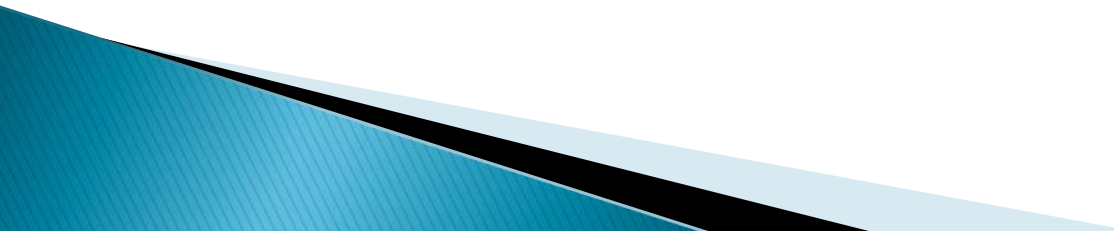


# The Consumer Movement: consumer needs, marketing and distribution of rural products; cooperation between consumers and producers

Wojciech Kniec, PhD  
Nicolaus Copernicus University  
Torun, Poland

# Structure of presentation

- ▶ Introduction – public identity of rural products
  - ▶ Rural products in the context of post-modern social (consumer) needs
  - ▶ Towards sustainable rural economy – fair trade and slow food movements
  - ▶ Specific marketing strategies for rural products – the case of organic products
  - ▶ Food networks (traditional, industrial and alternative models) as an institutional response to demand for closer cooperation between consumers and food producers
  - ▶ Case studies
- 

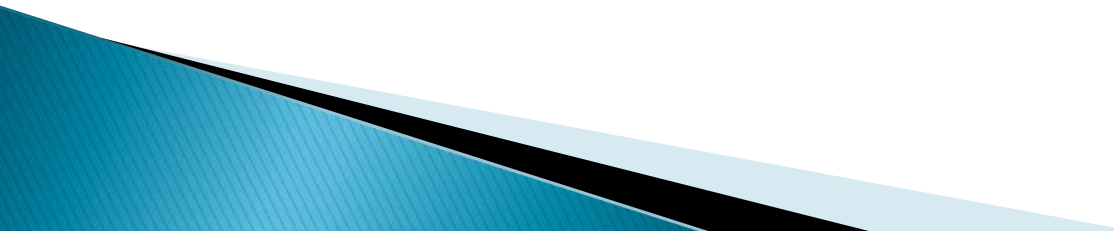
# Introduction – public identity of rural products

- ▶ Standardization, mass production, urbanization, processes created new trends in lifestyles and values
- ▶ **Sentiments for rural products** based upon romantic visions of the countryside and rural areas, then based upon slow food and fair trade ideas and pragmatic choice of better product
- ▶ On the other hand, rural products, as those representing tradition and the past – become an **element of collective consciousness** of some groups and societies, and the consumers of these products feel entitled to control them as an important ‘ingredient’ of their fate and biography.
- ▶ In this respect, **the relationship between the consumer and producer develops into a form of social bond based on the principle of social exchange**. Thus, the producer through selling rural products earns profit, and the consumer, apart from the product itself acquires some added value in the form of reference to their individual or group memory.
- ▶ **Rural products belong not to individual but they are the part of public identity**
- ▶ **Close relationships between producers and consumers as a foundation of sustainability of rural economy**
- ▶ The idea of „social and economic contract between farmer and tax-payer” behind the EU CAP funding

Relations producer-consumer of 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 remain 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

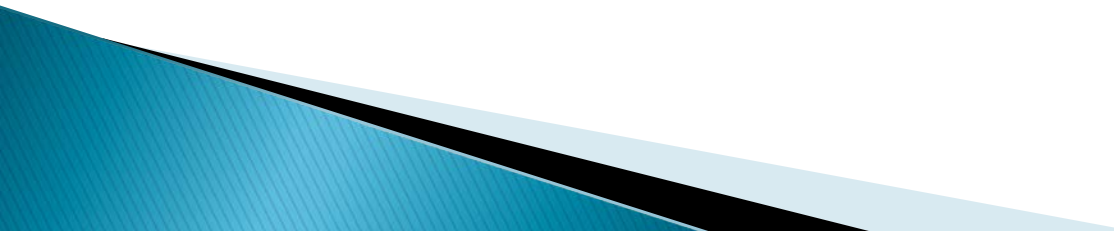
# Rural products in the context of post-modern social (consumer) needs

- ▶ Changes in lifestyles (see table – next slide)
  - ▶ Changes in rural policy reflecting global economic, environmental and social changes (see diagram on slide 7)
  - ▶ „Backwardness rent” concept – appreciation of traditional lifestyles incl. elements of peasant culture
- 

