



EKOLOGISKT LANTBRUK NR 44 • AUGUST 2005

OBSTACLES AND SOLUTIONS IN USE OF LOCAL AND ORGANIC FOOD

Salla Kakriainen & Hans von Essen (ed.)



Baltic Ecological Recycling Agriculture and Society (BERAS) Nr. 4



Centrum för uthålligt lantbruk



Ekologiskt lantbruk – 44
Obstacles and Solutions in Use of Local and Organic Food

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Obstacles and Solutions in Use of Local and Organic Food

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CONTENTS

PART I

Baltic Ecological Recycling Agriculture and Society (BERAS)	3
Introduction	5
Authors	8

Solutions to promote local consumption

How viable is the local organic food market in Klaipeda town and district from the consumer's point of view?	9
Development of local organic markets and other environmentally oriented activities in Poland. Cases of Kluzborg and Bochnia and Zbiczno	20
Large scale organic beef production and regional marketing in rural eastern Germany – opportunities and challenges	29
Development of Järna Odlarring – a local economic association of Järna farmers	36
The “Bondens Egen” project	44
Initiative Locally Grown	48
Middleman and Ruokakori, one solution for the local supply	51
“Genuine know-how from Juva” – A label for local products that has made a difference	56

PART II

Political and educational promotion of local food

Do carrots really have to travel 700 km?	61
Municipal support for local food	65
Bag of groceries project	70

PART III

Discussion	79
Conclusions	84

PART IV

Appendix

Biological agriculture in the District of Aizkraukle and opportunities of development	87
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BALTIC ECOLOGICAL RECYCLING AGRICULTURE AND SOCIETY (BERAS)

Artur Granstedt

The serious environmental situation in the Baltic Sea is a consequence of agricultural specialisation, pollution from industries, incorrect waste management and the unsustainable lifestyle prevailing in the countries around the Baltic Sea (i.e. in its drainage basin). Reduced use of non-renewable energy and other resources and the elimination of pesticides would result in less pollution of air, water and soil. Increased recycling of nutrients within the agricultural systems through integration of plants and animals in the farming system would reduce leaching from fields. There is a need to analyse their environmental and socio-economic consequences as well as the opportunities and obstacles facing the various actors in the food system, i.e. producers, processors, traders and consumers. It is necessary to develop knowledge and skills in this area and to better understand the potential for and consequences of a larger-scale changeover to such systems throughout the region.

A knowledge base that can be used to reduce the negative environmental impacts of production, distribution, processing and consumption of food in the Baltic Sea drainage area will be developed. This will be based on case studies, complemented with scenarios and consequence analyses, of ongoing practical, local ecological initiatives to promote local food supply cooperation between consumers and ecological producers in rural villages in the eight EU and EU-candidate countries around the Baltic Sea. The aim is to learn about and promote more sustainable food systems. The project is an EU-funded INTERREG III B project.

Methodologically the project is based on studies of 50 selected ecological recycling farms representing different farming conditions and 10 examples of more or less local and/or regional food systems located in the eight partner countries. The first work package, WP 1, builds on activities and cooperation with representatives from already established local ecological food initiatives and recycling farms in each country. It includes evaluation, promotion and exchange of experiences with other initiatives in and among the project countries.

The second work package, WP 2, will study and quantify the environmental benefits that can be achieved through local ecological consumption, processing and ecological, integrated, recycling farming, in comparison with conventional food systems. The results will feed into the evaluation process and be made available to the actors. The third and fourth work packages, WP 3 and WP 4, will evaluate the

economic and social consequences at the societal level including rural development and job opportunities. The final work programme, WP 5, will produce recommendations for implementation and disseminate this to concerned actors, including policy and decision makers.

