



INSTYTUT EKONOMIKI ROLNICTWA
I GOSPODARKI ŻYWNOŚCIOWEJ
PAŃSTWOWY INSTYTUT BADAWCZY



Development perspectives of Short Food Supply Chains (SFSC)

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– Trends

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- Conventional food supply chains have become **industrialised** on a global scale, (re-) structuring over time how food is produced, accessed and consumed.
- This industrialization of the global food supply chain has been driven by the **improvement of economic and yield efficiencies**.
- In this context, producers, consumers and other actors in food chains have **diminishing power** in determining the governance of such long supply chains as well as the types of products delivered through them.
- The **intensification of production** associated with industrialization is also associated with broader socio-political and ecological concerns, such as **food security** and increased **environmental degradation**.

Introduction



- With industrialised farming systems ecosystems have experienced a **loss of biodiversity, deforestation, soil and water pollution**.
- Representing an **alternative** to pursuing **economies of scale**, a route for the development of agri-food systems is an approach that uses **differentiated attributes** (e.g. territory; sustainability), often bundling such products with tourism and other business initiatives (Renting et al., 2008; van der Ploeg & Marsden, 2008).

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A supply chain consists of two or more legally separated organizations, being linked by material, information and financial flows. These organizations may be firms producing parts, components and end products, logistic service providers and even the (ultimate) customer himself. [Stadtler and Kilger 2008].

Short Supply Chain



Cooperating in various functional areas agricultural producers, intermediary (trade) companies, processing, production and service enterprises, and their clients, between which flows streams of agri-food products, information and financial resources.

[Jarzębowski and Klepacki, 2013]

Short Supply Chain



Short supply chain means a supply chain involving a limited number of economic operators, committed to co-operation, local economic development, and close geographical and social relations between producers, processors and consumers

Short supply chains incorporate dimensions of proximity as:

- **Geographical proximity**
- **Social proximity**
- **Economic proximity**

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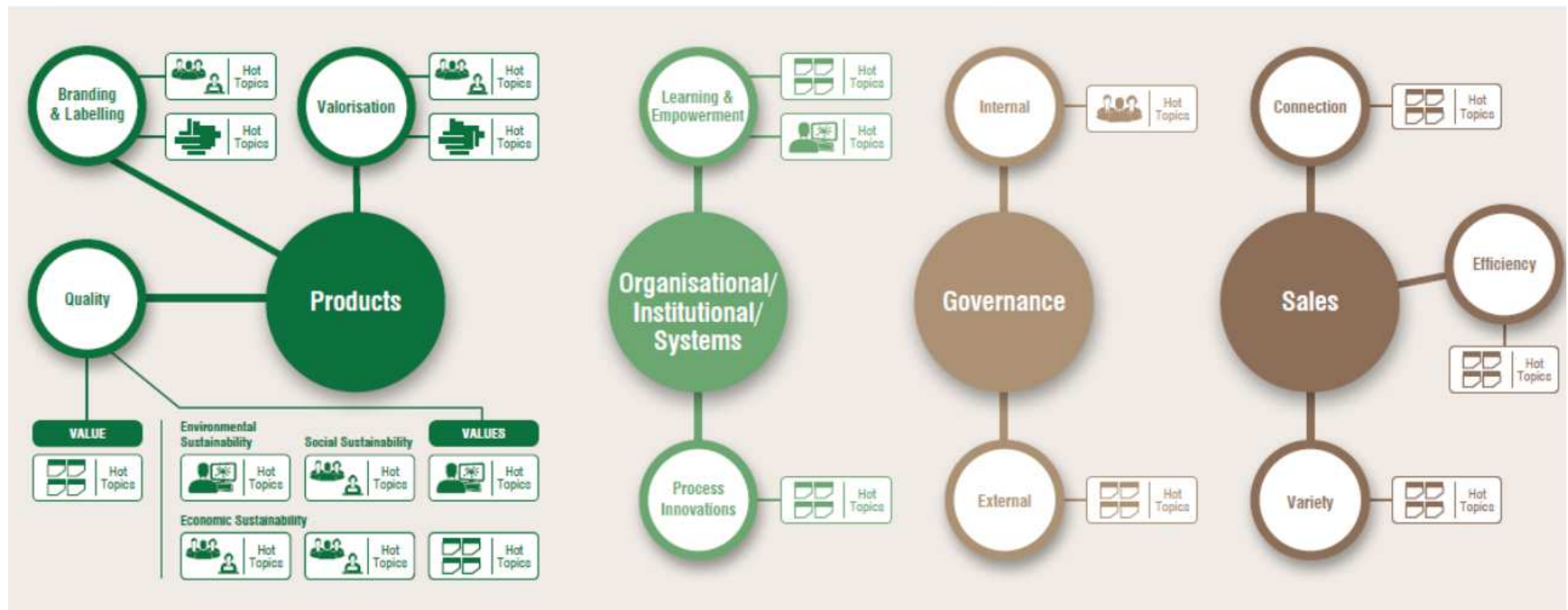
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Figure: SFSC Good Practices