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

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 pandemics, diseases, GMO challenge; climate change
1950's	1970's-1980's	1990's	2000's
Problems related with agriculture in Europe			

# Towards sustainable rural economy – fair trade

- ▶ Consumers often are not aware of the problem of unfair profit share in food production and distribution cycle and this creates ground for misunderstandings and conflicts of interests
  - ▶ One of the most important motives for building alternative networks of production and distribution of food products is the question of fair distribution of profits in the food sales volume, as well as the question of reliability of local products offered for trade.
  - ▶ There is significant feedback on the line: understanding fair trade (demand for fair trade products) among consumers – inclusion of fair trade as a marketing tool
- 

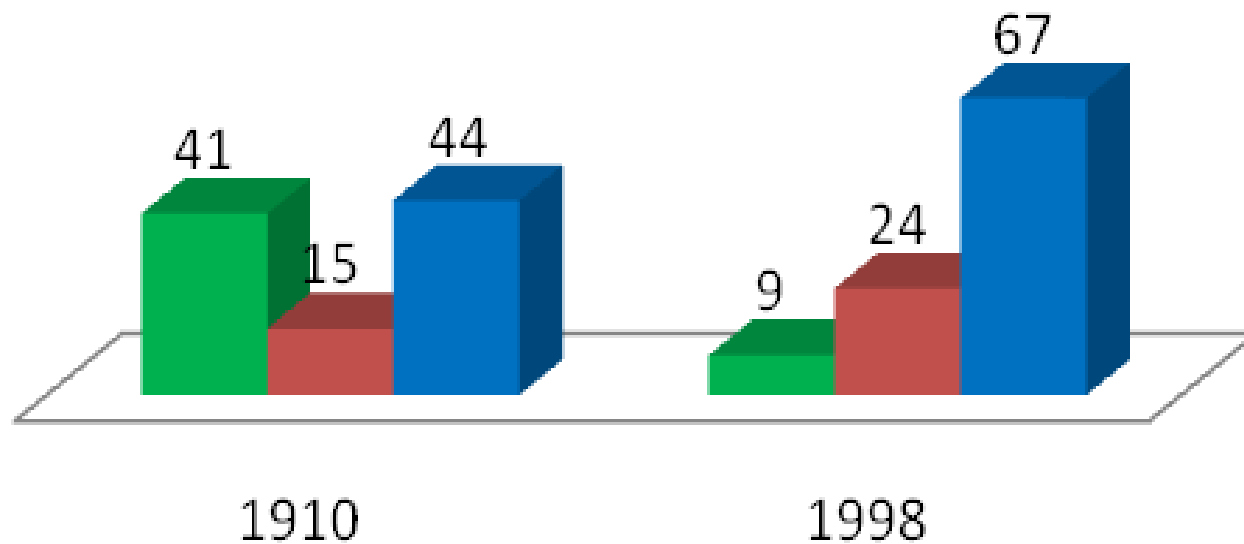


# Fair trade feedback

- ▶ Consumers – understanding of fair trade generates demand for products coming from sustainable agriculture and food processing
- ▶ Producers – use fair trade as a marketing tool