For more information about the BERAS-project contact the project coordinator: Assoc. Professor Artur Granstedt, The Biodynamic Research Institute, Skilleby, SE-153 91 Järna, Sweden. Phone +46 (0)8 551 577 02, Fax +46 (0)8 552 577 81, e-mail arturgranstedt@jdb.se

INTRODUCTION

The purpose of BERAS (Baltic Ecological Recycling Agriculture and Society) – project is sustainable development, which can be described in the three dimensions; ecological, economic and social. The highly specialized way the food system works in “modernized” countries like Sweden, Finland and Denmark is not ecologically sustainable. There is by far too much leakage of plant nutrients to the Baltic Sea and the output of green house gases is alarming. Within the BERAS project, the suggested solution is to combine organic production with balance between animals and crop production on farm or village level and with local food systems all the way to consumption.

The purpose of this publication is to present a selection of creative initiatives that make ecologic, economic and social sustainability work together. These are based on organic agriculture and local food systems. We want to create a hopeful picture that will inspire people in every point in the food system to action. And then go a step further and give some tools that makes it possible.

Local food is a concept, which is understood in many different ways and raises different connotations (small scale production, direct contact between farmer and consumer, mixing local and organic production with each other). Definitions vary from one locality to another all the way to whole Europe. One in Finland often used definition is: “Local food is defined as production and consumption which, utilises the inputs and raw materials of the own area improving the regional economy and employment.” (Maaseutupolitiikan yhteistyöryhmä, 2000) In this report local food is understood as food, which uses local resources, agriculture is ecologically recycling and it is also processed and consumed in the local area. Due to the different geographical realities and different ways how societies are organised it is not sensible to set a strict distance limit for local food. Common to all cases is still the perception that local recycling is not only recycling of organic matter but also money and human resources

In this report the BERAS co-workers of the project part for cooperation between consumers and producers gives examples about the initiatives that have taken place around the Baltic Sea. The aim is to document and promote cooperation, interaction and learning within the food systems. Goals given to this part of the project are documentation, evaluation (we concentrated to these issues in the first publication), overcoming of obstacles and promotion of ongoing local interaction to achieve more sustainable rural development. In this report we want to show how obstacles in different cases have been overcome and some examples how local interaction has been promoted. There are plenty of different possibilities and ways to do something and it can be done in different levels. In this report we want to show that it is possible – and not even that difficult – to act.

To make it easier for the reader, we have divided the publication into parts. In Part I we concentrate on solutions to promote local food either directly by actors along the food chain or through a middle man. In Part II we concentrate on political and educational solutions in promotion of local food. These activities generally require longer periods of time to get the best value out of them.

All together there are eight countries participating in the BERAS-project (Sweden, Finland, Denmark, Germany, Poland, Estonia, Latvia, Lithuania) and six of them are represented in this report. The respective countries have big differences in relation to agriculture. Lithuania has a young organic agriculture movement and a small-scale traditional farming, Poland has a strong small-scale traditional farming and the organic movement has a long history. In Latvia the organic market is developing while Sweden, Finland and Denmark have a high contribution of pollutants to the Baltic in spite of strong organic agriculture movements. In Germany there is a long history of green movement, but at the same time organic market in former DDR is not yet that old. The organic movement in these countries deals with large scale food industry and the challenge is therefore quite different in countries where the traditional small scale farming and food industry is still very alive. It is good to be aware of these.

In the first text Lithuanian writers Angelija Bučiėnė and Marija Eidukevičiėnė describe the country's growing organic sector. At the moment markets are developing slower than the production partly because of certification systems, lack of processing and higher prices. Formation of organic food market does need time, but it is positive to see that according to a consumer study there is willingness towards organic products and part of people are also willing to pay some extra.

In Järna, Sweden we have an example of farmer's cooperation written by Leif Holmberg and Hans-Petter Sveen. The cooperation started in the end of 1990's and has been developing ever since. The activities have been evaluated, developed and redirected according to the needs.

This is a contrast to Lithuania. In Sweden the organic movement started to grow immediately after World War II at the same time as the traditional small-scale structure was broken down. In Lithuania it started just fifteen years ago and the traditional small-scale farming is still there.