This project has received funding from the European Union's Horizon 2020 research & innovation programme under grant agreement N° 728055

SYMBOLS LEGEND: METHODS

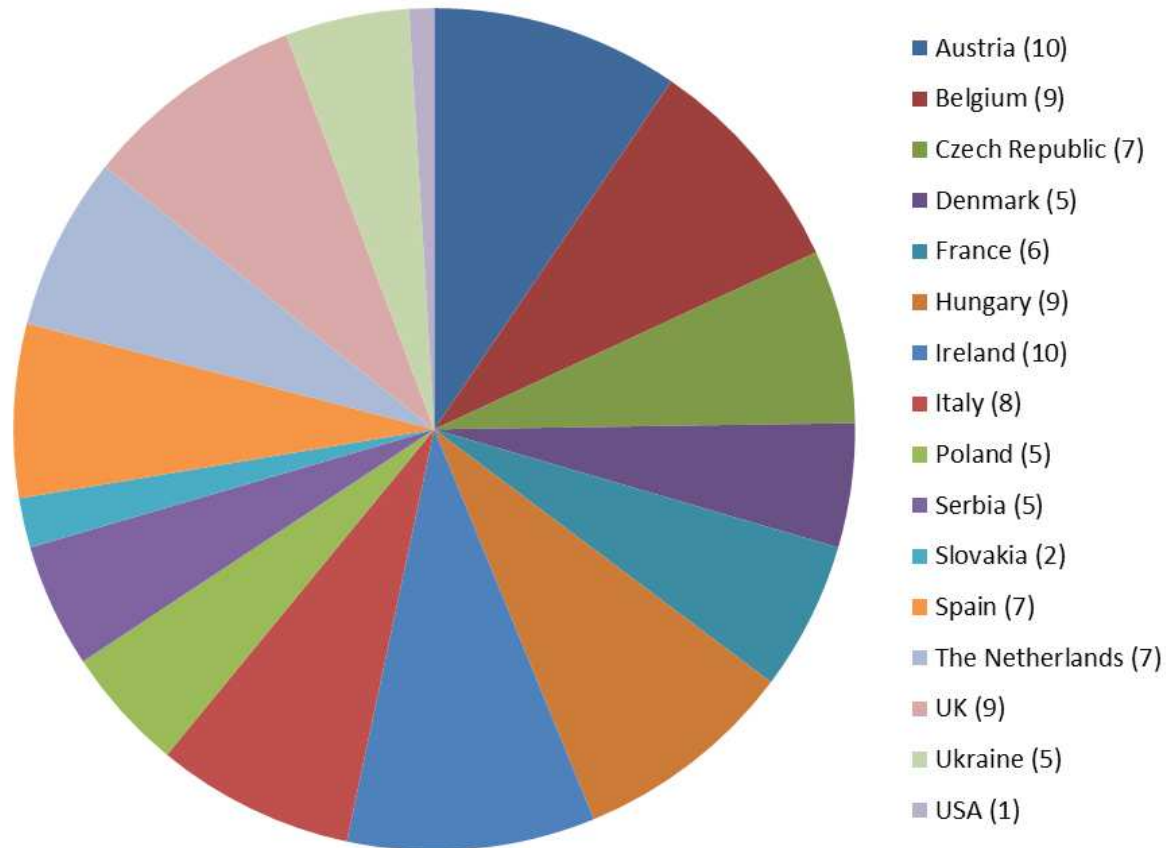
- Interview Method
- Business Model Canvas
- Social Network Analysis
- Desk Based Review
- Word/Image Collage