## Share of profits in food production (USA)

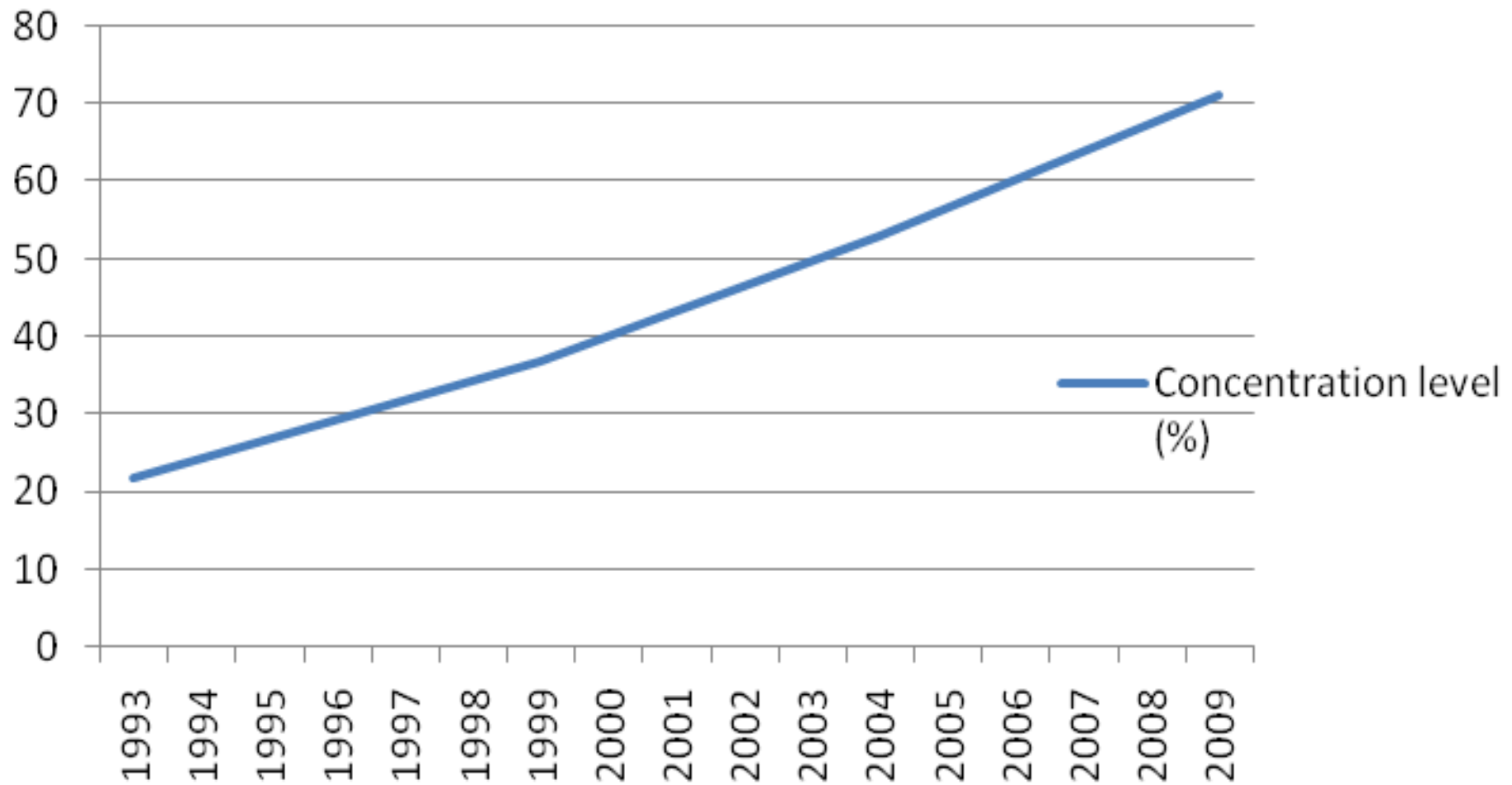
■ farmers   ■ processing plants   ■ retailers



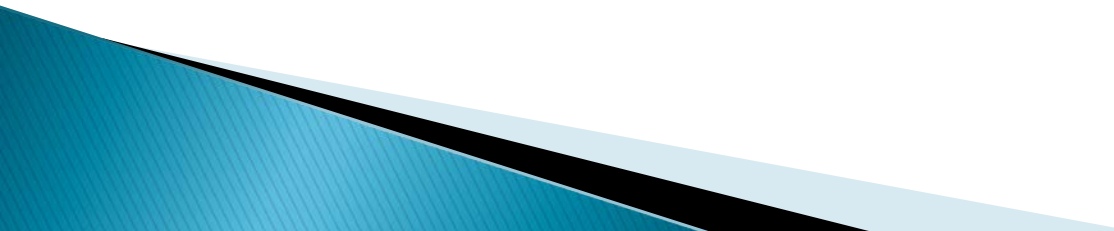
# Farmer's income share in milk retail price (%) – data from UK

	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

## Concentration of food retailers market in the EU



# Can local and organic products be sold in the supermarket?

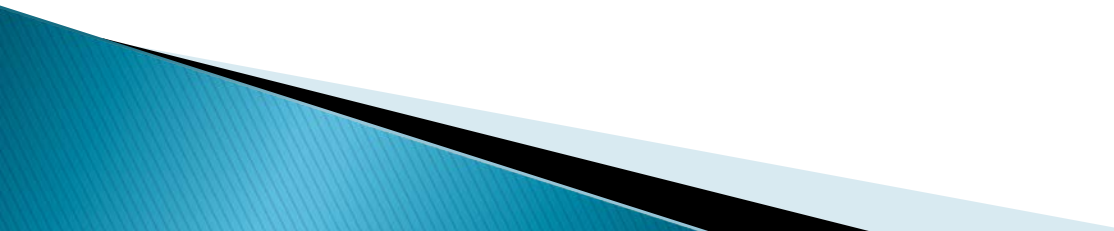
- ▶ Can ecological and local products be sold in supermarket and hypermarkets?
  - ▶ The case of many western European countries proves these strategies successful.
  - ▶ However one should ask a question whether local products sold in these places are reliable and what is the advantage of such a strategy for a local community they come from, to say nothing of the role these products play in reinforcing the identity of local communities.
- 

# Food producers – consumers feedback


- ▶ Targeted marketing of organic products – **indirect feedback** between producers and consumers
- ▶ Alternative food networks as a tool for **direct linking** food producers and consumers

