.

For more information:

[www.almenland.at](http://www.almenland.at)

Adapted from Leader+ Best Practices 2007/1

## Case study 2.2

### *Guide for Sustainable Agriculture in the island of Minorca, Spain*

Making human activities compatible with nature is fundamental to preserving Minorca's environment and ensuring its 1993 Unesco 'Biosphere Reserve' status. In order to help meet the challenges of the demand for agricultural products, food, stuff quality and at the same time respecting the environment, the Leader+ project "Sustainable agricultural practices" has published a guide.

The guide, called 'Agreements on sustainable agricultural practices in Minorca' (Acuerdos de prácticas agrarias sostenibles en Menorca), is based on the philosophy of the 'custody of the territory'. It is aimed at both owners and users of the territory. Before preparing the guide, a workshop was organized involving those actors concerned with the island's agricultural and environmental activities.

There was also an examination of those agro environmental measures applicable to Minorca, and from these, 28 measures covering five main groupings (type of cultivation; crop management; livestock management; management of natural

resources; and other complementary activities) were selected. GOB (Grupo Ornitológico Balear and Defensa de la Naturaleza) is the custodian of these measures, and ensures compliance with the agreement, bearing in mind the production and the timetable agreed between the parties.

This initiative has several innovative aspects, one being that part of the budget has been devoted to compensate farmers for their contribution to preserving the Minorcan scenery. There have already been several successes, including: a cooperation agreement between a hotel on the island and local food producers; an educational tour of the island's primary schools; the setting-up of an agricultural shop; and the setting-up of a trademark for product commercialization.

For more information visit:

[www.leadermenorca.org](http://www.leadermenorca.org)

*The Case Study is adapted from the Leader+ Magazine 8/2007*

### Case study 2.3

#### *Schanck – Haff Farm, Hupperdange, Germany*

Schanck – Haff Farm was the first biodynamic farm in Luxemburg with dairy production and a farm shop and has been producing food with biodynamic methods since 1980.

The basis of their operation is the livestock and fodder (the grain to feed the cattle) crops production (vegetables). The agricultural diversity is complemented by processing the various products directly from the farm. For example, the grains will be used in the bakery and the milk turned into cheese. Additionally, a farm shop offers product from the farm and other Organic foods.



#### **Animal Husbandry**

The farm consists of 40 dairy cows with the offspring, as well as a breeding bull. In summer the animals are on pasture where they are also milked. The farm pasture land is completely surrounded by hedges (a total of 4 km hedges were grown).

In winter, a large 'playpen' with outdoor deck boxes and straw bedding is available for the cow so they can be stabled in the fresh air moving. The winter feeding consists of hay, corn meal and carrots. In addition to the cattle, courtyard hosts pigeons, the herding dog, and a cat to catch mice.

#### **Grain**

Barely, oats, wheat and rye are all produced. Barely and oats are used as feed and the other grains are milled for bread. The farm uses seed that has been saved and improved for its particular growing environment over the years. Additionally they produce a local variety of grain that is close to but never was crossed with wheat: Dinkel. Even someone with a wheat allergy can enjoy bread from this variety.

#### **Retailing:**

Once a week they produce healthy whole-meal bread exclusively from farm cereals (Dinkel, wheat and rye) and then sell it fresh in the farm shop. The farm shop also offers, sausage, cheese, milk, Stoffi, cabbage, carrots, potatoes and onions and the usual assortment of natural fruits and vegetables, dried food products and dairy products, much of which is produced on the farm.



#### **Nature and environmental care and the landscape:**

From the outset of the farm, maintaining the natural environment was of primary concern. Approximately 4 km hedgerows with native trees and some 60 regional fruit trees planted, long before there was government support for this. Today, the positive effect of organic farming for nature is still misunderstood. No fertilizers or synthetic chemical pesticides have been applied on the land for over 30 years. Besides the advantages to the soil and groundwater, as well as fauna and flora, the prohibition of nitrogen fertilizer has resulted in a savings of approximately 450,000 liters of oil, which is normally consumed on a conventional farm of equal size.

In cooperation with other local farmers, Schanck-Haff has established BIONA, a organization founded in 2003 to represent the interests of organic farmers in the two natural parks where they are located. As a part of the philosophy of the farmers, they wanted to extend the ideals of proper environmental management to the entire park area. Also, among the farmers, they encourage improvement of the natural landscapes with techniques like planting hedgerows that provide protection to the cows against extreme weather conditions, offer a tasty food supplement, and provide an atheistic look to the land.

Adapted from

[http://www.demeter.lu/erzeuger\\_detail.php?link\\_id=3](http://www.demeter.lu/erzeuger_detail.php?link_id=3)

## CHAPTER 3

# *The Consumer Movement: consumer needs, marketing and distribution of rural products; cooperation between consumers and producers*

## *Introduction – public identity of rural products*

3.1 Products offered by rural communities are usually associated with food. However rural products also include unique and specific services, such as agro-tourism or particular forms of distributing and marketing: small rural fairs, local markets, and direct sales from farms. The traditions and long history illustrated by rural products, as well as their unique character, make them and the activities that support their production and retailing, attractive to consumers in a world dominated by mass production and standardization.

3.2 Mass production, the standardization of consumers' tastes, and the westernization of culture generates affection towards rural products, particularly from nostalgia present in the collective consciousness (e.g. in the memories of the older generations who can recall the time before the rapid urbanization of societies). Consumers therefore find traditional rural products, distributed in a traditional way, more attractive than mass produced items sold in urban shops. These sentiments are linked to a romantic vision of rural areas and farming; where simple values are respected by peasants, the lifestyle is consistent with the rhythm of nature, based on strong and face-to-face family, neighbourhood and friendship bonds, and not spoilt by pressures of consumerism. In this sense, consumers imprint these sentiments onto the products, giving the products a local identity reminiscent of those particular rural cultural traditions. Conversely, some 'local' communities adopt the identity of the rural product, as representing their traditions and past. In these instances, the consumers of these products feel entitled to control them as an important ingredient of their fate and biography.

3.3 When these local products embody communities and cultures, it enables the transaction between the consumer and producer to develop into a form of social bond based on the principle of social exchange. The producer through selling rural products earns profit, and the consumer, apart from the product itself, acquires some added value in the form of a reference to their individual or group memory.

3.4 This chapter aims to present some broadly undocumented processes that have led to the development of these new value-added purchasing relationships reflective of the common interests between producers and consumers of rural products. This chapter also highlights the background of their development as well as the influence that modern culture and economy exerts upon them. In addition, through case studies, the chapter presents some specific marketing procedures making use of these relationships.

## *Rural products in the context of post-modern social (consumer) needs*

3.5 Under the influence of constantly evolving global trends, rural products, as well as the bonds that link their producers, distributors and consumers undergo typical social-economic structural changes. Table 1 shows the continuum of societal changes that affect social norms and values in dominant societies from the past through the present. Additionally, Table 1 specifies some crucial qualifications used as a background to locate agriculture and rural products at a given moment in the social development of rural areas.

3.6 In agrarian societies, the so-called 'spiritual' production of food meant a lifestyle and values based on production rather than profit. The *production* was of value in itself, as the aim and sense of life for the majority of a given society. This sacred way of food production created a specific kind of producer –consumer interaction where the food and the production was the valued, not the end result of the transaction. This changed with the introduction of the intricate feudal system and the industrialization of society, where farming took on characteristics of industry, such as the separation of peasants/serfs from the product of their labour.

3.7 In industrial societies, food production becomes a market game, with the profit as a crucial value. As a result, industrial methods of agricultural production were introduced into farming, and formed the foundation for the mass production of food and quality control systems. Gradually, agricultural production transformed into agro-business; a vast network of services supporting the processes of food production,

distribution and trading. This greatly contributed to the breach of bonds between producers and consumers and, because of the intricate system of middlemen (the network of distributors, wholesalers, etc), the disappearance of the ability to identify the origin of products. Thus rural

products lost their identity and became universal products. In the same way, other rural products (besides food) have also begun to disappear, particularly when rusticity is considered to be a synonym for backwardness and hold connotations of shame.

**TABLE 1. PROGRESSION OF DESIRED SKILLS AND DOMINANT VALUES IN SOCIETIES**

Type of society	When (in Europe)	Main goods	Desired skills	Dominant values
Network society	After 2000	Access to knowledge exchange networks, Identity Safety	Interpersonal skills, Communications skills (incl. specialised internet networks access)	Belonging, strong identity Avoiding risk.
Information society	1980-2000	Knowledge, Information, Access to information	Information production and information management	Consumption, hedonism being visible (e.g. by snobbery)
Industrial society	XVIII century up to 1980's	Means of production	Production management	Material values
Agrarian society	Up to XVIII century	Arable land	Management of agriculture	Spiritual values, religion

3.8 After the recession of the 1980s, the following economic boom brought about a euphoria of consumerism and the information society with hedonism as a dominating lifestyle. In societies like this, rural local products and their promoters strove for a way to become distinct in the face of mass McDonald-like culture: all over the world people wore similar clothes, listened to similar music, watched the same TV serials, observed the same values, and furnished their homes and offices in the same way. This pervasion of similarity made the accession of unique rural local products – rustic food and agro-tourism – became elitist. People declared their preferences for unique, high quality, rural products, and consumption of them was a form of societal distinction.

3.9 The Internet society offers a spectrum of new global trends, which create great opportunity for rural products. Firstly, one of the dominating values is that the identity is rooted in local specificity. The result is that more and more

people find elements of this identity in rural products which – as it was mentioned at the beginning of this chapter – are an important aspect of tradition of many groups. Secondly, another essential value is the sense of belonging. Looking for their own place in this highly universal/global world, individuals rediscover the value of community, friendship, reliability and loyalty. These qualities, still alive in rural areas, make the rural communities and their products trustworthy goods for consumers, which also offer (in return for a higher price) value added in the form of tradition, history and identity.

3.10 The discussed trends are also reflected in the changing problems and functions of agricultural policy, at least in Western and Central Europe. The post-war history of agricultural policy splits into four basic stages, which depend on problems that the policy faced and/or tried to address. Table 2 gives an overview of the policies and problems through these post-war decades.

**TABLE 2. FUNCTIONS AND PROBLEMS RELATED TO AGRICULTURAL POLICIES IN EUROPE 1950-2010**

Functions of agricultural policies in Europe			
1950's	1970's-1980's	1990's	2000's
Food security	Farmers' incomes security	Multifunctionality and sustainability	Food safety
Shortage of food	Overproduction of food	Rural crises; Environmental pressure	Food related pandemia, diseases, GMO challenge; climate change
1950's	1970's-1980's	1990's	2000's
Problems related with agriculture in Europe			

3.11 In the years 1950-1970 a fundamental task of agricultural policy was to provide food security for post-war Europe. Until the mid-1960s (irrespective whether we mean countries of Western Europe or those behind the 'iron curtain') European nations suffered from shortages of food or from threat of such shortages, the only solution to which was a system of food regulation. In this period, policy focused on that main problem: public support for farming encouraged maximum possible food production.

3.12 In the 1970s and 1980s the basic task for agricultural policy was to provide farmers with adequate incomes. During these two decades, farm profits fell dramatically, due to lower profitability of agricultural production exacerbated by overproduction, a resultant food surplus and depressed market prices. In that time, the existing agriculture support systems became their own victims as they resulted in huge costs for storing and exporting the food surplus. As seen now, that period was a chaotic attempt to control the economic situation in rural areas: the fall in profitability contributed to much lower living standards of the rural population, a deep economic crisis that triggered a social crisis and the rural exodus. Only in the late 1980s did some attempts to diversify farmers' incomes through the production of high quality food by small agricultural farms emerge.

3.13 In the 1990s, a range of definite methods to combat this multi-dimensional crisis in rural areas were applied. One of them was the public support for production of high quality food (ecological and integrated management) as well as the protection of the cultural and natural heritage of rural areas (agricultural-environmental projects, revitalisation of rural areas). A particularly important role was played by the LEADER project whose main task was, among others, the promotion of the rural area and its products.

3.14 The last stage started in 2000, due mostly to numerous cases of pandemic diseases by the dominant industrial agricultural production

methods (i.e. mad cow disease or BSE as a result of cannibalistic feeding systems for cattle). During this time the focus of agricultural policy was food safety, which for the first time, highlights the importance of the producer-consumer relationship.

3.15 The changes in agricultural policy of the European Union are to a growing extent greatly influenced by the pressures of consumers' organizations. Agricultural policy responds to these pressures by supporting trends in rural and agricultural development that provide not only for the production of safe food, but also for the sustainable development of rural areas that benefits the whole society.

3.16 In recent years, the problem of Genetically Modified Organisms (GMOs) has created an added challenge. GMOs offer farmers the tempting prospect of maximizing production by applying this modern agro-technology. However, the disadvantages of GMOs – as it is sometimes proved – are irretrievable negative/unfavorable influence on natural biodiversity and the landscapes of rural areas. Additionally, the use of GMOs could enable a remarkable decrease in the price of organic products, which would then result in consumer interpretation of traditional and local products as expensive. The mass introduction of GMOs is a pretty risky game which puts at risk the success of the EU's agricultural policy aimed at diversification, rural environment and landscape preservation, and building the foundation for ethical networks of food distribution in which interests of consumers and producers are convergent and mutually profitable.

3.17 These ethical networks mentioned above are a result of the recent growing awareness of producer-consumer relationships. This awareness has revealed the convergent interests of producers and consumers, which is most noticeable in some of the recently developed "alternative" and innovative forms of distribution (See Case Study 3.3). Table 3 gives an overview of the producer vs. consumer interest in food distribution and a common element that addresses both interests.

**TABLE 3. PRODUCER-CONSUMER RELATIONSHIPS FOR RURAL PRODUCTS AS AN ATTEMPT TO MEDIATE BETWEEN THE INTERESTS AND NEEDS OF THESE TWO GROUPS**

Producer's interests	Element	Consumer's interests
High added value – higher profits	High quality of product	Product quality control
Loyal customers, product rooted in a market niche)	Identifiable product (local rooting)	Trust to product, products meets the need of identity or distinction
Most profits remains in the hands of producer and local community Social relations between economic partners	Ethics of distribution and trade	Reinforcement of anti-corporation attitudes, respecting the fair trade rule Sense of participation in reinforcement of rural local communities
Opportunity to earn extra payment Renewable of resources	Effect for natural and cultural rural environment	Consumption with the ecological awareness Sense of participation in preservation of tradition

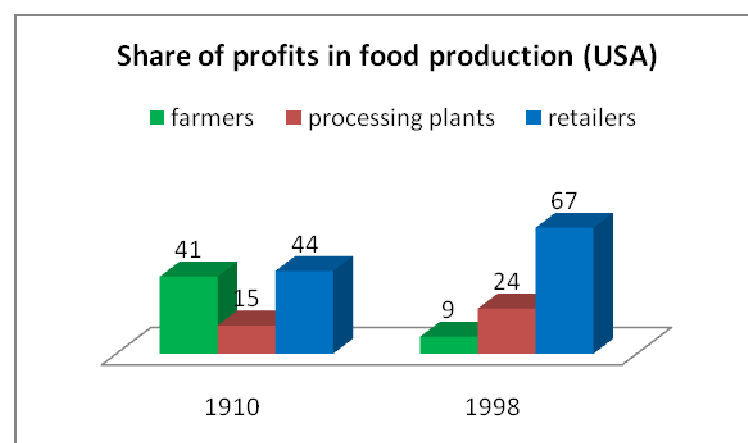
***Do people want organic products to be sold in hypermarkets? Specific marketing strategies for rural products – the case of organic products***

3.18 One of the most important motives for building alternative networks of production and distribution of food is the pursuit of a fair distribution of profits from food sales, as well as products' reliability. Can ecological and local products be sold in supermarket and hypermarkets? The case of many western European countries proves this strategy to be successful. However, local products sold in these places should be examined to determine the reliability of the marketing message to determine the benefit to the community for selling the product this way, especially considering the role this product plays in the community's identity.

3.19 This brings up the issue of the stability of local trademarks, which are based on local traditions, recipes, and a long local experience of production. To what extent can these trademarks survive as reliable or credible for the customers who see in them their own tradition and identity. Additionally, does the local product, when sold in hypermarkets, maintain its added value (i.e. maintain the principle of fair trade)? Finally, consider if the hypermarkets' sales strategy is satisfactory for the producers: do they receive increased profits because of the increase in the sales volume or through the increase in the products' added value? What will happen to the products and producers if the huge middlemen again demand more and more share in the profits?

3.20 Let us have a look at conventional products. In the years 1910-1998, the share of farmer's profits from agricultural production fell from 41% to hardly 9%. At the same time, the share of profits of great sales network (the middlemen) grew from 44% to 67%. Now, de facto, over 91%

of profits in agricultural production neither go into pockets of farmers, nor do they remain in the local community from where the products come.

**FIGURE 1.**

Source: L. Crump, *The future of agricultural trade In the United States*, 2003

3.21 A similar situation is found in Europe. For instance, in Great Britain, the farmers' share of the profit from the milk retail price has been falling dramatically for years. In fact, within the last six years, the farmers' percent of profit fell from 43% to 32%.