SKIN

Short Supply Chain



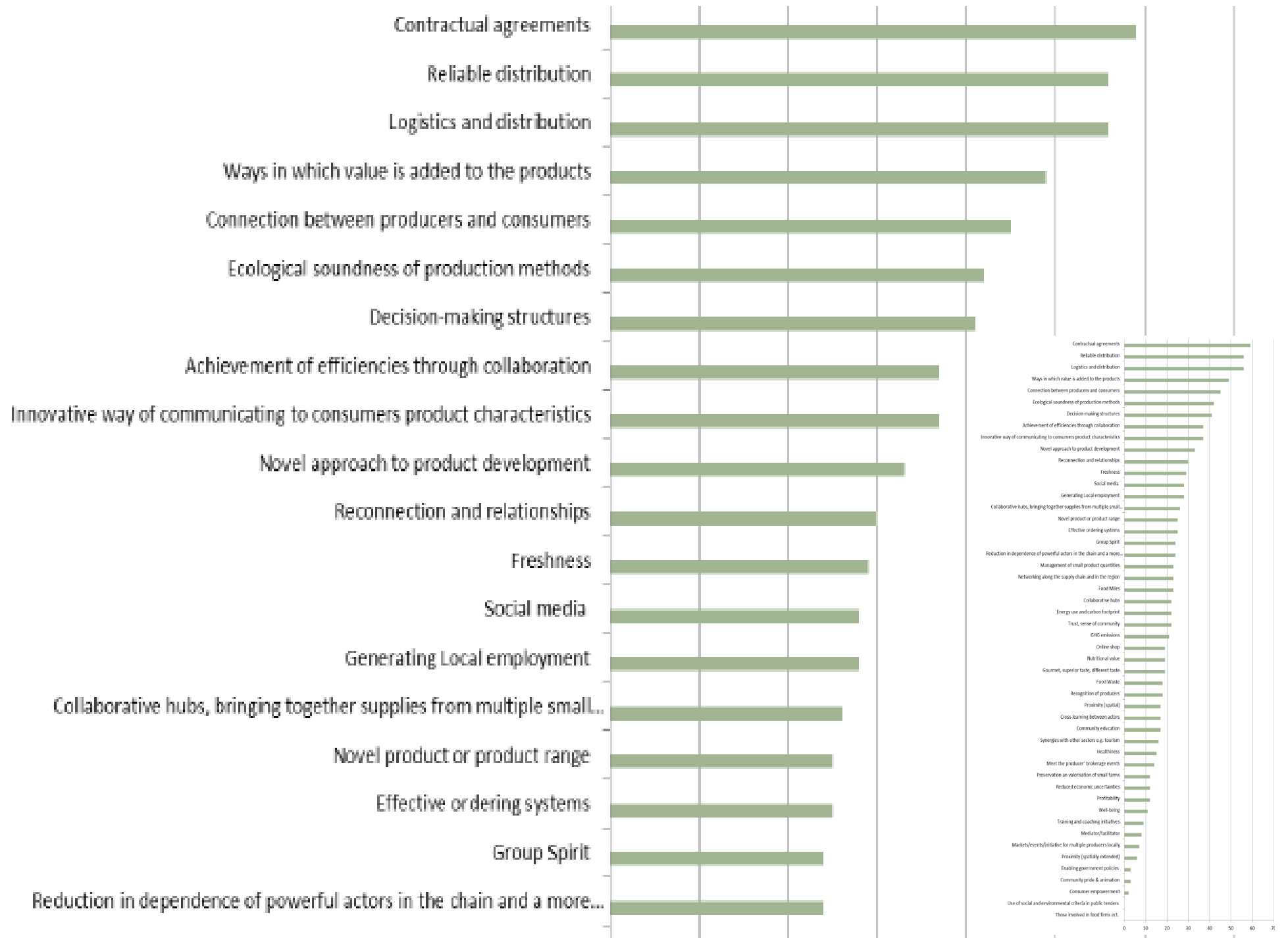
Figure: Geographical distribution of *Good Practices*