Another text about Järna, written by Hans von Essen, tells about an ambition to raise awareness of consumers and promotion of a life style based on local and biodynamic food. This non-governmental organisation "Initiative Locally Grown" has goals in fields of school cooperation, consumer education.

Hanna-Riikka Tuhkanen describes in her text a Finnish solution based on an electronic ordering system and use of a middle man. This system answers to a problem, which many institutional kitchens have had: where to get local products. Ordering system alone is often not enough. Also the delivery has to be organised in an effective way. An

electronic ordering system serves also as a catalogue and price list for the small firms. Also in "Farmer's Own" the electronic ordering system is used.

Establishing a special price tag for locally grown products is an initiative that took place in Juva, Finland. Salla Kakriainen describes in her text how this initiative started and was carried out among the local actors. The goal is to promote the marketing simply by giving a better visibility for the local products in the shops.

Initiative Farmer's Own described by Hans von Essen is more than just a market place where farmer's can sell their own products; it includes market selling, shop, restaurant and electronic logistic system. Creating an own brand is also a question of identity, which obviously is seen important, because this example has received interest from also other countries.

Ewa Hajduk describes how organic production in Polish Kluzborg has developed and how location has had an effect on the production. Raising environmental awareness and state support has made the position of organic farming better. There are also various ways to raise the awareness at the municipal level, for example by bicycle roads through farms and eco museums.

Municipal examples for supporting the local and local ecological food are presented in two texts by Salla Kakriainen. In the other case municipality has made a decision to use as much local and organic food as possible and so to give also support for farming and processing sectors. In this case price at the purchasing moment is not the only deciding factor. In the other example active personnel in municipal kitchen unit has been developing the possibilities to use local food. Experiences are encouraging.

Also the future consumers are noted. Hans von Essen describes a school project carried out repeatedly in Sweden. Simple idea is to bring normal groceries to classroom and let the students find out what kind of journey they have made. This way it is possible to implant the critical thinking towards food systems among adolescents.

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HOW VIABLE IS THE LOCAL ORGANIC FOOD MARKET IN KLAIPĖDA TOWN AND DISTRICT FROM THE CONSUMER'S POINT OF VIEW?

Angelija Bučiėne and Marija Eidukevičiėne

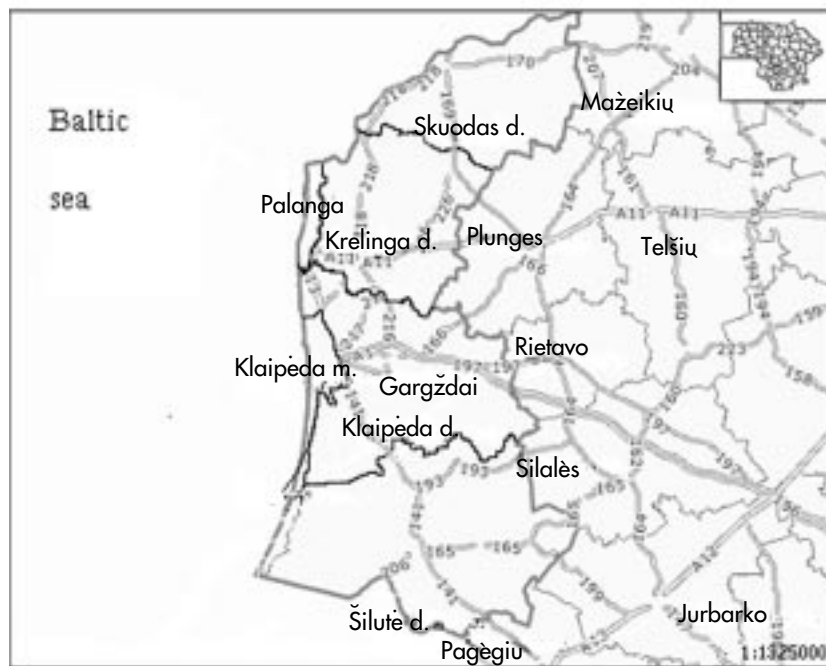
What is the initiative and why was it started?