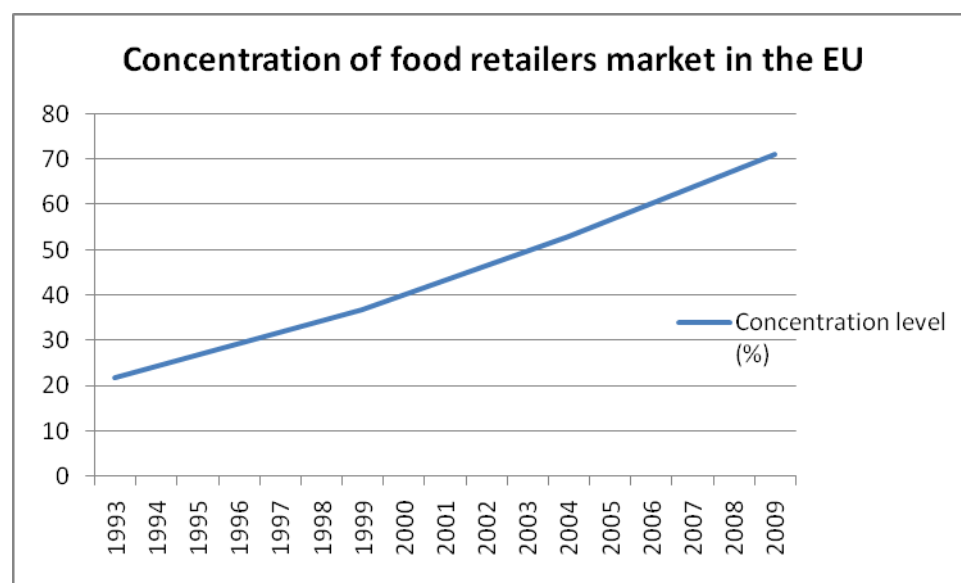
**TABLE 4. FARMER'S INCOME SHARE IN MILK RETAIL PRICE (%) – DATA FROM UK**

	Retail price (pence/l)	Farmer price (pence/l)	Farmer's income share in retail price (%)
2001	42,7	18,47	43
2002	44,3	15,31	35
2003	46,6	16,51	35
2004	47,5	17,27	36
2005	50,9	17,3	34
2006	55,3	16,83	30
2007	56,3	18,08	32

Based on data received from UK Office of Fair Trading (2008)

3.22 Additionally, this process overlaps with the phenomenon of market monopolization through fusion of sales networks. According to the figures published by the European Commission, within the last fifteen years (1994-2009) the share of some largest retail networks in total food trading has increased from 20% to the level of 71%!. Such a market concentration constitutes a threat for

producers both in term of fair distribution of profits as well as in terms of pressures exerted by the distributor on the quality of the product. These issues obviously provoke the need for action and initiative to liberate the production and trading of local products from these huge networks of middlemen and retailers. The consumers movement has an important share in this processes.

**FIGURE 2.**

Source: own calculation derived from data from Food prices In Europe - Communication from the European Commission to the European Parliament, The Council, The European Economic and Social Committee, The Committee of Regions, Brussels 2008 (COM 2008-821 Final)

3.23 In this context, an appropriate market diagnosis as well as the specification of consumers' needs can be absolutely essential. As it was mentioned earlier, the modern world is unique for its rapid change in lifestyles and cultural or social trends. Once the market niche is defined, it has to be constantly reviewed: the consumers perception of the niche needs to be evaluated in order to provide for its stability both in economic terms

(profits) and social terms (cultural capital which is associated with the niche – meaning the product's image, relationship in the marketplace, and support of the local community).

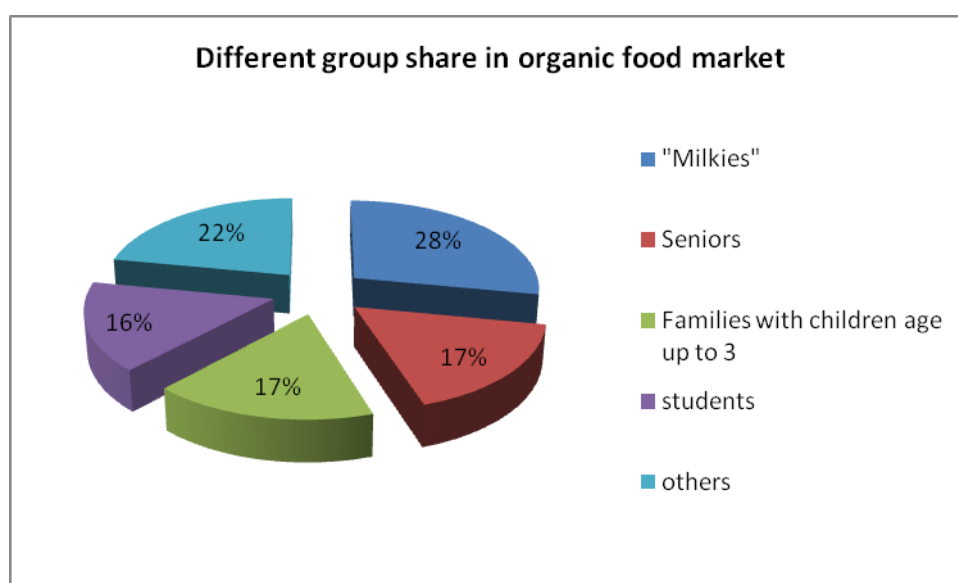
3.24 An example of the correct approach to the diagnosis of the local rural products market was carried out by the Institute of Sociology NCU in Toruń by request from the Polish Ecological Club in

Gliwice and Agriculture Advisory Services Centre in Przysiek during 2005-7. The aim was to define a target group as well as a trademark image for the local agro-tourist products in the Kujawy and Pomorze region. This research gives interesting insight into the realities of this niche market and the importance of this kind of marketing research in creating a trademark for the local products.

3.25 The first explored task was that of identifying what groups buy eco products in the local market. The following results (Figure 3) were surprising for

the local producers since their sales strategies (led mainly led by intuition) suggested targeting their product to the group of so-called 'milkies' (well-off representatives of the middle class at the age between 25-40). In fact, the results proved that this group constitutes less than 1/3 of all shoppers. Important, but underestimated, customers appeared to be the retired (seniors) who found the 'the tastes of the past' or 'the culinary memories' in the products as well as young mothers with children aged up to 3 years.

**FIGURE 3.**



Source: *Organic market in Torun and Krakow, research report, Torun 2005*

3.26 Another important explored issue was the question of motivation: why did certain groups of people have interest in organic products. The answers make it possible for food producers to adapt their products and marketing strategies to the specific desires of the consumers. Table 5 summaries some responses.

**TABLE 5.**

Why do you buy organic products?	Dominant opinions
"Milkies"	"It's an interesting fashion'", "Old-fashioned, but safe"; "It's good to have something not popular in the fridge" "I can afford to take care about my health"
Seniors	"They taste like my memories", "I almost forgot how the tomato can smell like" "It's expensive – however I can afford to buy some once a month"
Families with children age up to 3	"It's healthy" "The doctor said I should prevent my kids from allergy" "It's certified, it's controlled"
Students	"I like the history behind the product" "It's not McDonalds – it's not supermarket food – it's different"

Source: *Organic market in Torun and Krakow, research report, Torun 2005*

3.27 Organic producers were also interested in the factors that shape opinions on organic products. Again they were surprised to discover that 42% of the respondents mainly associate organic with high price. Also as surprising were the ethical motives that appeared in the answers: as many as 17% of the respondents declared that the organic food offer had the image of an elitist offer. (Table 6)

Table 6. Factors shaping consumers' opinion on organic products

“When you think about organic products - you think about...”	%
taste, smell, look	56
price	42
food safety (incl quality control)	41
sentiment	15
elite image	17
ethics (fair trade, anti-consumptionism, animals welfare)	7

Source: Organic market in Torun and Krakow, research report, Torun 2005

3.28 This research results show **a very high level of a positive evaluation of organic and local production and its functions**. There are two causes of this positive evaluation and they are both connected with the newly developing or (paradoxically enough) still alive **strong positive evaluation of the rural local community**: that of an oasis of health and ethical approach to life - production of food included.

*Because it is a high quality product, natural, processed in a natural way and with the use of peasant's hands... Natural ... is too little to say ... it is produced with heart! (BERAS Report, 2007).*

3.29 According to the respondents, organic production has to have a local dimension – but only to a certain stage of production chain. Production and processing should be carried out in

the local environment, as only such context secures the quality of the product through the efficient, if informal system of social control, and through the avoidance of the troublesome transport and packaging that affects the quality of the product. The local context of production and processing of organic product is indispensable to its image. Moreover, these processes reinforce rural local communities as they develop new jobs and shape positive patterns.

3.30 However, for organic production to generate positive economic effects, distribution and consumption of the products should be extended beyond the local context. Table 7 presents categories of typical attitudes towards organic food production, distribution and consumption and particular actors in a longer than local distribution chain.

Table 7. Typology of attitudes towards local and organic products, production and distribution represented by different actors of the local/organic food chain.

Actors	Reasons to enter the local/organic food chain? (motivations)	Opinions about local and organic food's place (in general) on the food market in Poland	Opinions on the local and organic food producer's place in the food chain	Perception of the social value of local and organic food	Local and organic production and the viability of rural community
Farmers producing local and organic products	Local leader's opinions, health as a value, peasant's work ethos	Historic opportunity for development of agriculture in Poland. Special meaning for development (or maintenance) of small size farms.	„Naturally weak”. The key element on this market is the state and corporations.  No equality in profits' distribution within the chain, but this is fair.	Very high.	„Messianistic” attitudes. Local/organic food as the only or the most important chance for thousands of poor farmers. Demonstration effect of the whole rural society (entrepreneurship,

					life activity).
Food Processors	Earlier related with local/organic food production. Good relationship with food producers.	As above	The whole chain is inter-dependent. All have to negotiate balance in profits' distribution.	Very high.	Need to place the local and organic production and processing in the local context. Then – basic element of the local economy.
Retailers (small shops)	Ideological reasons. Looking for market niche.	Chance to purge the society. Additional economic profits for local communities.	Strong in the local context. Weak in the national and regional context	High.	Need to balance between „local image” of products and profit motive, which desires relatively high scale of production.
Retailers (supermarkets) (hypermarkets)	Additions for market's offer. Positive picture of the company as environment friendly.	Just a fashion.	Position is set up by the market trends. Right now is very weak.	Low or medium .	Possibility to create „Polish specialite de la mason”.
Consumers	Health and ideological reasons. Snobbery.	Important addition for the marker offer.	Strong position. It is something new. Farmer is the key element of the chain.	Very high.	Important mean to combat unemployment and poverty among farmers. Good economic practices demonstration.

Source: BERAS Report, 2007

3.31 It is important to justify how understanding these perceptions and show how marketing surveys can present opportunities to cross-market between the many dimensions of rural products, their production and distribution, and associated rural activities like agro-tourism. Having this information can contribute to the development of a product or the rejection of such a production when it is not well received by consumers. An example of such an analysis is illustrated in Table 8, which shows the results of research into the relationship between preferences for organic products with respect to an individual's interest in agro-tourism. This research proves this relationship is strong: 77% of the respondents who do not intend to use any agro-tourist offer never buy organic food. On the other side, those who visit agro-tourist operations, twice as frequently buy organic products. The conclusion for those who run agro-tourist farms is clear – additional income can be earned through sale of organic products.

**TABLE 8.**

Interest in agri- tourism (how often if you could - would you use agri- tourism offer?)	At least once a month buys organic product/s (%)	Never buys organic products (%)
Frequently	57	0
Occasionally	31	23
Never	12	77
Total	100	100

Source: Agro-tourism development potential in rural neighbourhood of Torun, Torun 2007

***Food networks (traditional, industrial and alternative models) as an institutional response to demand for closer cooperation between consumers and food producers***

3.32 The traditional and industrial models of the relationships between producers, distributors and consumers of rural products need characterization and differentiation to highlight how these forms of agriculture affect the way the farms and their products are perceived. Additionally, it is important to understand in this context, how small family

farms (i.e. traditional agriculture) constitutes a natural platform to build up alternative networks (in contrast to the existing mainstream global networks) for distribution of food and local products. They present a unique kind of production organisation and values system which refers to traditional, peasant values with strong emotional

ties to the farm. These strong and stable relationships between and within local communities is favourable to the formation of new types of relational-based network as alternative to the current production, distribution and consumption chains for rural products.

**TABLE 9.**

<b>Comparison between family farms and commercial agriculture<sup>133</sup></b>		
<b>Characteristics</b>	<b>Family farms</b>	<b>Commercial agriculture</b>
Role of household labour	Major	Little or none
Community linkages	Strong – based on solidarity and mutual help between household and broader group	Weak – often based on social connection between entrepreneur and local community
Priority objectives	Consume	Sell
	Stock	Buy
	Sell	Consume
Diversification	High, to reduce exposure to risk	Low, specialisation in very few crops and activities
Flexibility	High	Low
Size of holding	Small, average 5–10 ha	Large, may exceed 100 ha
Links to market	Weak, but becoming stronger	Strong
Access to land	Inheritance and social arrangements	Purchase

Source: Ethics of modern developments in agriculture technologies (2008)

3.33 Table 9 details the characteristics of family farms and how they differ from those of industrial/commercial agriculture. From these differentiations, it is apparent that commercial agriculture is developed to meet the needs of the long chain or network of middle men (processor, distributors, retailers, etc) while small family farms are more focused on the needs of a stable community. From the local community standpoint,

small farms of much greater benefit than their commercial counterparts. These characteristics can also be examined from another point of view, the consumers. Products offered by industrial (conventional) systems are of mass standardized nature. In comparison, products offered through these alternative networks meeting the needs of consumers interested in keeping up rural identity, tradition and in exceptional products.

**TABLE 10.**

	Conventional system	Alternative food system
Characteristics	Mass industrial production	Produced and sold locally, hand packaging
Quality management	Quality based on the standard and obligatory determined characteristics (content of salt, sugar and fat is always given) and external parameters (packaging). Mass production – full control of basic parameters	Diversity as a key to quality, careful attention paid to organoleptic characteristics of the product
Symbol	Corporation trade mark	Unique name, frequently based on local features and geography, the source of production and distribution defined in detail

Source: Goszczyński W., Kniec W., Alternative Agro-Food Networks

3.34 The concept of alternative agro-food networks that connect producers of rural products and their consumers through methods other than the mass global food system begins to emerge. Table 11 shows the alternative networks defined

because of their new (or those referring to traditional) models of sales (i.e. local, direct to consumer, etc) and the product's inclusion of a local identity.

**TABLE 11.**

		Locality	
		low	high
Application to alternative versus convention	high	organic agriculture	Alternative Agro-Food Networks
	low	industrial agriculture	regional agriculture (conventional on a small scale, regional trade marks)

Source: Goszczynski W., Kniec W., Alternative Agro-Food Networks (2009)

3.35 These networks should be defined as "alternative", distinct from the conventional ways of distribution and which meet the specific needs of consumers. They offer products that are perceived to have a high quality and produced, processed and sold in a local community. This concept is closely connected with added value in the form of respect to a local, traditional identity, as well as fair distribution of profits. According to rural local communities, these networks frequently constitute an economic core rooted in their social structures (in neighbourhood, family unions, local organizations, small local firms and their business relations etc.)

The following are typical characteristics of the alternative agro-food networks:

- small village fairs that offer fresh products on daily basis
- monthly fairs where apart from food a range of local products are offered
- small hotels and guest-houses as well as agro-tourism farms that offer accommodation and food services

Such networks have a long history, but along with urbanization of rural life they tended to disappear and have survived in very few European countries. Recent history however has shown a reinvigoration of these networks.

*Exercises:*

*1. Role playing game:*

*Group 1: 3-4 people representing a hypermarket which wants to sell local products in their market*

*Group 2: 5-6 people representing a local association distributing local products*

*Group3: 3-4 people representing farmers producing food and local food processors*

*Group4: 1-2 people representing local officials*

*The scene: a village meeting is held and hypermarket representatives try to convince local officials and farmers to sell their brand and products to the hypermarket. The local association will try to convince farmers and processors to stay with alternative model. Present different opinions on alternative food networks.*

2. How can food production, distribution and consumption can be a part of local, regional, national and global democracy?
3. What is – in your opinion – the definition of “good food”?
4. Can you find a synergy effect related to the development of alternative food networks?
5. The state and the EU can try to force small alternative food networks to apply strict food security measures. How can we avoid the loss of the identity of their products and at the same time meet legal security requirements?
4. What factors – in general – are responsible for consumer interest in food quality and food identity?

### Case study 3.1

#### *Lower Vistula Valley (Poland) – alternative food production and distribution network.*

Lower Vistula Valley Alternative Food Network has been working for a dozen or so years as a semi-formal union (informal Network) of several tens of small farms, local shops and social organizations which deal with production, distribution and promotion of a local item – plum jam. This jam is produced from a special breed of plum tree that grows only in this region and is candied with the application of special methods and recipes. It is sold under a patented trademark, and the product itself received also the UE certificate for traditional products. Its sale in this region has tradition dating back decades. But in the past the trading was neither integrated or coordinated and the jam was sold directly from the farms without the trademark and quality control.

The production was small and in fact met only local needs. However, the plum jam when presented by its producers at some rural exhibitions or picnics was met with an enthusiastic reception by urban consumers. Therefore inhabitants of several villages where the jam was produced, led by a local leader, the manager of the regional landscape park, decided to organize themselves and build up an independent distribution network. From the

very beginning, various concerns pressured the producers to sell the right for both the recipe and trademark. Still worse, counterfeit jam started to appear in the market. Thus the villagers decided to defend a local character of their product and its uniqueness so they created a local sales network, excluding big shops and supermarkets from purchases.