Hot Topic Thematic Module	Hot Topic Parent Categories	Hot Topic	No. Good Practices relating to Hot Topic
Products	Valorisation	Novel approach to product development/multi-actor, co-design approach	33
		Novel product or product range	25
		Ways in which value is added to the products	49
	Branding & Labelling	Innovative way of communication e.g. novel labelling	37
	Quality Value	Gourmet, superior taste, different taste	19
		Nutritional value	19
		Freshness	29
		Healthiness	15
	Social Sustainability	Connection between producers and consumers	45
		Trust, sense of community	22
		Community pride & animation	3
		Community education	17
		Recognition of producers	18
		Consumer empowerment	2
Well-being		11	
	Profiling gender and age data of those involved in food firms/farms/SFSCs	0	
Economic	Profitability	12	

Organisational/Institutional/System	Sustainability	Generating Local employment	28
		Reduced economic uncertainties	12
		Training and coaching initiatives	9
		Synergies with other sectors e.g. tourism	16
		Markets/events/initiative for multiple producers locally	7
		Preservation and valorisation of small farms	12
	Environmental Sustainability	GHG emissions	21
		Energy use and carbon footprint	22
		Ecological soundness of production methods	42
		Food Miles	23
		Food Waste	18
	Learning & Empowerment	Cross-learning between actors	17
		Networking along the supply chain and in the region	23
		Reduction in dependence of powerful actors in the chain	24
	Process Innovations	Achievement of efficiencies through collaboration	37
		Logistics and distribution	56
		Management of small product quantities	23

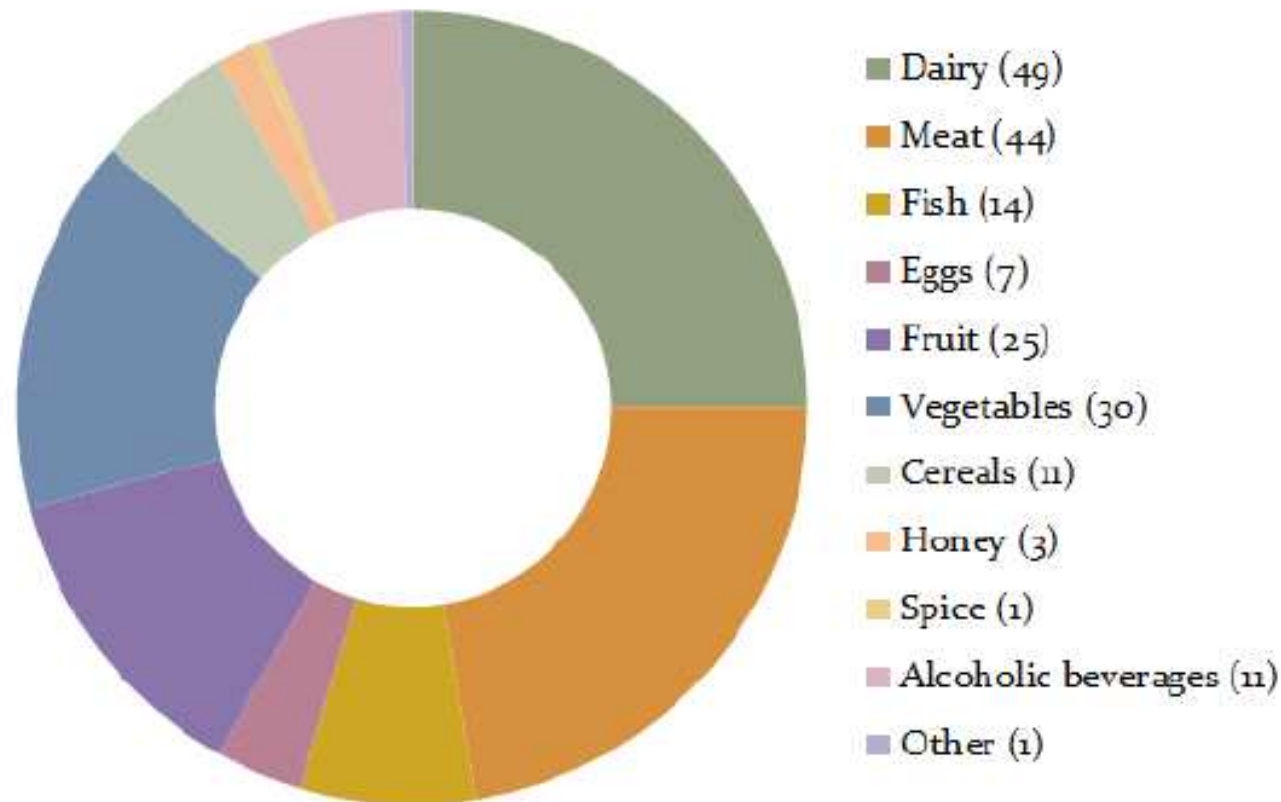
Governance	Internal	Decision-making structures	41
		Contractual agreements between producers/ between chain partners	59
		Group Spirit	24
		Mediator/facilitator	8
	External	Enabling government policies and regulatory frameworks	3
		Use of social and environmental criteria in tenders for public procurement	0
Sales	Variety	Collaborative hubs	26
	Efficiency	Effective ordering systems	25
		Online shop	19
		Reliable distribution	56
		Proximity (spatially extended)	6
	Connection	Social media	28
		Meet the producer' brokerage events	14
		Collaborative hubs	22
Reconnection and relationships		30	