# Specific marketing strategies for rural products – the case of organic products

Organic products desire specific marketing strategies

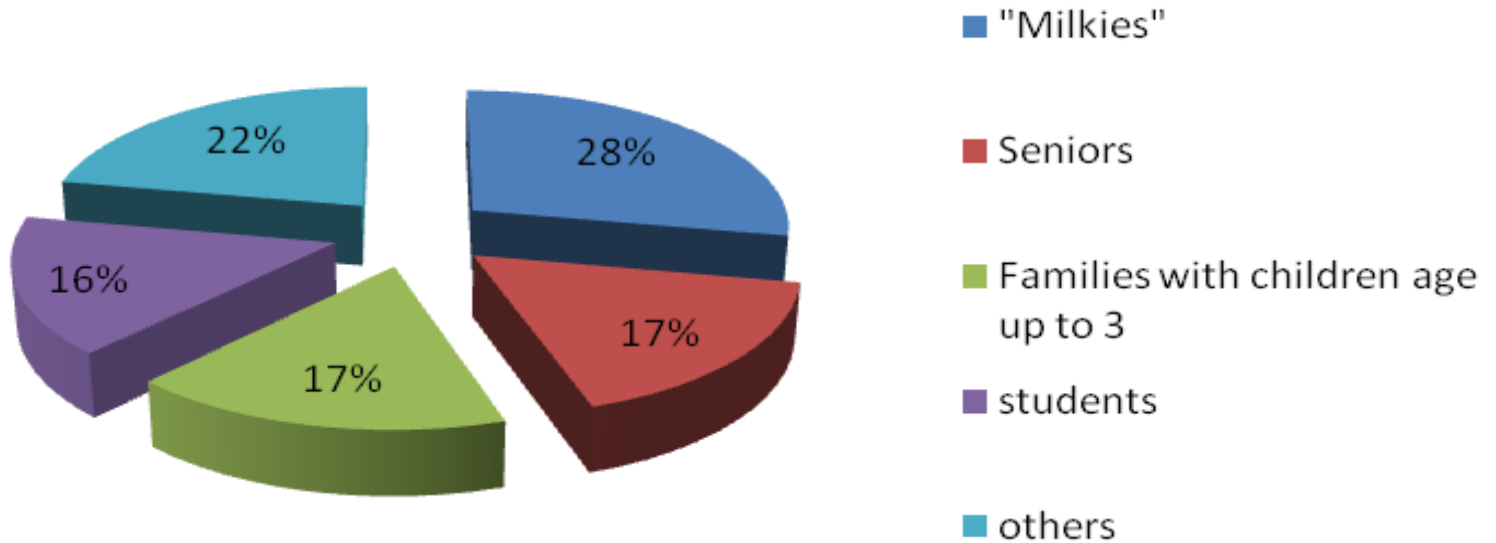
- ▶ Niche products, high value products,
  - ▶ Specific target groups hard to define and changing
  - ▶ Consumer needs the story behind – what story?
  - ▶ Reliability and connection with other economic and social trends
- 

# The importance of targeted marketing

- ▶ Most small processing plants and farmers use their intuition to plan the strategy for their products
  - ▶ LEADER+ Initiative nearby Torun – survey of consumer needs and preferences in regard of organic and agritourism products
  - ▶ Initial goal – to collect useful data for agritourism farms owners and organic products processors from the county
  - ▶ Real goal – to emphasize the role of targeted marketing
- 



## Different group share in organic food market

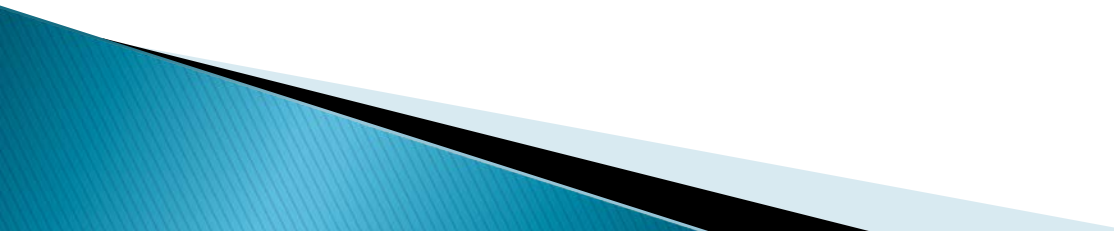


<i>Why do you buy organic products?</i>	<i>Dominant opinions</i>
<i>“Milkies”</i>	<i>“It’s an interesting fashion’”, “Old-fashioned, but safe”; “It’s good to have something not popular in the fridge” “I can afford to take care about my health”</i>
<i>Seniors</i>	<i>“They taste like my memories”, “I almost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