The local market for organic food products in Lithuania as in other new member-countries of EU is in a formative stage and quite chaotic. The main problems behind this process are hidden in the weak coordination between the agricultural policy makers, advisory service staff and farmers. Farmers are not informed about the possibilities to establish organic farms and there is no programme for training and extension in the different rural districts of Lithuania. In addition the weak interactions between organic farmers and consumers, food processing specialists and distributors further compound the problem. Organic farming started in the country in 1992 and up to now there are only a few organic food processing enterprises. Organic farmers in many regions are forced to sell products that need processing (for example milk) as conventionally grown. The demand for organic food products in the main urban centres has been unknown: It has not been clear what kind of organic food products are preferred or how big the local demand is. Nor has there been information available on consumers (both individuals and institutions) expectations or their willingness to pay a higher price (up till 25 % above conventional food products) for organically grown products. Despite this situation the number of organic farms in Lithuania has, during the last few years, increased by 35 % annually (Rutkovienė & Ribašauskienė, 2003) and in Klaipėda district by even more (44 %). Although this is promising, the viability of the demand for organic food among consumers was not evident. For this reason it was decided to study the supply and demand of organically grown food products in Klaipėda district and to clarify the obstacles for the increased consumption in Klaipėda town (with 200,000 population) with the main focus on consumer's attitudes and preferences. The studies were initiated and conducted by the researchers at the Klaipėda University Rural Development Centre and specialists at the Eco-information centre in Vėžaičiai in 2002 to 2005. The research was conducted using the method of social inquiry. Three different questionnaires (15–17 questions each) were prepared for organic producers in the district, individual consumers and institution-consumers with public kitchens (Mockutė, 2003; Kondrotaitė, 2003; Bakanauskaitė, 2005). The main findings of the two consumer surveys were presented in seminars for new organic farmers in 2003-2004 (Zekonienė & Baltramaitytė, 2005) and during the scientific conference held at Klaipėda University on

Problems of Transition Period, in 2004 (Eidukevičienė, Bučienė, 2005).

Klaipėda district

Klaipėda district municipality is located in Klaipėda County, which is the most western county of Lithuania (Figure 1):



Klaipėda county has a border with Latvia in the North and Kaliningrad region (Federation of Russia) in the South. Within the country Klaipėda county borders on Telšiai and Tauragė counties. It consists of 4 district municipalities (Skuodas, Kretinga, Klaipėda, Šilutė) and 3 urban municipalities (Klaipėda, Palanga and Neringa). Klaipėda county has an area of 5746 km² area and a population of 385768 (72 % urban and 28 % rural). This makes it the third largest county by population (after Vilnius and Kaunas counties).

Figure 1. Location of Klaipėda district municipality (centre in Gargždai) within Klaipėda County. (Source: http://www.klaipeda.aps.lt/klaipedos_r.sav/).

Klaipėda district borders on the Curonian Lagoon of the Baltic Sea and Klaipėda town. Northern, eastern, and southern neighbours are the districts of Kretinga, Plungė, Rietavas, Šilalė, and Šilutė. Klaipėda district has an area of 1336 km² (133600 ha), of which 53 % is agricultural land, 24 % forests, 10 % water, and 13 % cities, towns, and villages.

There are 47053 residents in Klaipėda district municipality, 63.7 % of them live in rural villages and 36.3 % in urban areas. (See Table 1.) The district centre is Gargždai town with a population of more than 15000 and there is one other small town, Priekulė, with less than 2000 population. Thus rural population is prevailing in the district.

The number of unemployed people and the unemployment rate in the district is comparable to country's average. (See Table 2)

The occupation of the population according to the economic activities in Klaipėda district differs somewhat from other municipalities in the county. (See Figure 2.)

Table 1. Number of residents in Klaipėda district municipality on January 1, 2004 (Source: Lithuanian Statistical Department, 2005).