Nowadays the jam is still sold directly from the farms and in some selected small rural shops. Additionally, the distribution of the product is carried out by social institutions- members of the network, such as Society of the Lower Vistula Friends, LAG Lower Vistula Valley, Rural Housewives Club, and others. These organisations provide for the quality of the products and issue certificates for their producers and sellers. Now the network is getting ready to sell its products in their own shop in an restored old mill that belongs to the local council.

**This is the label that contains the trade mark of the plum jam produced by the Network. In the left-hand bottom corner there is the place to insert the name of the farm where the jam was produced.**



### Case study 3.2

#### ***Ethics in food production, distribution and marketing - the GMO Challenge and citizen movements: The Public Citizen Association (USA)***

Public Citizen is an American organization whose aim is to build up consumer awareness and warn the agricultural producers not to commit discreditable practices in order to maximize their profits. The organization warns that food produced with the application of post-industrial techniques has negative influence on human health – not only against mass production of food, but also against production where intricate bio-technology and genetic modification are applied. Public Citizen also promotes small farmers and regional products as an important element of rural landscape in the

countries of North and South Americas and Europe. They claim small farms and their products may disappear due to the reduction of bio-diversity in rural areas which, in turn, is the result of agricultural monocultures based on GMO. For Public Citizen, the challenge for consumers today is the array of threats connected with mass introduction of GMO into agriculture.

**Part of the Public Citizen's declaration referring the lost battle of the European Union in its case against the WTO on exclusion GMO from its food market.**



Buyers Up • Congress Watch • Critical Mass • Global Trade Watch • Health Research Group • Litigation Group  
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Feb. 7, 2006

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#### **Public Citizen Denounces WTO Tribunal Decision on Genetically Modified Foods**

##### ***Statement of Lori Wallach, Director, Public Citizen's Global Trade Watch***

Unfortunately, today's decision by a World Trade Organization (WTO) tribunal in favor of the U.S. challenge against European policies on genetically modified organisms (GMOs) is not very surprising given the many outrageous WTO rules limiting how countries can regulate a wide array of non-trade issues, even including what sort of food will be found in people's homes.

Source: [www.citizen.org](http://www.citizen.org)

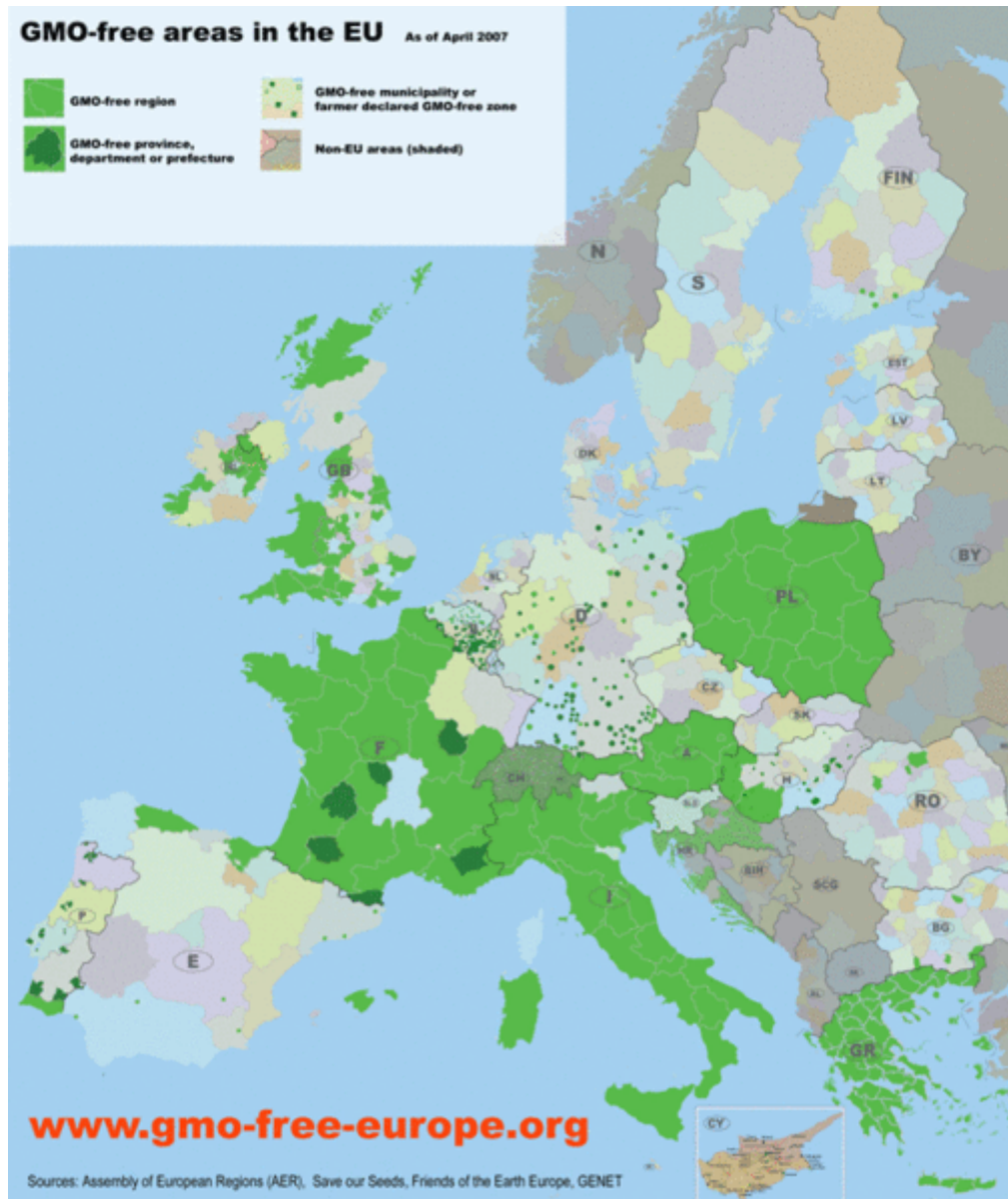
**Table. Cultivation of chosen GMO plants in the USA, 2007**

	Area in million ha	Percentage share
GM soybean	23.6	91
GM maize	27.4	73
GM cotton	3.9	87
GM plants total	54.9	

Source: Clive James, *International Service for Acquisition of Agri-biotech Applications (ISAA)*

Public Citizen runs numerous campaigns of global scope (among others in the USA, Canada, Poland, France, Ukraine, Mexico) to inform farmers about the consequences before they decide to apply GMO in their fields. They also encourage local authorities to create GMO Free Zones. The organization also belongs to a number of global networks that support similar ideals. The network

assembles numerous farmers', consumers', ecological organizations and those intended to promote grass-root democracy. One of them is the GENET – European NGO Network on Genetic Engineering, organising GMO Free Regions Conferences. The map presented below was drafted by them.



### Case study 3.3

#### *AMAP - Associations pour le maintien d'une agriculture paysanne*

The AMAP projects are intended to promote an organic farming which is struggling to survive facing agro-industry. In this instance, consumers take back their control of the food system by purchasing products directly from local farms in a co-operative, subscription agreement.

AMAPs are established through the consensus meeting of a group of consumers and producers ready to enter the process. They meet to develop a contract agreement between the members and the farmers for the (usually two) growing season(s) (i.e spring/summer and autumn/winter). Together they define the diversity and quantity of food to produce for the season including fruits, vegetables, eggs, cheese, meat.

The group of consumers and the farmer also agree about the agricultural production methods. Usually, AMAP consumers are looking for healthy food, produced in compliance with the Man, biodiversity and patterns of Nature, but do not always require that their farmer have a certification label, as this relationship is based on trust. They also discuss the price of the 'share' and the place and time of the periodic distribution.

Once the decisions are made and members signed up, during the season the producer delivers fresh produce usually once a week to their consumer-partners.

Unlike mass marketing, AMAP consumers attach less importance to the standardization of food, and are not as picky about appearance as the normal distributors: everything that is produced is consumed (whereas in other cases it may be up to 60% of the crop remains field). This principle is a part is very rewarding for the producer, and secondly it reduces the prices by shifting costs to the entire production.

The price of the basket is set to be fair to the producer: it allows the producer to cover its production costs and make a decent income, while being affordable to the consumer.

Consumers purchase the product in advance and in this way provide stable income to farmers at a time when the expenses are greatest. Additionally, the AMAP plays a role in maintaining local farming and management of land pressure.

Through this close partnership between producers and consumers, AMAP promote social dialogue between city and country, facilitate the coexistence of outdoor recreation and productive activities, and the multiple use of agricultural land.

Adapted from: <http://www.reseau-amap.org/liens.php>

## CHAPTER 4

# European policy context for sustainable agriculture

## Introduction

4.1 This chapter attempts to analyze the context of European policy and present the possible benefits of cross compliance, coupled against an analysis of the main features of rural development, for a sustainable European agriculture. The sustainability of farming – from a producer point of view – depends on various economic factors. The most important of them are demand patterns and land use structure (given that land is the key production factor in terms of availability).

4.2 It is also important to illustrate the need for an integrated approach to sustainable agriculture that goes beyond the farm (i.e. combining economic sustainability of agriculture with ecological and environmental concerns of consumers). A key element to the application of sustainability is the responsibility of current generations (more likely: current market actors and decision/policy makers) towards the coming generations' circumstances and opportunities (the access to drinking water, to fresh air, to safe food, etc.).

4.3 In light of the importance of these economic, environmental and social concerns for rural development, the European Union established a system called "cross compliance" within the framework of the 2003 CAP<sup>1</sup> reform. The gist of the system is quite evident: to promote sustainable agriculture among EU farming communities by making a link between direct payments (that are now considered to be market distorting and encouraging of environmental detriment) and existing environmental, public-, animal and plant health and animal welfare standards.

## Defining a Context for Sustainable Agriculture Policy

4.4 Environmental sustainability refers to the need to protect biological and physical systems that support life (e.g. ecosystems, the hydrological cycle and climatic systems) and is a cross-cutting principle which needs to be integrated across all areas of decision making. This requires development planners to assess the environmental impact of all proposed policies, programs and projects, and to take action to minimize the adverse environmental impacts and to take

advantage of opportunities for environmental improvement.

4.5 After browsing the many definitions available (and taking into consideration those of economists, sociologists and biologists) the common points emerge:

- Land as a resource and its use are in special focus;
- The preservation of (i) biodiversity, (ii) natural resources and (iii) landscape is stressed;
- Productivity and growth have to be maintained;
- Current and upcoming generations must have equal opportunities.

4.6 As the common points of definitions show, the combined analysis of land use and agro-environmental measures at the core of rural development, is in full compliance with the notion of sustainability in agriculture.

4.7 As the global food system becomes even more globalized and, with its risks, trade-offs between food provision and ecosystem quality will become more prevalent. We will continue to rely on key producing regions and on key crop and animal varieties, and require an increase in productivity to meet our needs. However, land in agriculture will inevitably expand resulting in negative implications for ecosystem quality, biodiversity, and the environment. To address these growing concerns, more cooperation (i.e. a relaxed trade barrier) and innovation (i.e. technology sharing) must occur.

4.8 The factors aggravating the development of agricultural production are first the liberalizing conditions of competition of the WTO agreement, and second the transformation of EU agricultural and rural development policy.

4.9 In the first case, there is hope for continuing frozen WTO discussions, but this agreement will still bring cessation of export subsidies, reduction of customs barriers and the reduction of subsidies (i.e. a radical limitation of production-determined subsidies).

4.10 In the second case, a continuous modification and revision of CAP will result in total separation of subsidies from production furthermore reforming of market provisions for cereals, beef and milk sectors (i.e. affecting quotas and compulsory fallow periods) and a revision of the agricultural budget (2009) which might be reduced substantially after 2013. There is an ongoing

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<sup>1</sup> Common Agricultural Policy

strong discussion on regrouping for the second pillar and relapsing of forms within the second pillars, related directly to production.

### *European Policy Context (2007-2013)*

4.11 From the original CAP to the introduction of the 2<sup>nd</sup> Pillar, the CAP has gone through considerable changes since the 1990s. Previously the CAP was based on certain key objectives, notably the desire to guarantee self-sufficiency in basic food production in response to post-war food shortages. The result was a rigid, production-oriented subsidy policy which lived on into the 1990s.

4.12 The original aim of the CAP was to guarantee food safety in Europe. It involved moving away from a self-sufficiency model of agriculture towards market farming capable of feeding a rapidly growing urban population in Europe<sup>2</sup>. This transformation was achieved by adopting the pattern of the competitive agricultural industry, which subsequently became the applied model. The main characteristics of this model farm were the predominance of family labor, land ownership and the maximization of the productivity factors (labor, land and equipment). The latter required a reduction of labor and investment in specialization of production, and the inputs to support it. These practices, in turn, led to an increase in output and facilitated the expansion of the farms' area in general and of farmed area per active worker in particular.

4.13 These focuses of the CAP still very significant, however the context has changed considerably. There has been a decline in the relative economic importance of agriculture and the political importance of the food security focused model of agricultural development. In its place other models have taken favour; those focused around food safety, environmental protection, quality of life and development of leisure activities, and the diversification of farms and sources of competitiveness. These new focuses concern a rural landscape itself in transition (diversification of the rural landscape, in particular due to urbanisation and the large-scale expansion of peri-urban areas with improved services, settled by neo-rural populations with their own representations, demands, etc.).

4.14 The CAP has been changed through a range of reforms since the early 1990s until today (including the reforms of 1992, 1999 and most recently 2003) to reflect the above tendencies. Production limits helped reduce commodity surpluses and a new emphasis has been placed on environmentally sound farming. Farmers were required to be more market orientated, while still

receiving direct income aid, to respond to the public's changing priorities. The shift of emphasis included a major new element – a rural development policy.

4.15 The 2003 reforms were a significant step towards creating a more competitive, market responsive agricultural sector founded on the principles of high environmental and animal welfare standards. At the core of these reforms was a substantive, although incomplete, move towards decoupling for some of the key commodities within the CAP. Decoupling severed the link between production and direct payments, thus removing the incentive to produce any particular good. More money was made available to farmers for environmental, quality or animal welfare programmes by reducing direct payments for bigger farms. These reforms are still relatively recent, and are still being phased in within some Member States, and so there has been little time for the structural, socio-economic, and environmental impact of the measures to manifest themselves.

4.16 However, the recent communication on the CAP Health Check<sup>3</sup> makes it clear that there is need for further reform and the EU Budget Review will bring the CAP and its future role further into the spotlight. It should not be assumed that the Rural Development Programmes (RDPs) of individual Member States, as developed under the European Agricultural Fund for Rural Development (EAFRD), will remain static over the lifetime of the programme. The current Health Check proposes to increase the rate of compulsory modulation<sup>4</sup> will probably lead to an injection of new funds to be used within RDPs. The broadening scope of objectives (as highlighted in the recent Health Check report<sup>5</sup> that includes the challenges of climate change, bio-energy and water management) is likely to lead to opportunities for enlarging expenditure and potentially adding new measures to national RDPs.

4.17 Whether under the pressure of international trade negotiations within the framework of the World Trade Organisation (WTO) or as a result of the evolution of European societies, the CAP today finds itself at a turning point in its history. The importance of market policy, which is the subject of great debate both within the European Union and in the international arena, is diminishing and new regulatory instruments are being explored.

<sup>2</sup> For example in Toulouse, France experienced a great growth in industry and there has been a general North to South emigration pattern (and resultant urbanization of the area) in Europe.

<sup>3</sup> The Health Check will modernise, simplify and streamline the CAP and remove restrictions on farmers, thus helping them to respond better to signals from the market and to face new challenges.

<sup>4</sup> Compulsory modulation stands for the policy obligation of member states to transfer a certain portion of CAP Pillar 1 financial resources to Pillar 2. Hence, rural development measures are provided with strengthened funding.

<sup>5</sup> [http://ec.europa.eu/agriculture/healthcheck/index\\_en.htm](http://ec.europa.eu/agriculture/healthcheck/index_en.htm)

### *Main features of rural development policy (2<sup>nd</sup> Pillar of the CAP) in the period of 2007-2013*

4.18 In the current programming period the CAP is operated through two pillars: (1) market support measures and direct subsidies to EU producers, (2) rural development programmes. In line with this, two financial instruments were set up by Council Regulation (EC) No 1290/2005: (1) the European Agricultural Guarantee Fund (EAGF) and (2) a European Agricultural Fund for Rural Development (EAFRD).

Rural Development Policy is based on three main legal instruments:

- Council regulation on support for rural development by the EAFRD (No 1698/2005 of 20 September 2005)
- Commission Regulation laying down detailed rules for the application of Council Regulation No 1698/2005 (No 1974/2006 of 15 December)
- Community strategic guidelines for rural development (Council Decision of 20 February 2006)

4.19 The Council Regulation sets out that "EAFRD shall contribute to the promotion of sustainable rural development throughout the Community in a complementary manner to the market and income support policies of the common agricultural policy to cohesion policy and to the common fisheries policy."

4.20 The objectives of the support for rural development are: (1) to improve the competitiveness of agriculture and forestry by supporting restructuring, development and innovation; (2) to improve the environment and the countryside by supporting land management; and (3) to improve the quality of life in rural areas and encouraging diversification of economic activity. The objectives set out shall be implemented by means of four axes.