---

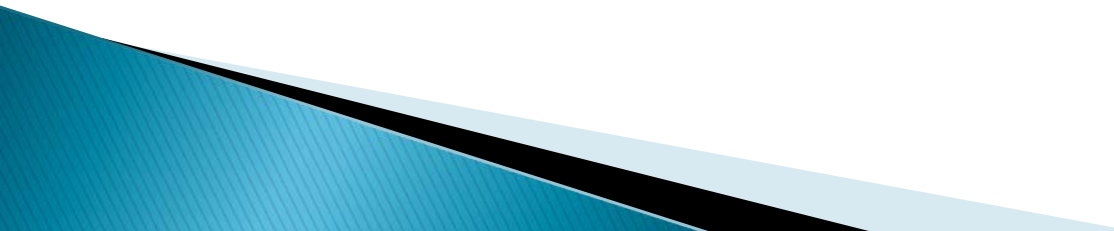
**Factors shaping consumers' opinion on organic products      %**  
**(„When you think about organic products - you think about...”)**

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



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

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

- ▶ Sustainability of family farming vs industrial farming system
  - ▶ Slow food idea vs industrial system
  - ▶ Alternative food networks
- 

## Comparison between family farms and commercial agriculture<sup>133</sup>

Characteristics	Family farms	Commercial agriculture
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

# Slow food vs conventional (industrial) system

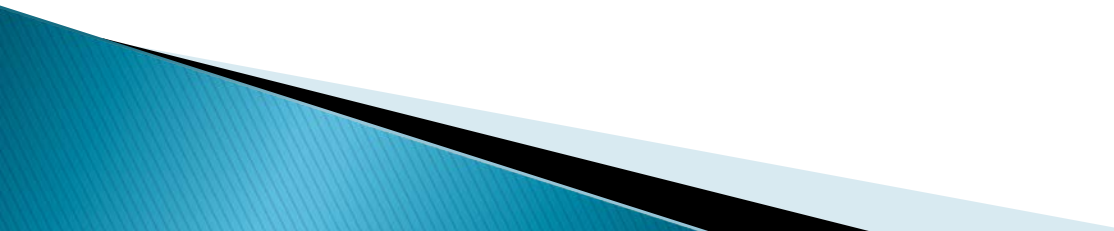
	Conventional system	Slow food
Characteristics	Mass industrial production	Produced and sold locally, hand packaging
Quality management	Quality based on the standard and obligatory determined characteristics (content of salt, sugar and fat is always given) and external parameters (packaging). Mass production – 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

# Alternative food networks

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



# Alternative food networks

- ▶ As alternative forms should be perceived those networks which meet specific needs of consumers and offer products that fulfil the requirements of **slow food**, and additionally this food is **produced, processed and offered in a local community**.
  - ▶ This offer is closely connected with value added in the form of **respect to local tradition identity**, as well as with **fair profits distribution**.
  - ▶ According to rural local communities, these networks frequently constitute economic core **rooted in their social structures** (in **neighbourhood, family unions, local organizations, small local firms and their business relations etc.**)
  - ▶ 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. They face **revival** due to mentioned trends.
- 

# Alternative food networks

- ▶ – small village fairs that offer fresh products on daily/week/month basis
  - ▶ – monthly town 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
  - ▶ Small farm / community shops offering local products
- 

# Consumer movements

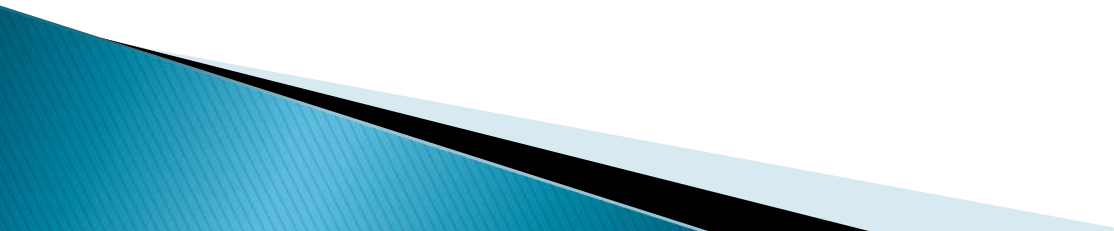
- ▶ Consumer organize themselves (in formal and informal way) in order to:
  - provide information on trusted products, producers and distributors
  - raise sustainable agriculture awareness among citizens, to fight with stereotypes
  - provide lobby for food quality, fair trade and preservation of culinary heritage
  - support alternative food networks (LAG's)

# Case studies

case I

# Lower Vistula Valley Food Network

# Lower Vistula Valley Food Network

- ▶ Farmers produced plum jam here for ages
  - ▶ Recently local leader decided to organize the Taste Festival to promote local culture
  - ▶ The Festival became promotion tool for local products – mostly plum jam
  - ▶ The brand was created and the beginning of alternative food chains had started
  - ▶ After some time big fruit company tried to buy the brand so they decided to formalize the network
  - ▶ Now they produce, process and sell plum jam through informal network and local shop
  - ▶ The Museum, other initiatives
  - ▶ In order to provide supply of plums and apples they started the project of traditional orchards restitution
- 