	Number	%
Klaipėda district municipality	47053	100
Klaipėda district municipality rural villages	29957	63.7
Klaipėda district municipality towns	17096	36.3
Gargždaii	15388	32.7
Priekulė	1708	3.6

Table 2. The number of unemployed people and the unemployment rate in the district and country, 2003-2004 (Source: Lithuanian Statistical Department, 2005).

	2003	2004
Unemployed in country	167033	145469
Unemployment rate in country, %	8.0	7.0
Unemployed in Klaipėda district municipality	2194	1982
Unemployment rate in Klaipėda district munic., %	8.4	7.4

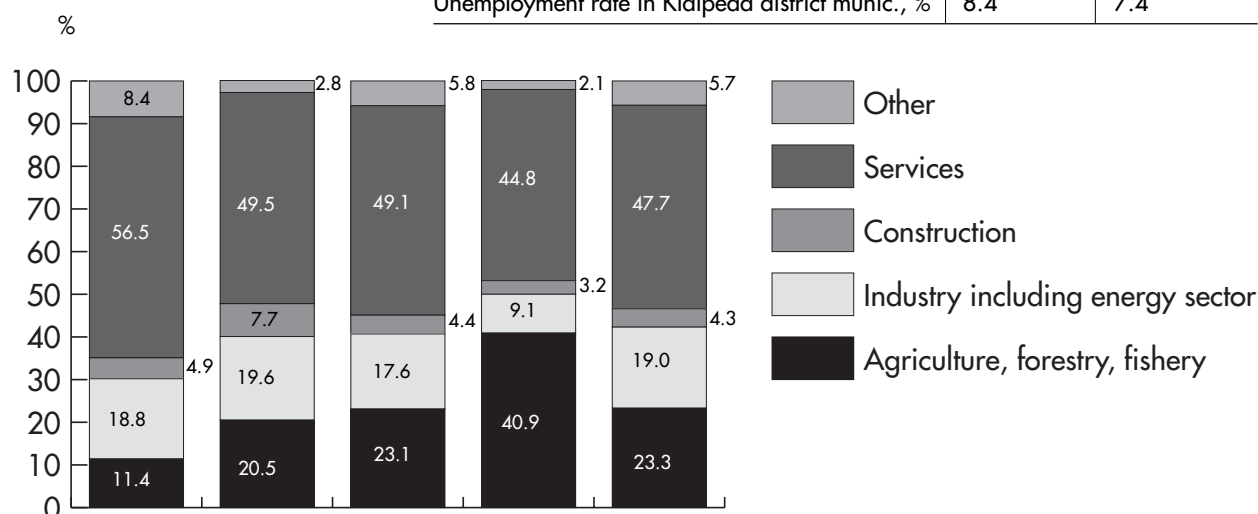


Figure 2. Employees in municipalities of Klaipėda County by economic activities in % in 2001. (Source: Gyventojų ir būstų 2001 m. visuotinio surašymo duomenys).

About twenty percent of employed people of Klaipėda district municipality work in the agriculture, forestry and fishery sectors which is less than in other districts in the county. This is because of the proximity to Klaipėda town where many people from the district are employed. Traditionally, however, agriculture is one of the most important economic activities for the majority of rural people.

There were a total of 22 organic farms and farms under conversion in Klaipėda district in 2004 (source: <http://www.zum.lt/min/failai/eko-sert-ukiai.pdf>). This is about 1.1 % of the total agricultural land and is almost twice the country's average. There was a rapid growth in the number of organic farmers during 2003–2004 in the district: 7 new organic farms were established and 1 closed. This increase was partly the result of the Eco-information centre being established in Vėžaičiai parish. They initiated extension and education activities in ecological farming for Western Lithuania farmers (Žekonienė & Baltramaitytė,

2005). This education and spread of information gave positive results that are reflected in the increase of organic farming in the district. However this increase in the number of farmers did not seem to be matched by an increase in the consumption of organic products in the region. Thus these social surveys were to bring more light on the problem of the viability of the local organic food consumption market.

What kind of constraints were in the way?