- Axis 1 -- improving the competitiveness of the agricultural and forestry sector: a range of measures that promote human knowledge and physical potential and improving product quality (promoting knowledge transfer, innovation, and quality in production);
- Axis 2 -- Improving the environment and the countryside: measures to encourage sustainable use of farmland and forests (protect and enhance natural resources, preserving high nature value farming and forestry systems and cultural landscapes in Europe's rural areas);
- Axis 3 -- improving quality of life and diversification of the rural economy: measures that help to develop local infrastructure and human capital in rural areas to improve the conditions for

growth and job creation in all sectors and the diversification of economic activities;

- Axis 4 -- "Leader axis": based on experience with the Leader Community Initiative this informal axis introduces possibilities for locally based bottom-up approaches to rural development.

### *Rural Development policy 2007-2013: rationale and scope of intervention per axis*

#### *Axis 1 Improving competitiveness for farming and forestry*

4.21 Competitiveness refers to the capacity for producers of the agro-industry to position themselves on the national and international markets and to meet consumer expectations (the de-coupling of aid from production restores producer awareness at the market level). The aim of Axis 1 of the Rural Development Policy is to increase the competitiveness of agriculture, forestry and the agribusiness sector.

4.22 Two basic objectives can be identified to ensure improved global competitiveness of the agricultural sector. First, the continuation of the process of restructuring and modernising farms, sectors and agro-industries that can be seen as a "traditional" vision which is directed towards reducing production costs through a better mobilization of production factors (increasing output, reducing manpower etc.). This first objective is rooted in the agricultural structures of policy implemented almost 40 years ago, and are aimed at the policy of supporting agricultural markets (1<sup>st</sup> pillar of the CAP, cf. above). Even if this structural policy is now part of a broader rural development policy, the measures intended to achieve this objective of modernisation are still deeply influenced by its history and therefore focus on increasing the productivity of agricultural firms.

4.23 The second objective within the Axis 1 rests with the commitment of the agricultural sector to the process of increasing knowledge and innovation and the economic enhancement of quality in terms of assets, public health, environmental protection and the sustainable use of resources. This more recent vision can be observed in the other EU initiatives (particularly innovation and research), based on the capacity of innovation and on the activation of specific resources of each territory.

4.24 It is rather this second type of economy which redefines territories as a source of endogenous economic development. This is a more recent, or more modern, approach to agricultural competitiveness which relies on the capacity for creation, innovation, diversification (through the development of human potential and research) and the enhancement of the physical (material resources) and human potential of each territory.

Examples of encouragement of this type of modern agriculture include the:

- development of human potential;
- enhancement of physical potential (resources) and development of innovations (investment in research);
- development of quality products (regional products, geographic indications, etc.);
- development of organic agriculture;
- development of sustainable sectors (wood for energy, wood for construction, etc.);
- integration of negative externalities (development of short supply chains to improve the carbon balance, reduction of pollutions, etc.).

4.25 These two ways for considering agriculture within rural development can be observed concerning the measures suggested within the framework of Axis 1 on "competitiveness in agriculture": "historical" measures refer back to the 'productivist agriculture' model; new measures are in the direction of the positioning of agriculture within the new territorialized world economy.

4.26 It is anticipated that the second group of measures will more probably create a link with the other axes of the Rural Development Policy. This aspect must be validated and is not inconsistent to developing ideas to facilitate the classic approach to competitiveness within the other axes of the Rural Development Policy.

### *Axis 2: Environment and countryside*

4.27 Aside from the generic issues of rural development and EU policy expressed via the EARD process there is an agenda within Axis 2 and, within this, some sub-agendas, e.g. regarding forestry, Less Favoured Areas (LFA) and Agri-Environment (AE) in particular.

4.28 Axis 2 is concerned with "Improving the environment and the countryside". The Community Strategic Guidelines state that, "to protect and enhance the EU's natural resources and landscapes in rural areas, the resources devoted to Axis 2 should contribute to three EU-level priority areas: biodiversity and the preservation and development of high nature value farming and forestry systems and traditional agricultural landscapes, water, and climate change".<sup>6</sup>

4.29 The measures within Axis 2 particularly relate to ongoing land management, and the key areas of interest (and expenditure) include the measures on forestry, Less Favoured Areas (LFA) and agri-environment (AE). The measures concerned with Natura 2000 intersect with the parallel biodiversity agenda. This is concerned increasingly with how to

fund site management on the ground so that implementation of the nature conservation Directives is taken more seriously at Member State level. This is still some way off in most Member States.

4.30 Most of the expenditure under Axis 2 is in the form of annual payments rather than one-off payments for specific projects, as is more often the case with funding directed via Axis 1 and 3. (However, the new measures on "non-productive investments" have introduced the possibility of paying for some capital works.) In this sense, the expenditure allocations are distinctive within the wider panorama of the EAFRD, or the broader Structural Funds. The agreements with farmers have a limited life, but there is an expectation of continued, perhaps indefinite payments, particularly in the LFA and possibly even for Natural 2000 sites. This expectation is unlike the rest of Pillar Two.

4.31 The rationale for this is the resultant provisions for the public good from the project (i.e. the environmental and social benefits currently produced by those managing the land) from which is received little or no market reward, but great public benefit. It is argued that the role of policy is to compensate for the lack of market value of provisions for the public good, in particular biodiversity, water quality, and natural landscapes, by providing some form of incentive for their maintenance. This is the cornerstone of Pillar Two and the identification of public benefit, mainly environmental in this case, is central to the Axis 2 dialogue.

4.32 Within this, Axis 2 is of particular significance, focusing as it does on measures that deliver public benefit. But unfortunately, it is not so great a basis for development for the rural society. Much of the subsidies target preservation and restoration of natural resources but rarely put these resources into the context of also being the basis for economic activities, which could create sustainability both for future preservation and for the rural society. One way to achieve this however could be provided by linking the measures in all the Axes through the Leader initiative.

### *Axis 3: Improving quality of life and diversification of the rural economy*

4.33 Rural diversification helps to make rural areas more sustainable. It involves new activities that support farming incomes (including for example, forestry, leisure and tourism). It creates a range and occupational mix of employment in rural areas in order to provide wide and varied work opportunities for rural people. This way, diversification allows individuals to live close to their places of work, in rural areas, without needing to commute to towns or cities. In some cases businesses can be brought closer to their suppliers and markets.

4.34 Successful diversification also attracts new skills and new people to rural areas by benefiting existing businesses and helping to retain essential services, sustaining local communities, and maintaining their quality of life. In fragile areas this influx of new businesses and new people may make the difference between decline and growth. As well as supporting the rural economy, diversification can help bring brownfield sites<sup>7</sup> or otherwise redundant buildings back into use, and deliver environmental enhancements or much needed community benefits.

4.35 Improving the quality of life in rural areas impacts many different policy fields, including economic, social and environmental policies. It can be seen as almost synonymous with the concept of sustainable development. Increasingly, 'quality of life' is associated with concepts of welfare, inclusion and social equality. Access to services that people need (such as village shops, schools, etc.) is one of the most important aspects of quality of life. Other factors include access to jobs, natural environment and a strong local community. Therefore, the improvement of quality of life is associated with a wide range of activities. It has also been one of the priority themes of the Leader programme, and useful project experience can be drawn in this context.

4.36 Axis 3 is a particularly important intervention area for rural development since over 50% of the population lives in rural areas but only a small portion of that population is directly involved in farming and forestry. In the Rural Development Programme it is mostly through the third and fourth axes that the needs of the majority of the rural population can be directly addressed. Axis 3 aims at the diversification of the rural economy and increasing the quality of life in rural areas.

Four different measures are specified in the Council Regulation to achieve the objectives of Axis 3:

- measures to diversify the rural economy: diversification to non-agricultural activities; support for micro-enterprises; tourism; protection and management of natural heritage;
- measures to improve the quality of life in rural areas: basic services; village renewal and development; conservation and upgrading of rural heritage;
- training and information measures for economic actors operating in the fields covered by Axis 3;
- a skills-acquisition and animation measure with a view to preparing and implementing a local development strategy.

#### Axis 4: Leader axis

4.37 Leader has been running successfully for three generations as a Community Initiative Programme. It has followed a strong bottom-up and partnership approach throughout its implementation. The main emphasis of the Leader programme has been on providing local communities with the possibility of selecting and funding projects which suit the local environment and can have long term benefits. In addition, the Leader approach encourages the generation of novel ways to provide sustainable rural development which, through sharing with others across the EU, can go far beyond the initial project and can influence and enhance rural development policy.

#### Cross compliance – a European agricultural policy measure

4.38 Another measure introduced through the CAP reform in order to encourage adherence to the shift from the food security to the food quality and rural development model is that of cross compliance.

4.39 According to the study [Ref 3] delivered by LEI8 in October 2007, "*Cross compliance, introduced with the 2003 CAP reform, is best understood to be an additional enforcement mechanism, which uses financial leverage to encourage compliance with standards. [...] Cross compliance does present some additional benefits as an enforcement mechanism that stimulates improved understanding of legal requirements and, through the threat of financial penalties, an improvement in compliance levels where these were previously less than universal.*" The standards<sup>9</sup> referred to in the lines above are of a sustainability-enhancing nature since they include five environmental items:

- Natura 2000 directives (birds and habitats);
- Sewage sludge and nitrate utilization;
- Protection of groundwater against certain pollution.

4.40 In addition, these environmental measures are essentially to be executed through soil management. While the above mentioned Statutory Management Requirements (SMRs) are derived from certain EU directives and regulations, there is another part of cross compliance, Good Agricultural and Environmental Conditions (GAECs), which is a set of standards each member state has to elaborate in accordance with Annex IV of Council Regulation (EC) 1782/2003.

<sup>7</sup> Brownfields are abandoned or underused industrial and commercial facilities available for re-use.

<sup>8</sup> <http://www.lei.wur.nl/UK/>

<sup>9</sup> For detailed list of statutory management requirements (SMRs) see Annex III of Council Regulation (EC) No 1782/2003.

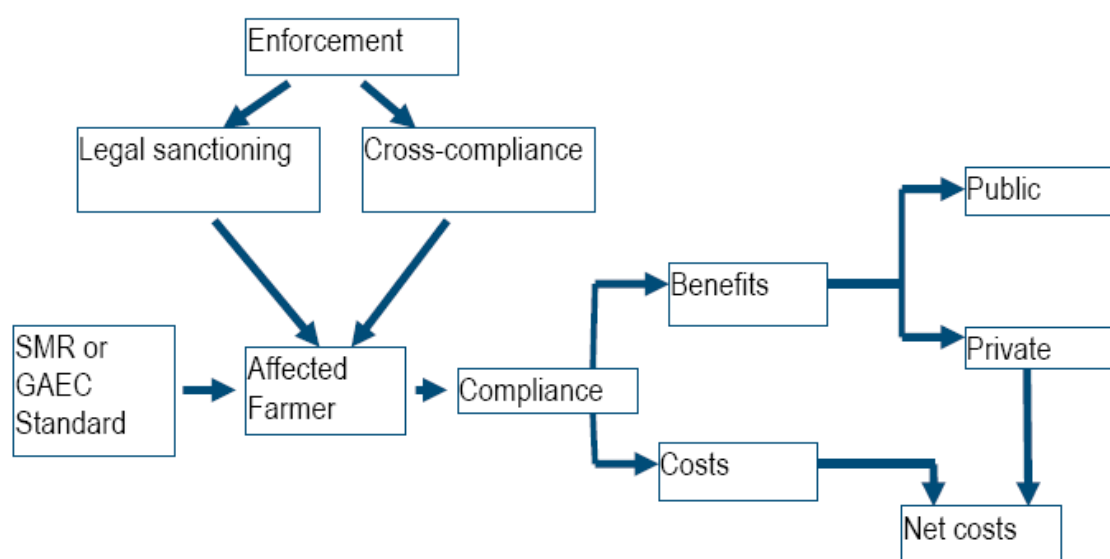
4.41 These standards are further tools to enhance and to promote sustainability in farming. The main issues concerned are:

- Soil erosion;
- Soil organic matter;
- Soil structure;
- Minimum level of maintenance (and preserving the deterioration of habitats).

4.42 The “financial penalty” in the cross compliance system is a reduction of the direct

payments the given farmer is normally eligible for, or, in extreme cases, total exclusion from the direct payments. The extent of reduction is determined in national implementation rules, in alignment with Commission Regulation (EC) 796/2004. The five categories for qualifying a so-called non-compliance case are: intentionality, extent, severity, permanence and repetition. To understand the motivating nature of cross compliance, see Figure 1.

**FIGURE 1**



Source: LEI [Ref 3]

4.43 In financial terms, cross compliance represents a risk of cutting one's subsidy (financial sanctioning beyond fines and other penalties set by *competent control authorities*) if a non-compliance is found during an administrative or an on-the-spot check. Even in the case of *minor infringements*, a *follow-up* is needed.

### Conclusions

4.38 Forty years of common market policy and more than thirty years of community structural accompaniment policy have not – or barely – reduced the structural differences between agricultural landscapes within Europe (for example between structures in the Netherlands and in Italy). The physical, social, cultural, etc. factors causing and reiterating this heterogeneity are still in place. It is important, then, to pay attention to them and to take them into consideration, all the more so as European enlargement will exacerbate the structural heterogeneity.

4.39 Any public intervention aimed at increasing agricultural competitiveness must first take this issue of considerable differences between member states into consideration. As well as analysing the restructuring of farms, agri-business firms and sectors in member states, attention must be paid to the national strategies and practices which enable the common European regulatory framework to be adapted and translated to the diverse national and local situations. This will allow the efficiency of the policy to be assessed and its limits and constraints to be identified.

4.40 EU strategic guidelines identify the areas important for the realisation of Community priorities and a range of options which Member States can use in their National Strategy Plans and Rural Development Programmes. National Strategy Plans are designed to translate the guidelines into the national context in light of the identified needs of regions, whereas Rural Development Programs are designed to implement the National Strategy Plans.

4.41 For each set of priorities, the EU strategic guidelines suggest several key actions. Member States' national rural development strategies are based on six community strategic guidelines, which will help to:

- identify the areas where the use of EU support for rural development creates the most value added at EU level;
- make the link with the main EU priorities (Lisbon, Göteborg);
- ensure consistency with other EU policies (in particular social cohesion and the environment);
- accompany the implementation of the new market orientated CAP and the necessary restructuring it will entail in the old and new Member States.

4.42 *Cross compliance*, in its core mission, is a motivation tool. It motivates, beyond other pre-existing enforcement tools, farmers to better respect those European standards which are in force anyway to make the European economy, agriculture included, more sustainable and environmentally friendly. It also covers not only environmental but food safety and animal welfare issues. The mechanism of cross compliance, used in conjunction with these strategic guidelines for member states, can begin to shape the implementation of these new policy objectives within Europe.

4.43 History has proven that, despite the fact that the relative majority of the people live in urban areas, rural areas are not only background places where food and folk art come from, but carry almost all resources of biological life that are needed to maintain the existence of modern civilization. In other words, there is no sustainability without careful management of these resources—and careful management requires deep analysis based on sophisticated data.

4.44 The notion of multifunctionality has developed among the basic principles of the European agricultural model, i.e. food production is not the only function of the farming industry and of rural communities. The positive environmental externalities are a kind

of side effects of farmers' activity, i.e. they maintain the landscape, the flora of valuable meadows, and, in general, farmers should be regarded as the primal managers of natural resources including arable land and water.

4.45 Multifunctionality also means a wide range of non-agricultural activities (processing, education, recreation or other services) in a farm's life. Based on the actual CAP reform preparation process, it is evident that European agriculture will contribute to job creation and economic development and, at the same time, to the better exploitation of the diverse potential of rural areas.

4.46 Europe has significant unused potential in terms of natural wonders, wildlife and geographically remote cultural heritage. These diverse resources can be combined and used for a flourishing set of services including tourism that is based on not only the natural wonders but other services and entrepreneur activities related to the natural wonders.

4.47 In the future, the CAP should support farmers' incomes, rather than its current habit of funding the rich. If the focus of CAP reforms was to incorporate environmental improvement techniques into the farming systems, the focus of the funding has been just the opposite: the most harmful farming systems often get highest payments, while sustainable systems are under funded. The focus should include how the CAP can truly "food security", safety and quality and in this way influence production, rather than simply arbitrarily compensating financially to enable farmers to meet the new EU standards.

1. *How we can justify multifunctional agriculture? Provide some good examples and good practices!*
2. *Do we need subsidies for agricultural production and why yes or not?*
3. *What can be the changes in CAP after 2013?*
4. *Why does agriculture have a crucial role in sustaining natural and production resources?*

## Case study 4.1

### *Bács-Kiskun County “Cellar-tour”, Hungary*

Many farmers have addressed the fact that EU policies focus mainly on the concentrated commercial sector, which offers them at most 20% of the retail food price, by increasing farm income through direct sale.

In many countries farmers sell their products directly, with many of these countries having their own regulations and practices concerning direct sales. Such regulation also exists in Hungary, but the actual rules sufficiently practical and it is quite expensive to meet these regulations. The modification of rules concerning direct sales would allow direct distribution to local shops and restaurants. This could potentially boost rural communities and would also likely lead to an environmental advantage, since the transportation distance of products could be reduced.

#### **Bács-Kiskun County “Cellar-tour”**

One successful example of a direct sale initiative is the Chamber of Agriculture of Bács-Kiskun County called the “Cellar-tour”. The “Cellar-tour” is a website for farmers to practice direct distribution, where farmers adhere to the conditions of the website offer their products. The website is an opportunity for farmers producing vegetables, fruits, organic products, milk, dairy products, honey, pork meat, poultry, rabbits, eggs, fish, pickles, wild products, and mushrooms to widen their market. The website helps

consumers find farmers, from whom they could purchase the products needed. Parts of the website provide an introduction to the farms, their place and their activities. However, their products cannot be purchased through the internet.