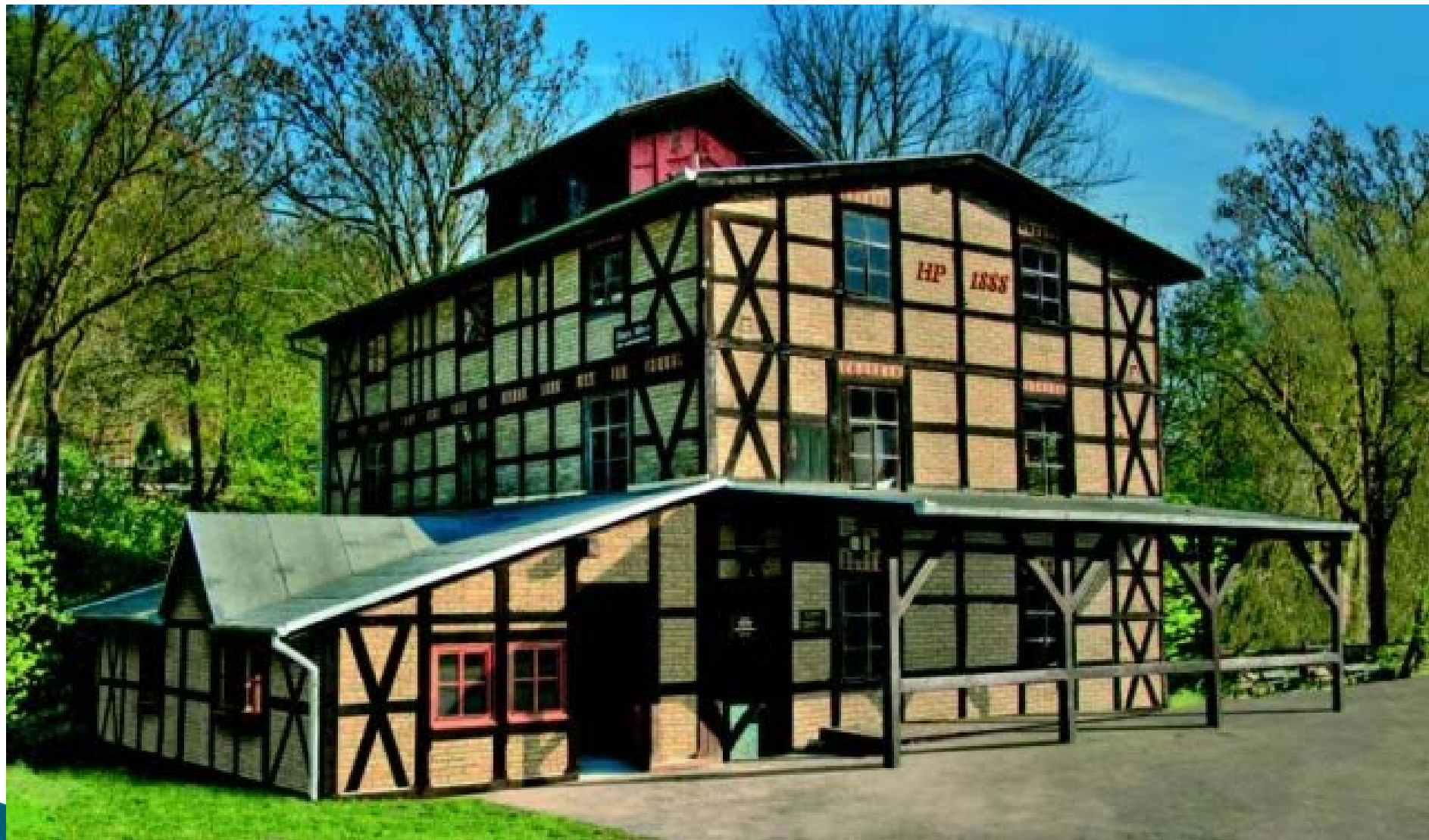












# Preservation of local biodiversity in order to secure supply

- ▶ Local species of apples, plums and other fruits
- ▶ Traditional orchards revival



# Powidła strzeleckie

## Tradycyjny Produkt Regionalny

Szczególnie polecane do:  
pączków i świeżego chleba



Skład: śliwka węgierka, cukier  
Naturalne bez konserwantów  
Strzelce Dolne gm. Dobrcz

Gospodarstwo

Najlepsze do

Masa netto



# Case study II

## – consumer movements

**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)*



Buyers Up • Congress Watch • Critical Mass • Global Trade Watch • Health Research Group • Litigation Group  
Joan Claybrook, President