Short Supply Chain



Figure: Food products featured



Short Supply Chain



Figure: SFSC Points of Sale

Points of Sale		No.
On-farm sales	Farm shops/Farm collection	14
	Farm based hospitality (e.g. table d'hôte, B&B)	11
Off-farm sales	Farmers' markets and other markets	14
	Farmer-owned retail outlet	12
	Retailer partners	22
	Hotels, catering companies, restaurants	7
	Food ingredients sector: food and beverage producers	1
	Hospitals, schools etc.	2
	Delivery schemes (e.g. veg box)	24
	Vending machines	1
	Internet sales	22



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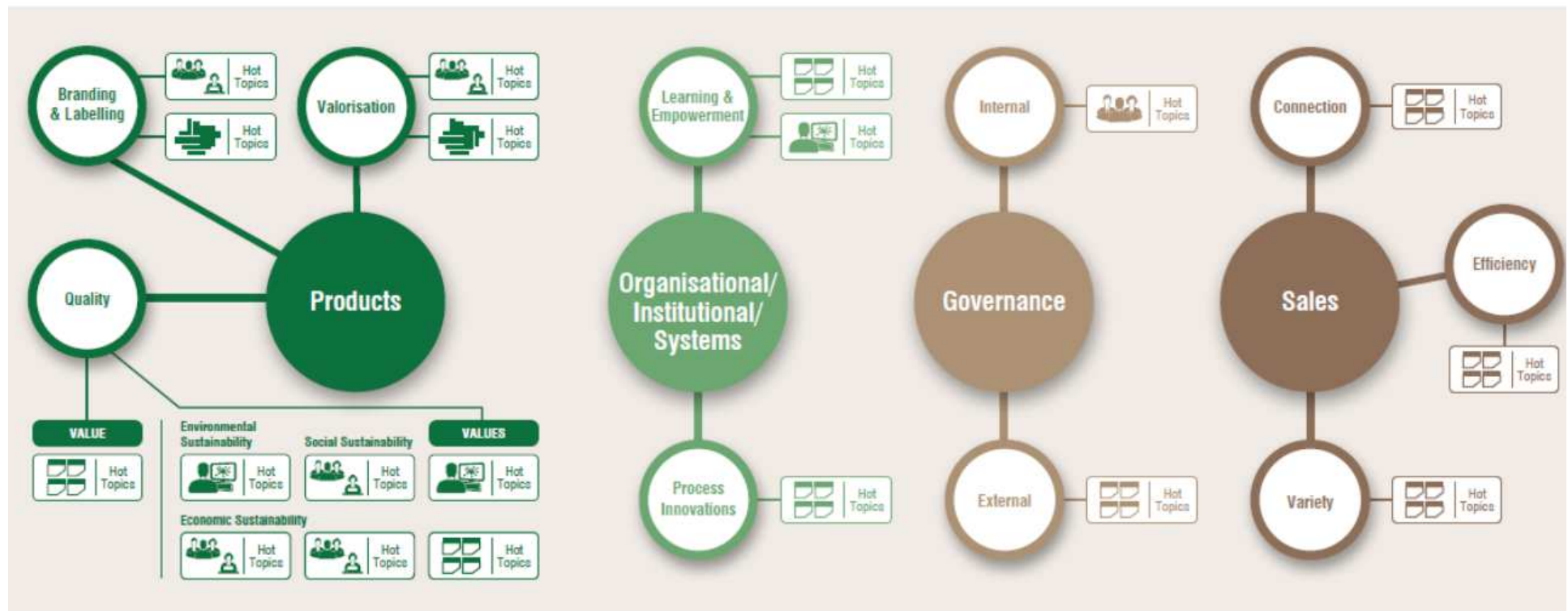
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Barriers to Growth for Producer-Processor-Vendors