The website represents 95 farmers with 129 products. Most of the farmers joining the program are leaders in ecological production. Some of the farmers sell fresh vegetables and fruits, others offer prepared products such as marmalade, dried fruits, etc. The program was designed to increase rural tourism, because these activities can serve as complements to one another. On this particular market both products and leisure services are supplied.

As part of the program, the common marketing promotion and communication actions have been set up for the participating farmers. One of the most successful elements of this program is that farmers can become familiar with the quality assurance and the rules of food safety during training sessions. A significant part of the consumer-focused approach provides opportunity for the consumer to get to know the origin of the food he/she purchased. In the instance of agri-tourism based farms, the consumer can check the source of the food during a visit if he/she so desires.

## Case study 4.2

### *Honey processing and standardization unit for psychiatric patients and rural animation in the island of Leros, Greece*

The island of Leros is part of the 12 major Dodecanese islands along the coast of Turkey, south-east of the Greek mainland. The island has many hills and low mountains and has one of Europe's richest varieties of flowers. The island has a mild and pleasant climate without great fluctuations and has a varied landscape, clean waters, stunning beaches, large bays and a very attractive capital. Although the fishing sector is relatively developed, the geology of the island and absence of significant water resources limit agricultural development, particularly in the summer months. The hospital for mental illness is an important employer in the area; however, recently, the number of patients has decreased. Since Leros is host to a mental hospital for the most intractable psychiatric cases, an asylum for mentally handicapped children and a military base, it is not the archetypal Greek island, although it has recently become a base for sailing trips to the coast of Turkey and the other Dodecanese islands.

The main focus of the territorial cooperation project "Honey Processing and standardization unit" supported by Leader+, has been to add value to the local products (i.e. honey), and make best use of the endogenous resources of the island. The project has tried to provide employment and income to an excluded group of local people, it has built on equal opportunities and has enhanced social cohesion by creating links between the local population (many of whom are working in the hospital) and the psychiatric patients.

The project has had an area-based approach, since the initiative has built on endogenous resources. The area's profile has been enhanced by supporting local producers, improving the quality and marketing of their products, and developing local human resources. The initiative has created jobs for people with psychosocial difficulties.

This bottom-up project was initiated by the honey farmers of Leros. They needed to add value to their raw product through processing, quality control and marketing, but had neither the time nor facilities. For this reason they approached the Koi.S.P.E.

cooperative. Koi.S.P.E. was founded in 2002 and some of the founding members were employees (occupational therapists) of the hospital who wished through the cooperative, to extend the scope of therapy by responding to the needs of the patients as they recovered. Koi.S.P.E. began therapeutic activities in agriculture and catering and established further contacts with the honey producers' association of Leros and decided to buy their honey and undertake the processing and certification.

The project followed a strong partnership approach. The Ando LAG had an essential role in the development of the project. It assisted Koi.S.P.E. in the development of ideas, identified a company to assess the characteristics of the honey produced and determined how producers could access certification. Koi.S.P.E. members knew little about product quality or marketing opportunities outside the island. The initiative has managed to improve the operation of the local mental hospital in an innovative way. The project has successfully combined the development of local products with support provided for psychiatric patients, which has been a unique approach.

Furthermore, the project has demonstrated a strong networking and cooperation approach, as it has brought together a wide range of actors (i.e. local honey producers, the state mental hospital and psychiatric patients) for the benefit of all. This has strengthened networking activity on the island of Leros, particularly amongst honey farmers. At the same time, efforts have been made to link the relevant stakeholders from outside the island in order to establish quality certification and improve market access.

For further information visit:

[www.koispe.gr](http://www.koispe.gr)

Adapted from Leader+ Best Practices 2007/1

### Case study 4.3

#### *Cross-Compliance: technical and socio-economics aspect in Umbria region, Italy*

The World Bank has dedicated its final report for 2008 to agriculture, as a key element for development. There is a strong relation between agriculture and rural development. For this reason it's necessary to underline the important role of the European Union and the Common Agricultural Policy (CAP), not only because approximately 90% of the territories within the Union are covered by agricultural land and forests, but above all because the CAP represents a key instrument with which to face new challenges regarding rural development and environmental issues. *"The principle that farmers should comply with environmental protection requirements as a condition for benefiting from market support was incorporated into the Agenda 2000 reform. The 2003 CAP reform put greater emphasis on cross-compliance which has become compulsory"* (UE, Dg Agri website). *This shift in the emphasis of CAP support towards direct aids to farmers, and away from price support, is accompanied by clearer obligations on farmers to manage their farms in sustainable ways. 'Cross-compliance' links direct payments to farmers to their respect of environmental and other requirements set at EU and national levels* (E.C, Agriculture and Development, Cap reform, website).

This case study is based on a 2007 report by the University of Perugia on the impacts of this European environmental measure (cross-compliance). The aim of the report was to investigate how farmers (especially in the Umbria region) perceive the measure and which are the costs and benefits to the society.

The first step of this experimental research was a literature review and analysis of various documents about the CAP reform, the cross-compliance, some new economics studies (on the evaluation of positive and negative externalities) and markets failure. The second phase was to create a good background of the current situation and explain the reasons and the aims of the implementation of the crossing-compliance measure in the European Union. Related official documents were analyzed at national and regional level and interviews were conducted to farmers, in order to research the level of understanding that they have on cross-

compliance. The last step of the research was the analysis and interpretation of the results.

Although this was a brief report and the theme should be part of a more thorough research, there are some interesting results and lessons learned.

The cross-compliance measure shows that nowadays more than ever, one of the priorities of the EU is to look for a sustainable path in the primary (and not only) production processes.

It's necessary to integrate the concept of sustainability with the agricultural process, because it's not possible to speak about development without considering the quality of the environment and the availability of natural resources.

The mains actors analyzed in this case of study are the inhabitants of rural areas, farmers in particular. But also public institutions play a fundamental role in the implementation and control of cross-compliance. It's important not to forget also the role of the consumers, which are daily becoming more aware of the quality and the sustainability of products (commodities and non-commodities).

In this context, the cross-compliance can be an important instrument, which if used right, can guarantee the production of social benefits and a sustainable agricultural process in rural areas.

The report shows that the cross-compliance seems to have a good impact, particularly in Umbria territory and the farmers understand its meaning and aims. Unfortunately we can't calculate the costs of its actual implementation and the challenge to control the cross-compliance measures by authorities and institutions. This needs to be further researched.

Nevertheless the above results shows that important steps are being taken to develop an agriculture sector well integrated with the environment and the concept that there is no development without sustainability

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## CHAPTER 5

# *Marketing and distribution of farm products to support sustainable food economies*

## *Introduction*

5.1 Each day now the climate change and global food security debate grows in intensity. It is finally becoming more widely acknowledged that the current global food systems are no longer fit for purpose and major changes are needed. What kind of changes are needed at a local level that will lead to new approaches for marketing and distribution of farm products that will support sustainable food economies? The vision for an alternative approach, a sustainable local food economy, has been defined and promoted largely by a minority group of NGO's who are pioneering new models and approaches with relevant stakeholders. The local food sector in the UK has seen some very significant developments and innovation in the last 10 years or so, most of which has come from individual entrepreneurs.

5.2 These new farm product marketing and distribution approaches that support sustainable rural livelihoods and help to develop the resilience and sustainability of our food and farming economies fall into three main categories: farmer-led supply and marketing innovation; food and drink business collaboration; new models and approaches for direct sales. The context of the current, predominant food production and distribution systems contrasted with the principles of an alternative sustainable food economy model can be explored through some guiding questions and the examination of existing practical examples of alternative approaches to production and marketing of farm products in the UK.

## *How sustainable are our food economies?*

5.3 The world's food systems are facing unprecedented challenges and we have to face up to an inconvenient truth about food. Climate change, over-reliance on fossil fuels, concerns about water, phosphorus and fossil fuel depletion, continuing migration away from rural areas, loss of farming skills and capacity, loss of

biodiversity, population expansion, the shrinking area of agricultural land and mounting concerns about global food security - all create the backdrop for very serious discussions on sustainable agriculture.

5.4 The contribution of agriculture and food distribution systems at a global level is not fully known but the figures suggest that it accounts for at least 30% of global greenhouse gas emissions. In 2008 a major International Assessment of Agricultural Knowledge, Science and Technology for Development (IAASTD) report, 'Agriculture at a Crossroads', involving 400 scientists and endorsed by 60 countries concluded that the current industrial model based on high external inputs and globalised distribution, was neither sustainable nor resilient - in other words, business as usual is not an option. New models of sustainable food systems are urgently needed. The report backed organic agriculture and similar 'agro-ecological' approaches as part of a 'radical change' in the way the world produces food.

5.5 The next step is to find viable solutions, not just more sustainable ways of producing food but also more sustainable ways of distributing and marketing food. There is currently much debate about the most appropriate and effective solutions. But it is important to consider what the key attributes of an authentic, sustainable, resilient food economy might be and what this might look like in reality.

## *The predominant marketing models - who benefits?*

5.6 In UK, approximately 90% of the nation's food is bought at seven main supermarkets, which in turn are dominated by the 'big four' who own 75% of the grocery market share. In general food sold in supermarkets is treated as a commodity. Supermarkets compete on price to offer the consumer the best 'choice', 'quality' and 'value'. The customers on the whole do not know where their food comes from or how

it is produced and are encouraged to look for the cheapest products. 'Healthy' mostly means low sugar, low fat, low salt. Customers are referred to as 'consumers' and encouraged to consume as much as possible.

5.7 As a result of these multiple retail centres, local shops go out of business and town centres are full of empty shop premises. Shareholders of these multiple retailers benefit, at the expense of the local economy. Money spent in supermarkets tends to move out of the local economy, creating what the New Economics Foundation in UK calls 'the leaky bucket effect'. A report found that for every £10 spent in local stores, £25 is added to the region's economic health. Spending the same in a superstore yields just £14 as local reinvestment is reduced.

5.8 The supermarkets in UK control the markets and can squeeze the buying price down to the point where the producer barely, and sometimes never, makes a profit. In 2007 farmers supplying the supermarkets received around 18p per litre for milk while the sale price was 49p a litre, making milk cheaper than some bottled mineral water.

### *What are the alternatives?*

'The health of man, beast, plant and soil is one indivisible whole'.  
- Lady Eve Balfour, founder of the Soil Association

5.9 In the 1930's & 1940's, a group of scientists, farmers and doctors in the UK raised challenging questions about the relationship between farming methods and human health and in 1946 founded the Soil Association. Their concerns about the impact of intensive agriculture on food quality and the environment led to the establishment of the organic movement in Britain and a vision for an alternative approach to food and farming systems. This vision was based on a set of organic principles that are shared around the world by similar organisations committed to agro-ecological practices (IFOAM organic principles). These principles support the idea of, as far as possible, using renewable local resources in locally organised agricultural systems.

### *A model for a sustainable local food economy*

5.10 In the late 90's the Soil Association's local food team developed a definition of a

sustainable local food economy, based on the IFOAM principles, to support practical local food system development work in the UK.

5.11 'Food produced, processed and traded from sustainable production systems where the physical and economic activity is controlled within the locality where it is produced, and which delivers health, economic, environmental and social benefits to the people in those areas'

5.12 The simple model below sets out the idea of a 'closed system' of a localized and interdependent economy which is ultimately designed to deliver genuine social, economic and environmental benefits to the local community. It contrasts this with current approaches to production, distribution and marketing, consumption and waste disposal.

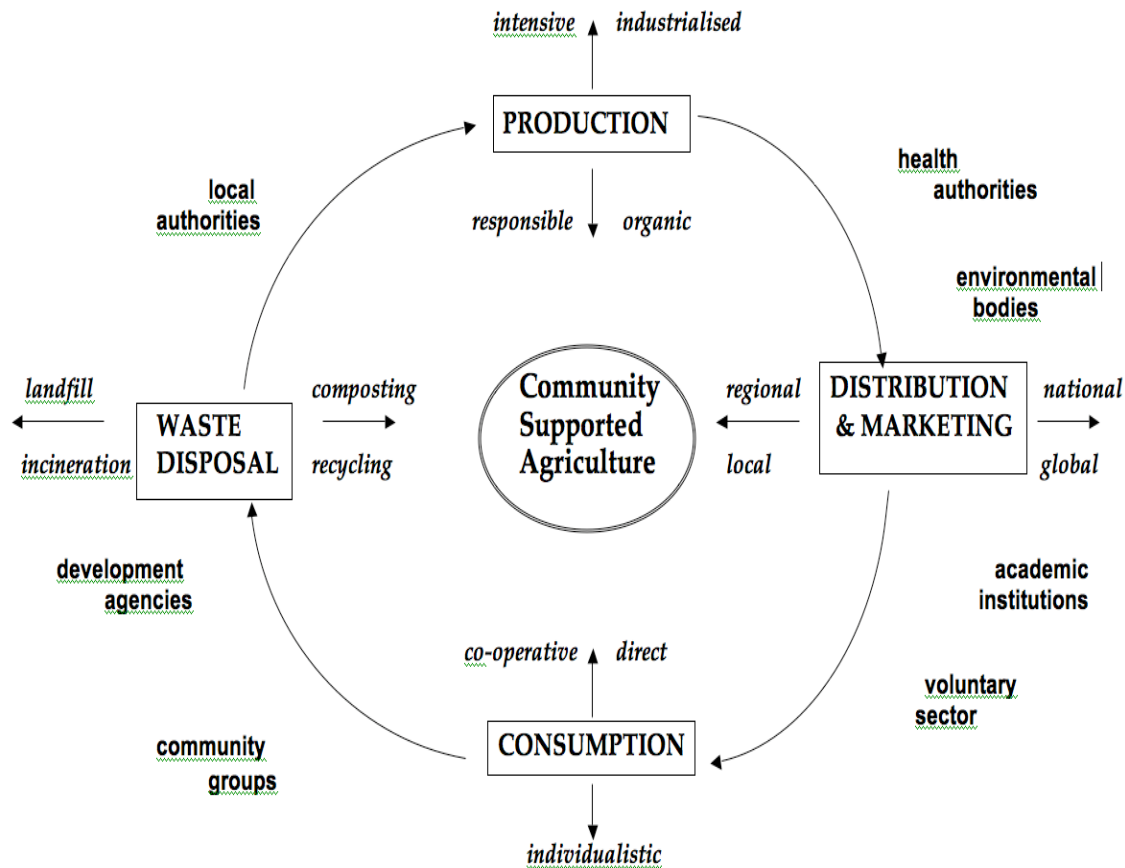
5.13 We need to build food production and trading systems based on principles of sustainability that are both locally controlled and genuinely benefit the communities they serve. We also need to draw on the support of key stakeholders, each of which has an interest in a sustainable local food system, whether it is from an economic, social or environmental perspective.

### *What marketing & distribution models support the development of sustainable food economies?*

5.14 Over the last decade, the UK local food movement has experienced significant growth, with the emergency of many new initiatives. Much of this work, primarily around direct sales, has been supported within the 'voluntary' or 'ngo' sector through innovative projects with funding from a range of grant programmes (private charitable trusts; the health sector; local government; national lottery funding programmes).

5.15 The production of local food directories, showing people where they could buy local produce, and of local food festivals, has underpinned a lot of this growth and enabled more public support through provision of information. UK Government funding for 'local food' has largely been directed through 'regional food groups' which offer a marketing service for food and drink businesses, and have quite a strong focus on developing new high value products and supporting the growth of exports. This has led to a much stronger 'regional speciality' food sector, and has encouraged the growth of more small scale

## Simplified Model of a Sustainable Local Food Economy



artisan businesses. In many areas this work has also been supported by promotion of food tourism, food awards and food festivals.

'The most sustainable food systems are based on agro-ecological practices and on mutually supportive relationships between food producers and citizens.'  
*Soil Association, UK*

5.16 In order to understand what kinds of marketing & distribution models support the development of sustainable food economies, it is first important to look at the predominant systems. Typically in UK, only a minority of producers sell directly to retailers and thus 'add value' to their products. Most producers sell raw products indirectly to the final markets through other 'middle' businesses. These include dairy or red meat marketing boards; vegetable

wholesalers; livestock markets where other farmers buy animals to finish rearing before they are slaughtered; or processors that add value, e.g. abattoirs and grain mills.

5.17 Over the last decade, new marketing initiatives and business models have been developing in the UK, mostly as alternatives to the supermarkets, many of which have been pioneered by food producers and processors in the organic movement. The main motivation has of course been to improve prices for primary producers. These can be divided into six different categories.

5.18 Farmer/grower collaboration brings together a number of similar businesses to strengthen supply chains, improve processing and marketing efficiencies and ultimately to strengthen their collective identity or 'brand'. In most cases this has been to supply supermarkets due to the large volumes that need to be sold but has also led to new supply to independent

retailers and caterers and some direct sales locally. (See case studies 1,2 & 3 on farmer-led innovation).

5.19 Food and drink business collaboration is similar to the above category but typically involves food processors rather than the primary producers and therefore tends to focus just on marketing and distribution. (See case-studies 4 & 5 on joint marketing).

5.20 Direct sales from farmers typically bring the producers into more direct contact with customers and help to develop local loyal markets based on a closer relationship between the producer and the customer e.g. farmers markets, vegetable and meat box schemes, or farm shops. There has been a significant increase in these initiatives over the last 10 years. In 1997 there was only one farmers market and now there are over 500 formally registered. The first organic vegetable box schemes started in the late 80's and now there are over 500. Customers tend to enjoy meeting the producers and build up a loyalty to both the people and return regularly to buy their products.