Feb. 7, 2006

Contact: Chris Slevin (202) 454-5140  
Eliza Brinkmeyer (202) 454-5108

## **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.



# BE A GREEN STAR



**YOU CAN BREAK THE CHAINS  
OF CORPORATE CONTROL!**

## TAKE ACTION!

*Help mobilize America's 50 million organic and green-minded consumers into a powerful force for change, in the marketplace and in the political arena.*

- ★ Resolve to Break the Chains whenever possible.
- ★ Sign OCA's Breaking the Chains pledge and join the network at: [www.organicconsumers.org](http://www.organicconsumers.org)
- ★ Visit OCA's website & subscribe to *Organic Bytes*, OCA's free bi-weekly electronic newsletter.
- ★ Become an OCA Breaking the Chains *Green Star Volunteer* in your community.
- ★ Call, write, or email OCA's national office to get involved: [information@organicconsumers.org](mailto:information@organicconsumers.org)

Organic Consumers Association  
Breaking the Chains Campaign  
6771 South Silver Hill Drive  
Finland, Minnesota 55603  
218-226-4164

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





# Organic Consumers Association

Campaigning for Health, Justice,  
Sustainability, Peace, and Democracy

HOME

TAKE ACTION

FORUM

SUBSCRIBE

ABOUT US

FIND ORGANICS

DONATE



[Login to My Account](#)

SEARCH OCA:

GET LOCAL!

Find Local News, Events, and  
Green Businesses on OCA's  
New State Pages:

Choose Your State

Let us know! Submit News,  
Organizations  
Green Businesses  
& Events to the OCA

[OCA Canada Page](#)

OCA NEWS SECTIONS:

Organics

Organic Transitions  
Save Organic Standards  
Bodycare  
Clothes  
Biodynamics

ALERT!

*Voice your opposition to the Wheat Industry's push  
for GM wheat commercialization. Contact the  
President and your representatives now!*

TODAY'S STORIES

Wednesday, June 17, 2009

**Author Michael Pollan  
on "Food Inc." and  
How to Eat Well**

**Tell Obama & Vilsack: Drop  
Bush's Pro-GMO Rules**

**Lapdog Congress and the  
Predatory Corporate  
Healthcare Lobby**

**Will Big Ag Plow Under  
Waxman-Markey?**

**Out of the Ashes of GM: the  
Phoenix of Renewable Energy**

**Organic Business Stays Stable  
Among Core Consumers**

**USDA Report Indicates  
American Organic Farmers**



NEW! ORGANIC TOURS



OCA'S VIA ORGANICA FARM  
SCHOOL & CONFERENCE CENTER -  
SAN MIGUEL DE ALLENDE, MEXICO  
**TOURS BEGIN AUGUST 2**  
**CLICK FOR MORE INFO**