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SYMBOLS LEGEND: METHODS



Interview Method



Business Model Canvas



Social Network Analysis



Desk Based Review



Word/Image Collage

SKIN

Short Supply Chain



Barriers to Growth for Producer-Processor-Vendors

- Most of the barriers to growth fall into the following highly interconnected categories:
 - Distribution and delivery,
 - Marketing and sales,
 - Product and service innovation.
- Addressing weaknesses under these headings will involve
 - Providing greater convenience for consumers
 - Working better and more effectively with existing retailers and distribution networks
 - Working with new and emerging actors in distribution and delivery
 - Provide richer more engaging customer experiences
 - Providing better product in terms of taste, nutrition and lifestyle support.



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Scenarios / Schemas for Future Growth

- Improve the Retail Experience
- Adopt a Multichannel Sales and Distribution Strategies
- Systematically Develop the Relationship with the Consumer
- Create Economies of Scale and Efficiencies Based on Collaboration
- Tap into the Circular Bio-Economy

Short Supply Chain



Scenarios / Schemas for Future Growth

- Improve the Retail Experience
 - Better signage and use of smart packaging and QR codes
 - Use of alerts and proximity marketing
 - Better online visibility
- Adopt a Multichannel Sales and Distribution Strategies
 - Shared shop or rented space used by retail consortium
 - Online ordering using click-and-collect
 - Use of automated vending machines
- Systematically Develop the Relationship with the Consumer
 - Meeting customers where they are (at home, at work ... during the week, at the weekend...)
 - Accept orders in advance
 - Meet needs in terms of taste and seasonal needs

Short Supply Chain



Scenarios / Schemas for Future Growth

- Create Economies of Scale and Efficiencies Based on Collaboration
 - Exploring technology enabled collaboration and sharing models for ...
 - Food processing (shared plant and equipment ...)
 - Transport and logistics
 - Restaurants and food service
 - Retail based on concepts such as Retail as a Service
 - IT Infrastructure based on systems such as Shopify and Big Commerce
- Tap into the Circular Bio-Economy
 - Agriculture is no longer a rural phenomenon. Food is mainly consumed in the city. Food waste is mainly produced in the city. Many opportunities for employment and new businesses creation as well as for food security and food waste management



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- Due to the **benefits** of **short supply chains**, there has recently been an **increase** in the number of **initiatives** supporting the development of such initiatives in the agri-food sector.
- These models have become an **alternative** to the **globalized structure** of the agri-food sector.
- They enable "**reconciliation**" between the two **extreme links** in the supply chain and satisfying the needs of both the **consumption** and the **production** side.
- Achieving growth will remain a challenge for traditional short food supply chain (SFSC) producers.
- There is an increasing number of ways to obtain it, in many cases at **lower cost**, with **greater convenience** and with **lower impact** on the environment.



**THANK YOU FOR YOU
ATTENTION!**