5.21 'Non-farmer' owned home delivery schemes are also increasing. These are businesses that operate as 'middleman' mobile distribution retailers serving individual householders. They often offer a wide range of products from which the customer selects to make up an individually tailored order. In the last few years, this model has also been adopted by some of the supermarkets. On-line ordering and the use of the internet is generally core to operations.

5.22 Producer & consumer collaboration is at the heart of more community focussed marketing and distribution approaches like Community Supported Agriculture (CSA) buying groups and food cooperatives. These models are based on negotiation and collaboration between both the primary producer and the customer and the motivation for being involved in such initiatives varies widely. For some the motivation is affordability through bulk purchases at lower prices (food coops). For others the motivation may be to get access to organic produce where it is otherwise difficult to buy (organic buying groups). For yet others, the motivation is to have a much stronger connection with the place from which the food comes and to become actively involved producing food (CSA). In each of these different approaches, the focus is on collective purchase and stronger

mutual support. (See case studies 6 & 7 on innovative direct sales models).

5.23 Local sourcing for retailers and caterers it could be argued, do not really form a sixth category of marketing initiative, as local sourcing does not involve establishing new business models. However, it is included here because 'local sourcing' has been a new development in the UK over the last decade, particularly within the catering sectors. The focus here is on sourcing more sustainably produced food including that which has been produced in the local area or region. Many restaurants, cafes and pubs are now serving food sourced from their regions. Customers are happy to pay a little more for a regional speciality. Public sector caterers, e.g. school and hospital meal services and canteens, have also been slowly making changes to improve the sustainability of their food procurement.

#### **External factors that contributed to increasing public awareness of 'local food'**

In the UK there has been a significant growth in interest in buying 'local food' over the last 12 years. Some key 'triggers' that contributed to this growth of interest are:

- the development of farmers markets (since 1998) – which enabled the public to buy direct from producers on a regular basis in their local towns
- the combined tragedies of BSE and of Foot & Mouth Disease – which raised public awareness of the vulnerability of the rural economy and the fact that much of the 'temporarily inaccessible' countryside was in fact farmland
- huge media coverage, particularly on TV, through cookery programmes with celebrity chefs who have reported on the wider issues to do with where food comes from and how it is produced

#### ***How can sustainable local food systems become established?***

5.24 Much of the real innovation on models has been supported by ngo organisations who have gained project funding from grant making trusts and the national lottery community funding programme to focus on specific areas for development. There is a strong culture of collaboration between these organisations which has enabled a stronger voice to be heard at a national policy level.

5.25 The organic movement in the UK has pioneered much of the direct sales and marketing innovation. Soil Association, in its role as supporter and promoter of organic principles and organic farming systems, has instigated three key large-scale and strategic local food development programmes, all of which have a focus on sustainable food systems and all of which work in partnership with other organisations. *'Food Futures'* focussed on developing area plans for sustainable food economies. The *'Cultivating Communities'* community supported agriculture project is focussed on developing a new approach to production and distribution. The *'Food for Life Partnership'* programme is focussed on transforming food culture in schools.

5.26 'Food Futures' 1998-2001: This was a three-year action-research programme of participatory planning with mixed stakeholders within a geographical locality to develop sustainable local food systems, based on local collaboration. Project facilitators worked with multi-stakeholder groups in 12 different areas in the UK, over a period of 12-18 months in each location, to explore the development of a sustainable local food economy.

5.27 Twelve separate steering groups of key local stakeholders, supported by a coordinator, developed practical plans and between them established over 160 new local food initiatives with local businesses and organisations. In most locations this work led to the formation of new strategic partnerships between the health sector and local government on issues of localised food production and distribution.

5.28 Work in each of the 12 locations, although very different in each area, had the following aspects in common:

- Establishment of an alternative vision for a sustainable local food economy based on principles of collaboration and mutuality
- Promotion & development of direct marketing models, linking producers directly with customers
- Public promotion of the benefits of 'fresh, seasonal, local'
- Participatory planning with stakeholders
- Using practical action to make the case for changes needed in local, regional and national government policy

5.29 Community supported agriculture and organic buying groups: The community supported agriculture movement in the UK is still very small. A three-year project to promote the CSA concept and help

establish 12 new CSA enterprises proved successful and the Soil Association are now running a second development project with the aim of further growing the CSA movement in the UK and developing a deeper understanding of what enables CSA enterprises to succeed. In addition the project is also exploring other producer/consumer collaboration (organic buying groups) in order to establish new marketing models. The project provides practical guidance, advice and support, case studies, events etc. This four-year action research project is part of a larger £10 million partnership programme exploring community enterprise models for the production and distribution of local food<sup>1</sup>.

5.30 The 'Food for Life Partnership'<sup>2</sup> is a five-year integrated £17 million partnership programme, involving four national organisations, to transform food culture in schools and their local communities. The programme is working on school meals, education, gardens, farm visits, school food policies and cooking skills as a way of delivering its holistic 'whole school' approach to food. Schools are helped to address four main strands: Food leadership; Food quality and provenance; Food education; Food culture and community involvement. There is an action framework and award scheme for schools with 3 levels: Bronze, Silver and Gold Marks, designed to enable schools to make step by step progress over a period of time and be rewarded at 3 specific levels of progress.

5.31 As part of this programme, schools and their caterers work together to improve the standard of food served to the children at lunchtime. Caterers can apply for a Soil Association *Food For Life* Catering Mark: a new accreditation scheme for caterers at bronze, silver and gold levels.

5.32 Again, progress is made over three stages. The 'gold' standard for food quality & provenance is that the food served on a menu is made from 50% local produce and 30% is organic or MSC-certified. Buying organic meat, dairy or eggs is seen as supporting best practice in animal welfare. Steps are taken to promote non-meat dishes.

5.33 The Food for Life Catering mark is also available to non-school caterers and the scheme is beginning to gain popularity. The scheme has been designed to

<sup>1</sup> [www.makinglocalfoodwork.co.uk](http://www.makinglocalfoodwork.co.uk)

<sup>2</sup> [www.foodforlife.org.uk](http://www.foodforlife.org.uk)

encourage and facilitate more sustainable food procurement in UK catering and it is already proving to be an important driver for positive change and transformation.

5.34 European funding has made it possible for much more international collaboration on local food initiatives. The RAFAEL project is one example, in which regional partners explored together a collectively agreed aim of promoting 'authentic food systems', through both the use of a 'charter' and through practical initiatives in each of the partner regions. As part of this project, telling the story was developed as a marketing tool to help the consumer understand more about the importance of authentic food systems. This approach works well in a food tourism context.

greenhouse gas emissions. There are tried and tested farming and food production approaches that have a positive impact on the environment, organic being the 'gold standard'. There are numerous examples of marketing innovation, led by both producers and consumers that are both economically viable and very attractive to businesses and customers. Reconnecting producers with their customers and beginning to relate to them as supporters, within the context of building stronger local food economies, rather than just as anonymous consumers is key to success.

5.35 The RAFAEL project (Renaissance of Atlantic Food Authenticity and Economic Links) was a three-year trans-European interreg funded project aimed at supporting 'Authentic Food Systems'. The partners developed a charter for authentic food systems based on the following principles, to which food producers signed up:

- 'People focussed';
- 'Local';
- 'Sustainable';
- 'Distinctive';
- 'Traceable'

The project partners explored ways of promoting the concept and marketing products from 'authentic food systems' and developed an approach to 'telling the story of the people and the landscape behind the product'. This included information about the people and their skills; their passion, values and commitment; their family heritage and history; the distinctiveness of the products and how it links with the place and the landscape; their 'routes to market'; the benefits that the business brings to the local community/economy.

## *Conclusions*

5.36 If we are to make changes to ensure the sustainability of our food systems, it is important to engage key stakeholders in developing an alternative vision and an action plan. Now, more than at any other time so far in history, there are real opportunities to make step changes in this area, given the increasing international debate about climate change and the estimated 30% contribution that agriculture currently makes to global

## **Case study 5.1**

### **Large scale UK farmer-led supply and marketing innovation**

#### **Yeo Valley Organic** ([www.yeovalleyorganic.co.uk](http://www.yeovalleyorganic.co.uk))

Yeo Valley Organic is an example of large scale farm-led innovation in the organic dairy sector. The business started out as a family-run farm that in 1974 began producing yoghurt for local shops. In 1993 the business was approached by other farmers which led to the establishment of a collaborative business, providing long-term contracts to over xxx organic milk suppliers. The company supplies a yoghurts, milk, cream, butter, ice cream for wide range of outlets including supermarkets.

coordination is managed through a customized computer system. Customers receive a home delivery and order by telephone or via the internet. The company has a strong commitment to eco-packaging. Customers receive a regular newsletter. Visitors to the Devon farm can take a farm tour and eat at the very successful farm restaurant which serves farm produce in a very beautiful setting. (See online video).

#### **Helen Browning Organics** ([www.helenbrowningorganics.co.uk](http://www.helenbrowningorganics.co.uk))

Eastbrook Farm is a 540ha mixed farm on the Wiltshire Downs in South West England and is owned by award winning farmer, Helen Browning who is passionately committed to animal welfare and has developed new approaches to pig farming. The farm produces dairy and beef cattle, veal calves, pigs and sheep, cereals, pulses and vegetables. It has a number of different market outlets, including an on-line shop and home delivery service. The farm owners have also been involved in running a mobile catering unit, 'the flying pig' at festivals and events. The farm owners also have a strong interest in making connections with the local community. A few years ago the farm owners took over the village pub which has a very successful restaurant and small organic shop.

Helen Browning Organics is another example of a farm-led innovation in the organic meat sector. In a similar way to case study 1, the company has developed a collaborative production, processing and marketing business under a 'Helen Browning' brand, and supplies a range of meat products to a range of outlets including three supermarkets.

#### **Riverford Organic Vegetables** ([www.riverford.co.uk](http://www.riverford.co.uk))

Riverford Organic Vegetables was established by Guy Watson, from his family farm in Devon. It is an example of farm-led innovation and is a large-scale box scheme with collaborative links to other enterprises and was set up with the specific intention of home delivery, not supply to supermarkets. The farm produces organic fruit and vegetables itself and also buys in additional produce from local producer cooperatives. Riverford has established a franchise model and has three 'sister farms' as well as a network of franchised vegetable box distributors. . Between the three farms, the company now delivers around 47,000 fruit and veg boxes a week to homes around the UK. Production and supply

## Case study 5.2

### *Food & drink business marketing collaboration*

#### **Peak District Foods**

**([www.peakdistrictfoods.co.uk](http://www.peakdistrictfoods.co.uk))**

Peak District Foods is a collaborative food & drink business marketing and distribution business supplying local retail outlets. The Peak District is a National Park area and has very high numbers of tourists visiting throughout the year. Several years ago a local entrepreneur undertook market research with a local college to assess the potential tourist market. The results of this research led to a series of meetings between Peak District producers and processors who were selling through a local farmers market and to the establishment of a collaborative marketing venture. Peak District food now delivers a range of products to local tourism outlets including shops, bed & breakfast businesses, hotels and restaurants. Members developed a set of principles (see box below) that became part of their marketing message and has proved a highly effective way to attract new business.

- Honesty, transparency, traceability and accountability
- Working towards sourcing as much produce as locally as possible
- Collaboration not competition
- Building on what already exists in a complementary way
- Working to protect and enhance the distinctiveness of the local culture and the local environment
- Supporting the local economy by using local products and services where possible
- Minimalist packaging
- Bringing producers and consumers together to learn from each other

#### **Somerset Organic Link**

**([www.somersetorganiclink.co.uk](http://www.somersetorganiclink.co.uk))**

Somerset Organic Link is a fruit and vegetable organic farmer cooperative for collaborative marketing and distribution to local retail outlets. The co-op sells produce to several farmers' markets in Somerset and has its own seasonal vegetable box scheme. It also supplies another local enterprise, Somerset Local Food Direct, a home-delivery company. SOL has a reputation for supplying fresh, delicious organic vegetables and fruit at affordable prices and values its direct contact with customers. Fruit and out-of-season produce are bought in from outside the county where necessary to meet customer demand.

## **Case study 5.2**

### ***Producer & consumer collaboration***

#### ***Growing Communities***

***([www.growingcommunities.org](http://www.growingcommunities.org))***

Growing Communities is an unusual and visionary social enterprise - a not-for-profit company, limited by guarantee which was set up 10 years ago by three friends and now employs 10 part time members of staff. It provides fresh local food to Hackney community in London through various community owned outlets: a weekly organic fruit and veg 'bag scheme' that distributes through a number of local 'drop off' points from which customers collect their order; a weekly organic farmers market in the grounds of a local school; and a local shop. The 'bag scheme' and shop are supplied by produce from 40 farms around London, a number of whom also attend the weekly farmers market. Growing Communities also encourages urban food production and trains new apprentice organic vegetable growers on small areas of land in the city. The enterprise has three small food growing sites in London where high value organic salads are grown for the 'bag scheme'. 140 households pay £3.50 - £8.50 for weekly bagsumers together to learn from each other

#### ***Stroud Community Agriculture***

***([www.stroudcommunityagriculture.org](http://www.stroudcommunityagriculture.org))***

Stroud Community Agriculture is a community owned, mixed organic farm and food distribution enterprise. It was established by local people, as an Industrial Provident Society, who wanted to help prevent the sale of a local farm and to have easy access to locally produced organic food that they could trust. A cooperative of consumer members, that represent 200 households, rents 50-acres on two separate sites and through the money they themselves pay up front for produce, they employ two farmers paid a wage £19,000 per year. Annual turnover is in the region of £80,000. The enterprise operates solely to further a set of principles agreed by the members. Through involvement of members they have developed a rich community life around the farm with many social activities (seasonal celebrations; family farm days; community planning and harvesting) that have resulting in new local connections eg a new local childcare facility. (See online video).

## CHAPTER 5

## *Focus at the local level: local governance and the role of rural animators*

### *From a centralized, top-down practice of territorial development to the rise of local development and participative democracy*

5.1 The fall of the Fordist production system<sup>1</sup> and the emergence of flexible patterns of production, have contributed greatly to local development policies that complement the traditional "top down" development approach. Some of the key processes that characterize these new models and foster the emergence of local development strategies are the rapid emergence of new production technologies and communication, new forms of "relocated" business organization, increasing competition between regions to attract business, the need for increased participation in markets through improved productivity due to the inconsistency of many markets, and the inefficiency of many traditional development policies that are not flexible or innovative enough<sup>2</sup>.

5.2 The characteristics of these new models are representative of a different interpretation of development, focused on *quality*. They are endogenous processes emerging from the local society and based upon solidarity with the territory through cultural identity. This allows for differentiation and the creation of a brand associated with the territory and in that sense have no spatial limitation. Locality can be a town, a valley, a province a country, etc<sup>3</sup>.

5.3 They are also managed from within the territory, with the participation of representatives of interest groups. Contrary to the system of mass production, the management of the local development strategy cannot be placed in a single agent or group, even within the public sector, as the strategy emerges from the will of the entire society and must reflect their shared interests. This furthers the need for local leadership to both optimize the resources of local development and maintain its existence through animation and social cohesion. This leadership can be executed by public institutions and other groups or associations, as long as the management of the strategy is sufficiently flexible to enhance land

resources through creative and innovative actions<sup>4</sup>.

5.4 These new models of development combine the potential of the area into an integrated approach that utilizes all available resources and attracts, as far as possible, external resources that conform to the predefined strategy<sup>5</sup>. Local development processes are, in most cases endogenous and as a result, voluntary and therefore its success will very much depend on whether society perceives the local development strategy as their own. Further, because of the endogenous and voluntary nature of local development processes, the commitment of public and private actors is essential to acquire the ability to execute financial operations and enhance the overall development strategy and activities.

### *New processes in rural areas, factors for territorial development and new governance strategies<sup>6</sup>*

#### *Changing development patterns and new factors for territorial development*

5.5 The history of Europe has experienced several changes in the spatial organization of economic activity and society, driven by "revolutions" in technology, transport and communications, and changes in the dominant type of economic activity. Thus, the predominant agricultural economy, dependent on the existence of rivers, sea and ground gave way, gradually and in several different territories, to an economy dependent on heavy manufacturing industry, which used the waterways and railways as building blocks for the internal transport, and the steamboats for international traffic. This change was associated with the development of major industrial

<sup>4</sup> Silva Lira (2003)

<sup>5</sup> Silva Lira (2003)

<sup>6</sup> Between January 2001 and January 2004, the author worked full time as a researcher in a project belonging to V Competitive Research Framework Program of the European Union: the project *Aspatial Peripherality, Innovation and the Rural Economy (ASPIRE)*. It was a coordinated project in which research groups from six countries of the European Union (United Kingdom, Ireland, Germany, Finland, Greece and Spain) worked with a common methodology. The main purpose of this project was to analyze the new components that influence the generation and location of economic activity and development (new development factors or territorial NFD) in order to help better understand their role and relevance in the reduction or consolidation of the disadvantages of remote areas against economic centers. The text of this section is adapted from the Final Report of the ASPIRE project and the book from Noguera and Esparcia (eds.) (2009) *Nuevos Factores de Desarrollo Territorial*, Servei de Publicacions de la Universitat de València

<sup>1</sup> Fordism is the system of mass production and consumption characteristic of highly developed economies during the 1940s-1960s. The idea of Fordism was to combine mass consumption with mass production to produce sustained economic growth and widespread material advancement.