OCA CAMPAIGNS

**Coming Clean**  
New OCA Carcinogen  
Study Cracks Down on  
Popular Personal Care  
Products



**Organic Transitions**

**ORGANIC**

*Please Donate!*

E-NEWSLETTER

Subscribe & read past  
issues of *Organic Bytes*,  
OCA's newsletter here

*Current Issue: #177*

OCA NETWORK

**OCA Forum: Your  
Online Organic  
Community**



**Grassroots  
Netroots  
Alliance:**  
Press your  
elected officials on the  
burning issues



**OCA en  
Español**  
Noticias y  
campañas de la  
OCA en español



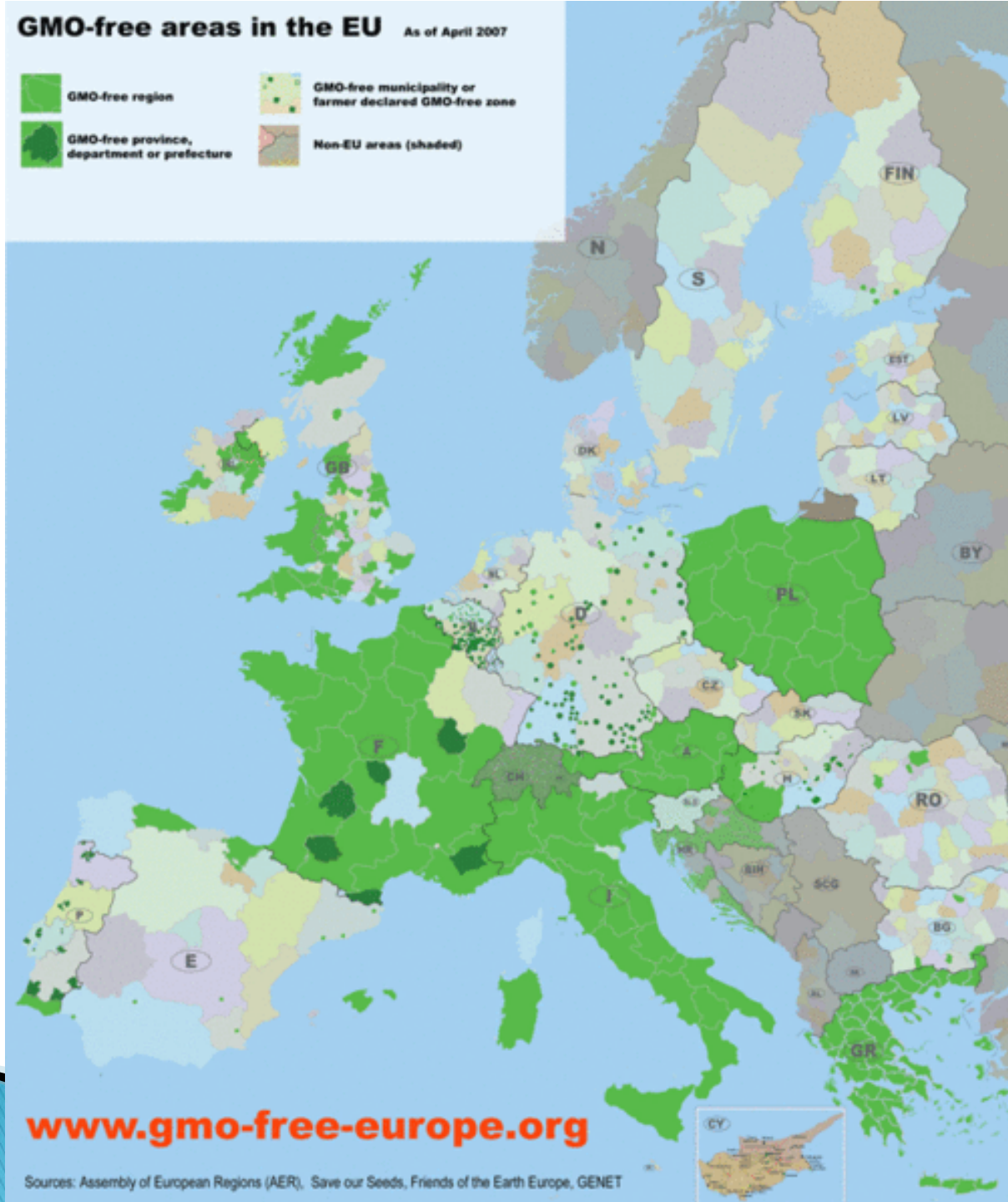
FOLLOW OCA ON  
TWITTER





# GMO-free areas in the EU

As of April 2007



[www.gmo-free-europe.org](http://www.gmo-free-europe.org)

Sources: Assembly of European Regions (AER), Save our Seeds, Friends of the Earth Europe, GENET

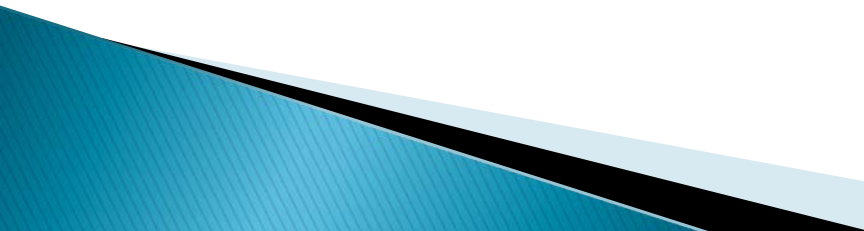
# terramadre<sup>®</sup>



© Isotta Dardilli / Colors

Deutsch • English • Español • Français • Italiano • 日本語 • Português • Русский

# Questions for the future?

- ▶ How to keep the balance in producer – consumer relationship? To what extent the consumer group can co-define situation in sustainable agriculture?
  - ▶ How the global economic crises will shape the relationship between food producers – processors – consumers? Will local, regional, organic food producers loose their chance?
  - ▶ Is this movement „a play for rich poeple”? How to establish social bonds between poor urban people and food producers?
  - ▶ Will it be always a niche? If not:
  - ▶ If and how big food companies will react when certain level of market will be targeted by local products? Will they try to destruct consumer–producer bonds?
- 

# Exercise

- ▶ . Role playing game. One group – 3–4 person – represent hipermarket which wants to sell local products in their market; 5–6 people represent local association distributing local products, 3–4 people represent farmers producing food and local food processors, 1–2 represent local officials. Let's play the scene, when the village meeting is held and hipermarket representatives try to convince local officials and farmers to buy their brand and buy their products to the supermarket. The local association will try to convince farmers and processors to stay with alternative model. Let's present different opinions on alternative food networks.