<http://en.wikipedia.org/wiki/Fordism>

<sup>2</sup> Stohr (1990)

<sup>3</sup> Silva Lira (2003)

conurbations<sup>7</sup> in Europe at the expense of peripheral regions, which were not only lacking the type of resources needed for development of heavy industry, but also suffered the additional disadvantage of being located away from the core of development.

5.6 During the second half of the twentieth century, improvements in transport infrastructure by road, rail and aircraft, and changing economic focus from manufacturing to services reduced the dominance of the central industrial regions. At the beginning of the twenty-first century, we may well say that the new technologies of transport and communications, along with new structural trends can be translated into development opportunities for peripheral regions, and that these opportunities can lead to fundamental changes in the location based population and economic activities (Copus, 2004).

5.7 Despite these assertions, it seems clear that processes of spatial transformation of this entity have a considerable inertia due, among other things, to the need for society to adapt to new location parameters. In this context, while the relevance of geographic barriers is reduced, other "soft" factors may have great influence on the ability of peripheral regions to advance within these new opportunities. New forms of economic activity depend, on one hand, on the skills, education and adaptability of employers and employees in an area (human capital); and on the other hand, the diffusion of these new ideas and working methods may depend on the existence and characteristics of network relationships between entrepreneurs and sources of information (customers and suppliers in other areas, institutions and agencies for research and development, etc.). Adaptability can also be facilitated or hindered depending on the effectiveness of relations within the local community (social capital) or the characteristics of the administrative and decision-making bodies (governance).

5.8 All these "new factors of territorial development" (NFTD) differ from the traditional spatial factors of economic activity since their existence and "quality" are related to social and cultural factors that are part of the idiosyncrasy of a particular territory, and are, therefore, not easily transferable or reproducible in other territories. While their geographic behavior has not been studied sufficiently, it seems that their presence and quality are not directly associated with the traditional location-based factors that have led to the current economic centers and peripheries. This

paper is particularly concerned with governance as one of the NFTD that may be contributing to foster or hindering development in rural areas.

### *Governance in rural areas*

5.9 "Governance" is a relatively new concept but widely used in the literature on regional development, even if with different meanings (Lakso and Kahila, 2002). It has been defined as (i) an analysis of state adaptation to its external environment, or (ii) representations or theoretical interactions between social systems (Peters, 2000). The latter includes the state as one of the players involved, while the first definition implies a unidirectional relationship with the territory of the state. Turning to the second definition, interaction with the social system involves the adaptation of governance through the development of new processes, new power structures and new methods (Rhodes 1996, 2000). This adjustment involves, often, the inclusion of private and community sectors to new forms of government.

5.10 The concept of "governance" can also mean the way in which institutional actors distribute and exercise power in a particular geographic context (Lakso and Kahila 2002). This has practical implications concerning the way in which policy decisions are made, and the possibility for various actors to participate. In this respect, governance refers to the development of governing styles in which boundaries between public and private sectors are less defined (Goodwin, 1998). From another perspective, governance covers the interaction processes by which the various actors compete or cooperate in achieving their goals. According to this approach, governance refers not only to the process by which the negotiation between different actors produces changes in the distribution of power, but also to the impact of this process on the nature of policy measures and the implementation style. The key concept of "bargaining power" describes the actions and the mechanism by which various actors seek support and ratification of ideas and arguments (Stone 1993).

### *Governance and territorial development*

5.11 The effectiveness of governance in promoting the development of a specific territory depends on its ability to facilitate the adaptation of the regional economy and, as a result, to achieve an increase in the competitiveness of the area. The "capacity" of governance in a territory is expressed in the possibility of integrating the interests of different local groups in developing agreed upon strategies and policies (Le Gales, 1998) and the ability of a territorial network of actors to organize with networks of actors in other areas through the creation of coalitions or groups aimed at achieving specific goals. In this regard, the endogenous development approach, so exalted in the recent past, may have a negative impact on this dimension of "capacity" of governance.

7 A conurbation is an urban area or agglomeration comprising a number of cities, large towns and larger urban areas that, through population growth and physical expansion, have merged to form one continuous urban and industrially developed area. In most cases, a conurbation is a polycentric agglomeration, in which transportation has developed to link areas to create a single urban labour market or travel to work area.  
(<http://www.encyclopedia.com>)

### ***Public Private Partnerships (PPP) for new governance in rural areas: consensus development paths through collaborative strategies and inclusive leaderships***

#### ***The rise of local development partnerships***

5.12 Until the 1980's there was an overall consensus that "development" was the business of the State and its role was to attenuate the effects of uneven economic and social structures in the countryside<sup>8</sup>. Those approaches were sectoral and undertaken by individual government departments, and the main focus of EU policy in rural areas was on agriculture. Therefore the improvements achieved did not reach everybody in the rural areas, but particularly instead, farmers. In fact, it has been said that many problems facing rural communities arise from the vertical and departmental structure of government decision-making<sup>9</sup>. In Northern and Central Europe countries "Integrated Rural Development Approaches" sought to bring together these sectoral agencies in co-ordinated development. However, there were failures when targeting specific rural groups; mostly in disagreements between the agencies and communities about the way of approaching problems and the relationship between the goals of a policy and the aspirations of the individual.

5.13 Self-reliant Development, experienced in the Third World and regarded as the solution or response to dependency, also contributed in a fundamental manner to the emergence of new conceptions of rural development in Europe. This approach to development directed an autonomous adaptation to the world and the future, i.e. according to goals which are inherent with the local cultural background<sup>10</sup>. Issues such as partnerships, community involvement, capacity building and empowerment are crucial in this context. Empowerment has been defined as the "process by which disadvantaged communities define their own needs and determine the response that is made to them"<sup>11</sup>. Since empowerment is a continuous process that enables people to understand, upgrade and use their capacity to better control and gain power over their own lives, the processes of capacity building and community involvement is considered imperative for any community development process to succeed<sup>12</sup>. Capacity building consists of raising peoples' knowledge, awareness and skills to use their own capacity to tackle their needs; it implies understanding, communicating and decision-making. Empowerment, capacity building and community involvement are obvious pieces of

the elements of good practice in rural development<sup>13</sup>:

Advancement of democratic practice in society and increasing the legitimacy of public action:

- Meeting the needs of clients, consumers and communities
- Recognizing and tapping local knowledge and involving "stakeholders" whom have the power to act locally
- The control of dissent and the desire to change individual and social behavior
- The education of the public
- Encouraging negotiated outcomes in situations of conflict of interests
- Gaining "local ownership" of projects and encouraging self-reliance through "empowerment"

5.14 It has been recognized that many rural areas face a situation which needs the support of the institutional framework if a bottom-up approach is to be initiated<sup>14</sup>. For example the issue of control over local resources (land, water, minerals) is often a critical aspect that can only be solved by legislative changes at national or European levels. Nevertheless, when the local circumstances do not provide the necessary conditions for communities to identify their needs and to determine, or at least influence, the responses to them a capacity building process needs to be promoted by those bodies that have the technical support and the institutional credibility to do so. Within this context, partnerships were promoted directly by the European Commission in a first moment<sup>15</sup> towards very relevant tools to promote integrated rural development and the processes related to it.

5.15 It has been proved that effective institutional arrangements are an important prerequisite for effective rural policies and programs to take place. Also, economic development is generally no longer viewed primarily or solely as a question of agricultural development; it is increasingly recognized that other factors, such as investment and industrial strategies, employment policies, education, health and social services, housing and transportation facilities, are interdependent, and affect each other as well as agriculture in the development of rural economies and communities.

This tendency is widely recognized now by most of the EU countries and changes in the institutional structure appear to be emerging<sup>16</sup>:

- A major participation in the process of formulating rural policies and programs at all levels of government:

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<sup>8</sup> (Bowler and Lewis, 1991)

<sup>9</sup> (Wright, 1992)

<sup>10</sup> (Bassand, 1986)

<sup>11</sup> (Barr, 1995)

<sup>12</sup> (Schuftan, 1996)

<sup>13</sup> Ibid

<sup>14</sup> Noguera Tur, J. (1999) *Evaluación de políticas de desarrollo rural en el Sistema Ibérico Meridional*, 444 pp., Servicio de Publicaciones de la Universitat de Valencia, Microficha

<sup>15</sup> Structural Funds review, 1992

<sup>16</sup> OECD (1990) *Partnerships for Rural Development*. Paris.

- Changes in the distribution of policy formulation responsibilities among different departments within the government which is a reflection of the need for integrated action for rural policy formulation
- Recognition that decentralization is not enough to rectify the institution rigidities when formulating rural policies
- Growing co-operation between public and private sector when addressing rural development problems

5.16 In the OECD report "Partnerships for Rural Development" it is stated that *"While not seen as a panacea for solving rural development problems, partnerships are thought to be effective instruments for improving relationships among public agencies, levels of government and private sector organizations, and for combining human and financial resources from a variety of sources for achieving rural policy objectives"* 17. Also the European Commission recognizes the utility of partnerships as instruments to promote co-operation among different parties and increase the effectiveness of policy formulation and implementation. Partnership is the key principle in the Structural Funds reform as it determines the implementation of the four other principles. Implementing partnership calls for close co-operation between the Commission (European Community level) and the Member state (national, regional, local or other level) with all parties pursuing a common goal.

### **Public-Private Partnerships in Europe: conclusions from an extensive research**

5.17 Spatial disparities are one of the main concerns of the European Union, whose efforts towards narrowing the hole between richer and poorer regions are continuously being renewed in each new program period. From the beginning of the 90s, the EU has increased its support to a new approach to development based in the collaboration of public and private actors in the form of partnerships. This bottom-up, participative approach has created high expectations among local actors and decision-makers and seems to have potentials that could make it advisable to extend further this philosophy of development. However, still little is known about the functioning, the effectiveness and the shortcomings of such partnerships. Therefore, the whole partnership approach to rural development seems to be based on unproven assumptions.

5.18 The PRIDE research project, bringing together academic research teams in six European countries, aimed to study these "Partnerships for Rural Integrated Development in Europe" and explore how and how far the "local partnership

approach", as a distinctive way of management of development policies, really promotes "rural development" and what might be done to improve its effectiveness in that respect. The main aim of this research was to contribute, from a European perspective, to the knowledge of the partnership approach through a critical, systematic, empirical and comparative investigation into the internal dynamics, impacts and local linkages of rural partnerships in different European countries.

This section presents the main results of the research:

- Partnerships are a recent phenomenon. In most countries (exc. UK) institutionalized local partnerships are a recent (since 1990) derived from an institutional shift from top-down to bottom-up policies
- Most identified partnerships were constituted in order to manage a policy or program. In this sense the partnership process is "top-down" albeit attempting to promote "bottom-up" involvement.
- Project-oriented cooperation rather than Strategic cooperation. The main weaknesses of local partnerships is their funding dependency. Most have been constituted to manage a public program
- Most partnerships have a mix of public, quasi-public, civil and private partners. Public partners seem to have a key role in the constitution of the partnership and in its first stages
- It is a new process (from the beginning of the 1990s).
- The improvement of cooperation, mutual understanding, exchange of information in areas where the individualism was the previous rule are the most important outputs.
- Local partnerships are becoming the norm rather than the exception for delivering social, economic and environmental goals in rural areas. Local partnerships can become the effective link between local population and the authorities.

5.19 According to the PRIDE project, the key outputs of the sampled 330 PPP for rural development were (ranked): (i) promote development projects; (ii) reinforce local cooperation; (iii) mobilization / implication of local society; (iv) rural tourism promotion; (v) promotion of local area and products; (vi) establishment of information networks; (vii) conservation of environmental and cultural heritage; (viii) infrastructure and equipment; (ix) consolidation of territorial identity

5.20 In terms of proposals for strengthening PPP for rural development in Europe, the main recommendations were: (i) Continued availability of funding; (ii) reduction of bureaucracy; (iii) greater autonomy and responsibilities; (iv) more

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17 Ibid.)

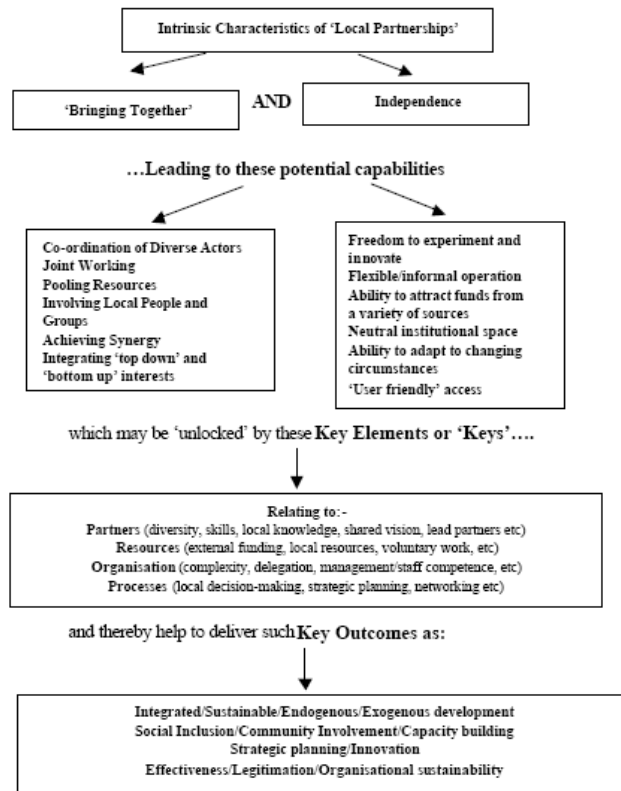
implication of local society; (v) more skilled human resources; (vi) wider partnerships; (vii) improve cooperation among partners (avoid localisms or particular interests); (viii) improve planning procedures; (ix) increase technical support and training; (x) changes in attitudes; (xi) better

coordination with local and regional institutions; (xii) better information and evaluation systems; (xiii) more time to implement programs; (xiv) better dissemination of information to the local society.

**FIGURE 1. MAIN STRENGTHS AND CONSTRAINTS OF PPP FOR RURAL DEVELOPMENT. PRIDE PROJECT**

Strengths (ranked in relevance)	Constraints (ranked in relevance)
Composition and characteristics of management staff	Lack of funding
Cooperation atmosphere	Lack of social concern and motivation
Concern and implication of local society	External difficulties and obstacles
Availability of funding	Bureaucracy
Existence of key actors	Lack of internal coordination
Existence of resources with potentialities	Time
Efficient management	Lack of consensus (strategies, objectives, etc.)
Existence of cooperative culture	Local political conflicts
Consensus in the partnership	Inadequate planning
	Lack of skilled human resources

FIGURE 2. HOW PARTNERSHIPS ADD VALUE TO RURAL DEVELOPMENT



Source: PRIDE Final Report (2001)

### *Strategic Planning at local level as tool for new governance: theory and practice*

#### *Strategic planning at local level*

5.21 Too often, local development actions lack a process of reflection on their feasibility and opportunity and have not been inserted into a sustainable development strategy in the long term. For this reason the development objectives have not been defined properly and the future of the territory is faced reactively and not proactively. Because of this reality, repeated in most local environments, the work of technicians and professionals in the Local Development (local animators) drowns in urgencies and disregards the essential task of defining and implementing the objectives and actions to articulate long term development efforts.

5.22 Strategic planning is a proactive and systematic approach to address the future, aiming at reducing uncertainty in decision making through a detailed analysis of the components of a

particular situation, in order to discover their interrelationships and allow for a more informed action. Often actions from both government and private interest groups lack prior planning or thought, have high degree of intuition, and lack sufficient theoretical foundation. As a result, they often produce problems and exacerbate conflicts of interest. The various government levels, especially local ones, are increasingly aware of the need for planning to enable them to maximize their development potential and avoid problems.

5.23 Strategic planning may relate to many aspects (planning staff, family, a group or organization, the territory), but for local development animator, the focus is territory. Therefore, this section focuses on strategic planning relating to the territory. Long-term planning of the territory is a recent concern. Only in recent years has it began to be understood that the territory is the synergistic sum of the individuals and institutions that inhabit it, and that its management and planning as a whole are needed to improve the quality of life. In parallel,

territories are beginning to define the "destination" (i.e. future model of territory) and, therefore, the path to be drawn to achieve it. It is at this point that the social agents and decision makers begin thinking strategically, settling the foundations of the strategic planning process.

### Planning the territory

5.24 Spatial planning is the expression of a society's capacity to influence the spontaneous development of the territory while land-use planning aims at orienting the direction of development to a future consensus model previously agreed by the inhabitants of a place, avoiding the negative effects of spontaneous evolution. "Experience teaches that, without reflection and anticipation, spontaneous growth leads to the emergence of activities not embedded in the territory, to a non sustainable and non-solidary behavior by some actors, and to an increase in territorial imbalances, messy land use, soil degradation, destruction of resources, all kinds of externalities, for which market mechanisms are ineffective if not counterproductive" <sup>18</sup>.

The implementation of a Strategic Planning process provides several advantages for the development of an area (adapted from Goodstein, Nolan and Pfeiffer, 1993):

- first, it provides a framework for action that is inserted into the value system of the local society to be taken as a starting point for integrating the views and positions of the various groups and stakeholders at the local level;
- secondly, it provides a framework for animators and decision makers to assess strategic situations in a similar manner, discuss the alternatives with a common language and decide actions (from a shared set of values);
- third, it allows for the integration of the energy and resources in the area around a shared vision of it and a shared conviction that this vision can be achieved;
- fourth, it contributes to the development, organization and understanding of the territory, and its capabilities and limitations;
- fifth, it provides an opportunity to regularly adapt to changing circumstances (internal and external). It should also provide incentives to attract and motivate people and activities that help meet objectives.
- finally, it favors strategic thinking, that is, not only deciding on immediate actions but observing reality and considering the possible

events to prepare the required responses (as in a chess game).

Although a strategic planning process offers a multitude of potential benefits, it is not the panacea to solve all problems:

- It is not to "predict the future." Predicting involves the extrapolation of current trends into the future without taking into account the possible and very likely changes that may occur in both the internal and external contexts.
- Do not just imply future decisions, but mainly present decisions that affect the future.
- Do not remove the risk but it helps to assess the degree of risk that is taken through a better knowledge of the parameters involved in each decision taken.
- It is not an external imposition but should be constructed with the participation of social actors so that the commitments implicit in their application are accepted by all.

### Introducing a method for local strategic planning

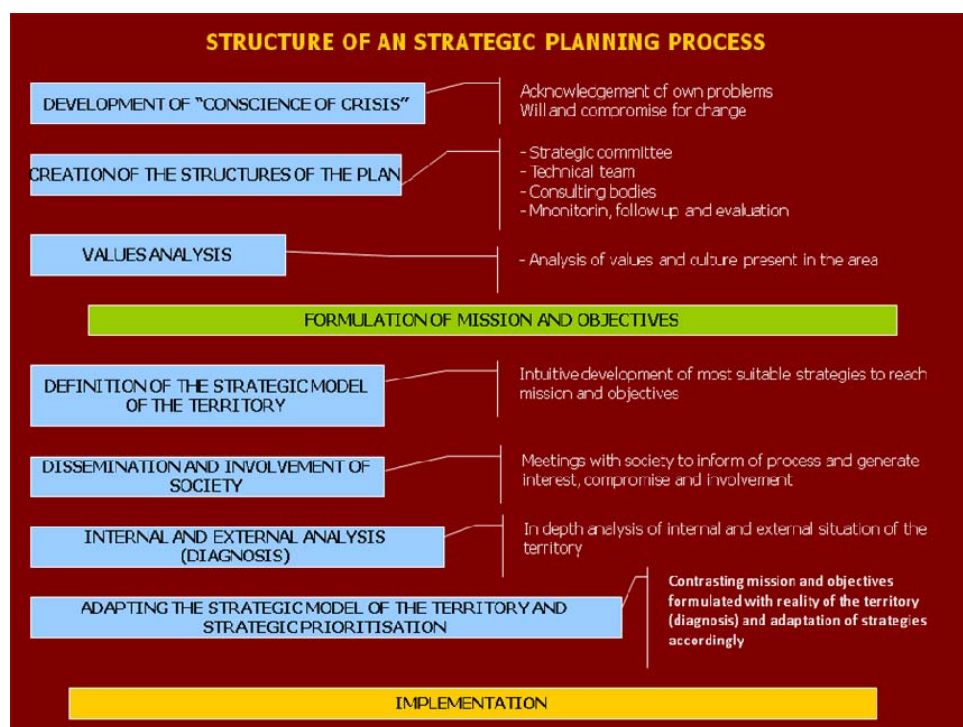
5.25 The model of reflection and strategic planning of the territory that is proposed below assumes that, in most cases, it will be necessary to "wake up" the awareness of the local population and the resulting collective commitment to the strategic planning process by highlighting a "conscience of crisis". This is the necessary starting point to ensure that a developed strategic document will be supported by the proper motivation to execute it.

The model for territorial strategic planning has been developed by Noguera and Esparcia includes 8 stages (Figure 3) <sup>19</sup>:

<sup>18</sup> Gómez Orea, D. (2001) *Ordenación Territorial*, Ediciones Mundi-prensa y Editorial Agrícola Española.

<sup>19</sup> Esparcia, J.; Moseley, M.; Noguera, J. (2000) *Exploring Rural Development Partnerships in Europe. An analysis of 330 Rural Development Partnerships across 8 EU Countries*. Servei de Publicacions de la Universitat de València

FIGURE 3. STRUCTURE OF AN STRATEGIC PLANNING PROCESS



Source: Noguera and Esparcia, 2006

### *The role of local animators in rural areas (Izquierdo Vallina: ,mirar en diapositivas de Huesca)*

5.26 Broadly, a rural animator is any person whose activities have an impact on the dynamics of local development and many local actors can be "animators". According to Izquierdo, a local animator takes: from "Tarzan", its ability to "live in the jungle"; from "Macguiver", its ability to combine simple elements of the environment to get spectacular results; from Sherlock Holmes, perseverance to discover possible resources and capacity for observation, analysis and deduction; from Kung Fu, the ability to combine his energy and the one of the opponent to target the resulting effort; from Indiana Jones, perseverance and unwavering faith in the pursuit of social cohesion and territorial excellence; from Asterix and Obelix, defending the village against the empire, and from Almodvar the passion and forcefulness to project him/herself through their works<sup>20</sup>.

5.27 This author points out that the ethic and professional profile of a local animator is: (i) a

public operator serving the community, coordinating and developing integrated development operations; (ii) a technician of the organization and promotion of development; (iii) neutral from a political point of view his work is oriented towards the growth of technical, organizational, cultural or economic capacities of the territory; (iv) in a context of growing importance of integrated approach to development, is the first professional profile that fits the requirements of this approach.

5.28 It is, therefore, important, that the professional background of the local animator include, at least, the following skills: (i) Economic and political-institutional culture; (ii) knowledge of geography and global processes of development; (iii) awareness of the processes of cultural and socio-economic marginalization; (iii) knowledge of dynamics, types and characteristics businesses and businesses networks; (iv) capacity for analysis, diagnosis and planning of local development; (v) use of management methods and techniques for territorial and social development processes; (vi) pedagogy of development; (vii) intimate contact with local reality; (viii) great work ethics.

<sup>20</sup> Izquierdo Vallina, J. (2002) *Manual para Agentes de Desarrollo Rural*, E. Mundi-Prensa

## Skills

5.29 The scope of action of the local animator is broad. Potentially, it can cover all dimensions of development (social, economic, cultural, environmental, etc.). Ideally, local development processes will be operated by a team of technicians and experts covering a diversity of issues. However, this is not the norm, particularly in the case of rural areas where the economic and population size of municipalities or counties is reduced. In most cases, rural animators work on their own, having to face problems, opportunities and challenges that go from the loss of economic activity, to the presence of valuable, unexploited natural resources as well as the wide spectrum of policies, programs and resources.

Having acknowledged that rural development animation should be the subject of a working team, following is a brief description of the skills and attitudes needed to efficiently promote rural development from a bottom-up approach<sup>21</sup>:

- *Strategic thinking and planning driver.* The design, development, direction and execution of actions that arise in order to achieve certain objectives. The purpose of any development strategy should be reaching "territorial excellence": the process of quality improvement in which people and institutions involved create a space where the collective and individual needs can be met.
- *Intuitive observer.* It is the main tool to understand the complexity of local relationships. Allows for an early perception and understanding of processes. The knowledge of reality that provides the local observation - intuition is a vital complement to that achieved by reason or by statistical analysis.
- *Circumspect analyst.* The analysis of the spatial and social dynamics is essential for a correct diagnosis. The quality of analysis depends on: (i) the knowledge and mastery in the used of techniques and methods of social and spatial analysis; (ii) the ability to select, sort, prioritize, interpret and interrelate the elements and objects of analysis; (iii) the availability of means, resources and analytical tools; (iv) the ability to guide the analysis as a tool applied to developing a diagnosis and a proposal for development strategies.
- *Accurate diagnostic.* Rigorous pronouncement on the status of the territory analyzed to determine its weaknesses and development resources. A bad diagnosis is the result of a wrong analysis, of the inability to interpret information correctly and has dire consequences. The diagnosis should be accurate and precise, not general or vague.

- *Flexible planner.* The diagnosis should lead to a development plan based on identified problems and potential. The features of a good plan are: (i) adapted and adaptable to the territory; (ii) flexible to incorporate new features or variations in case of structural changes; (iii) participatory; (iv) comprehensive, targeting all areas of development; (v) endogenous, enhancing local resources for the benefit of local society; (vi) proposing a comprehensive and cooperative project; (vii) social, pursued collective welfare; (viii) giving priority to the most disadvantaged (solidarity).
- *Bold manager.* The job of a local animator requires a management tool and a plan to manage. Normally the rural animator lacks both things at the beginning. The new animator will have demonstrate his/her utility and function in a hierarchical and sectorial institutional structure. He will have to achieve the basic instruments of work
- *Versatile promoter.* Initiator that proposes, organizes and mobilizes people and resources in any field to serve a specific purpose (local development). Must be resourceful to detect aspects of the forgotten or underexploited territory that can be triggered by innovative activities. Must be creative to imagine and promote attractive activities. Must have leadership ability to convince about the goodness of the projects and get the necessary support and enthusiasm.
- *Concertator conciliator.* Concertation is the process of dialogue, negotiation and communication between different entities and interests in the territory in order to agree on a common project of development. Conciliate means to adjust to reconcile opposing spirits. The reconciliation is a precondition for the concertation.

1. Are you aware of any strategic development process where you live/work/study?  
 \* If no, why? If yes, see question two.

2. How would you characterise governance in rural areas of your country?

3. Which is the roadmap towards a more strategic local development? How could the perceived need for drawing a future territorial model be increased? If there is a dominance of the "urgent" over the "important", how could this be overcome?

3. In your opinion/experience which are the most relevant skills for a rural animator? Which of these are usually present? Which usually lack?

4. Are local decision makers ready to allow for a more participatory approach in strategic decisions for development? Which are the main strengths and weaknesses to achieve a real participatory democracy at local level?

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<sup>21</sup> Izquierdo Vallina, J. (2002) *Manual para Agentes de Desarrollo Rural*, E. Mundi-Prensa



## Case study 5.1

### *Reintegration of agriculture into the social life – Project, Belgium*

The Leader project has been initiated by the Cuestas Local Action Group in the Wallonian region of Belgium, with a view to: involving local people and farmers in thinking about the future of agriculture; developing new relationships between the farmers and the territory as a whole; and exploring new possibilities for the future of agriculture, individually and collectively.

To discuss the significance and future of agriculture, in addition to a vast inquiry of the territory's 150 farmers, a participatory approach has been developed with inhabitants and local stakeholders, including farmers. To help get people involved, photographs taken by 15 people were used to illustrate a series of key issues for the territory. The most interesting photographs were selected in discussion groups and illustrated in a brochure to show the local people's attachment to their area.

Open debates, meetings and conferences took many different forms, and took the opportunity to cross-check the project's activities with other national, regional or local initiatives. This was particularly so for projects supported by the LAG. For instance, in connection with another annual Leader project dealing with cultural initiatives, called 'Memory of the eye', a series of conferences have been organised on the theme of, 'Which professions for farmers, men and women, in the Gaume region, today and tomorrow?'

Another activity called 'Open farms to the territory' was aimed at raising citizens' awareness of the role and importance of farms on the territory, and creating new social links among farmers and local people. A series of cultural events took place in several farms to provide opportunities for local inhabitants to discover: the reality of farm life, including photographic exhibitions; concerts, tales and stories; theatre; and other public events.

These initiatives were also developed in conjunction with other national events or cultural projects supported by Leader. The national 'Open farms' days in June each year have been used for conferences, debates on agriculture following a piece of theatre, and the dissemination of the Leader projects on agriculture, especially the 'RA' project. The 'Memory of the eye' initiative was also used to make a decentralised photographic exhibition about 'People of the land' inside three farms, together with a welcoming party, conferences, storytelling, guided visits and other events.

Catherine André, Cuestas LAG, Belgium

Leader+ magazine 9/2008

## Case study 5.2

### *Organic farming cooperative, Belgium*

"Brugse Ommeland" is a Local Action Group (LAG) that acts mainly at the green belt around the city of Bruges. Development has been restricted and as such it is still an open area of which 70 % is used for agriculture (principally greenhouse horticulture, dairy and intensive livestock, and arable). However, pressures from urbanisation are growing, including demand from residential, work and transport functions.

The LAG's development strategy is to diversify agriculture while strengthening environmental conservation on farms. The LAG believes that sustainable agriculture will increase the quality of life in the area, since it integrates economic, social and environmental concerns.

A project supported by Leader+ was initiated from the bottom up, with nine local farmers coming together to share thoughts and experiences about the sale of their organic products and how they could increase their visibility and promote them better. As a result of this voluntary initiative, the farmers are highly motivated and Leader+ has helped them to realize their ideas.

The cooperation of farmers in the sector of organic produce, and particularly its collective promotion through a common brand, is innovative in Belgium. The project is considered best practice because of the way it integrates several concerns in its marketing activities:

- The environment is taken into account through the way organic food is produced and biodegradable packaging is also used.
- Cultural events have been organised, such as the 'Cactusfestival, Feest in het park' ('Festival in the park') and other exhibitions.
- A cooperation agreement with the regional tourist office helps with promotional activities.

Local farmers had already begun cooperating to promote their organic products before the start of Leader+. Biological farmers and horticulturalists from the LAG's territory have formed a cooperative to promote the sale of regional organic products. In addition to regular meetings to exchange good practice, the farmers have undertaken several joint marketing strategies, such as the production of a calendar including all the project's farmers, common stands at market places and a cycling tour that stops at the participating farms. Each activity is the responsibility of one member of the group.

The principle outputs are:

- a common branding (logo) for the regional organic products;
- a website ([www.biobruksommeland.be](http://www.biobruksommeland.be));
- billboards to be used at fairs, markets and other publicity events;
- promotional material such as leaflets and a calendar; • collective purchasing of ecological packaging.

The overall result is that organic agriculture and local organic products are now better known in the region. There is increased cooperation between biological farmers and horticulturalists and more farmers are using ecological packaging.

For more information visit:

[www.biobruksommeland.be](http://www.biobruksommeland.be)

Adapted from Leader+ Magazine 9/2008

### Case study 5.3

#### *Cambodian Center for Study and Development in Agriculture (CEDAC)*

For three decades Cambodia was ravaged by civil war, genocide and authoritarian regimes. The Cambodian Center for Study and Development in Agriculture (CEDAC) was set up in August 1997 as a national Cambodian NGO, to develop sustainable agriculture and rural development in Cambodia in response to the country's desperate need for national reconstruction. CEDAC was created with initial support from the French non-government organization GRET (Group for Research and Exchange of Technology). Originally, the activities of the center focused on agriculture research and training. In 2002, CEDAC expanded its field operations, especially for farmer training and extension programs. We developed a five year plan (2003-2007) aimed at supporting farmers in 1200 villages. As a result of achieving our plan objectives earlier than expected and the growing demand for our services, we have recently developed an ambitious strategic plan for 2008-2012. This plan aims at supporting 500,000 farming families or 2.5 million people (around 25% of Cambodia's farming population) to enhance their lives through sustainable farming methods and improved social cooperation and cooperative business practices. The new plan will focus on farmer led agricultural research and extension, community-based natural resources management, cooperative business (community finance and marketing) and the development of participatory local government.

##### **CEDAC vision and mission**

CEDAC envisions a Cambodian society where small

farming households enjoy good living conditions and strong mutual cooperation, with the right and power to determine their own destiny, as well as playing an important role in supplying healthy food for the whole society.

To achieve this vision we are committed to working for the improvement of lives of small farmers and other rural poor by enabling them to increase food production and income while ensuring environmental sustainability and maintaining strong social cooperation.

CEDAC's work focuses on:

- Building the capacity of the producer organization and networks, as well as linking them to market
- Enabling rural communities to have access to information, responsible services and resources for the improvement of family economy and for sustainable rural development
- Improving the living conditions and social status of marginalized, vulnerable and under-represented social groups
- Supporting the development of participatory and environmentally-oriented local government
- Building networks and partnerships which promote the development of ecologically-based family agriculture

Adapted from <http://www.cedac.org.kh/ps.asp>

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<http://europa.eu/scadplus/leg/en/lvb/l60032.htm>

- Country files

[http://ec.europa.eu/agriculture/rurdev/countries/index\\_en.htm](http://ec.europa.eu/agriculture/rurdev/countries/index_en.htm)

- European Evaluation Network for Rural Development  
[http://ec.europa.eu/agriculture/rurdev/eval/network/whatwedo\\_en.htm](http://ec.europa.eu/agriculture/rurdev/eval/network/whatwedo_en.htm)

### Chapter 5:

Soil Association: UK membership charity campaigning for planet-friendly organic food and farming [www.soilassociation.org](http://www.soilassociation.org)

'An inconvenient truth about food'; Soil Association report, Nov 08  
[www.soilassociation.org/LinkClick.aspx?fileticket=...tabid=387](http://www.soilassociation.org/LinkClick.aspx?fileticket=...tabid=387) )

Information about Community Supported Agriculture buying groups:  
[www.soilassociation.org/csa](http://www.soilassociation.org/csa)

Article and podcasts from Soil Association 2007 conference on 'One planet agriculture'  
[http://shop.soilassociation.org/web/sa/.../one\\_planet\\_agriculture.html](http://shop.soilassociation.org/web/sa/.../one_planet_agriculture.html)

Relevant organizations/networks

Sustain: the alliance for better food and farming [www.sustainweb.org](http://www.sustainweb.org)

Transition Towns network: [www.transitiontowns.org](http://www.transitiontowns.org) (new UK-initiated grassroots consumer movement; encourages sustainable communities and local community action towards reducing dependence on energy from fossil fuels; see also videos – google search for transition towns, videos Rob Hopkins)

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