The demand for locally grown organic products in Lithuanian towns is developing slowly despite the increase in organic production on an increasing number of farms. There are a few reasons for this. The first reason is the low purchasing capacity of consumers: salaries are low and increasing only slowly. Thus most consumers nowadays cannot afford more expensive organic food products.

Another problem is that only a part of organically grown products are sold as certified organic food products. The survey of farmers in Klaipėda district showed that there are too few processing enterprises that process organically grown products, and some of them are far away. As a result in most cases the producers are forced to sell their products at the same price as conventionally grown products, a situation about which they are not satisfied. The existing enterprises are, however, not active in buying and processing organic raw products because their supply is still comparatively low.

A third problem is the lack of awareness of producers and consumers about the demand and supply possibilities of organically grown food products.

What kind of solutions are possible?

Changing this situation requires positive changes in the countries economy – including both higher salaries and increased consumption among consumers as well as an increase in state or private business support to the organic food product processing industry. Another alternative is the promotion of food processing by farmers themselves but financial support to develop their technological capacity in this direction would also be necessary. Some positive steps in this direction have been made in another Lithuanian region. The members of so called “Tatula Program”, the association of organic farmers of northern Lithuania are trying to solve the processing problems through the united efforts of farmers themselves. They also have plans to make contracts with kindergartens in the region to provide them with organic food (Gutkauskas, 2004).

What have we learned?

The formation of a local organic food market is a long process. Providing economic stimulus to both consumers and producers/processors as well as closer ties among the consumers-producers and other participants of the market might strengthen it. It can be speeded up if all

these actors know each others problems and they try to coordinate efforts. For example, in order to supply hospital, school and kindergarten kitchens in Klaipėda town with organically grown food products, it is necessary for producers to know their demands and preferences of product assortment and price.

Who participated in the process and who is the leading force?

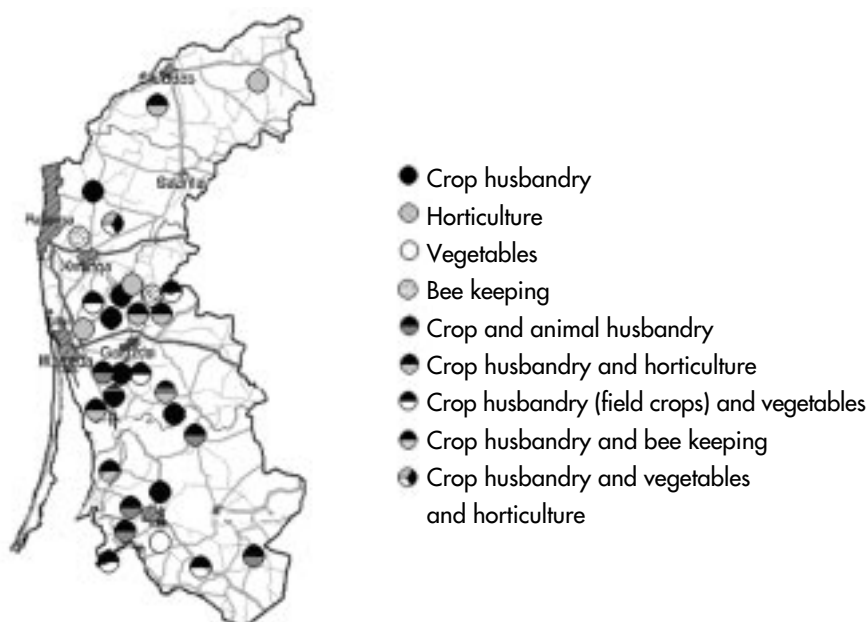
There are many actors participating in the formation of the local food market: farmer-producers, processors, distributors and trading centres, public kitchens and individual consumers, local and state authorities, and politicians responsible for the agriculture and food production sector. The leading force is the consumer. The producer/processors will respond to the growing demand by increasing production and product diversity.

The focus of this local market research has been on the attitudes of both individual and institutional consumers. 300 individuals resident in Klaipėda, staff at 25 institutions with public kitchens and 22 organic farmers in Klaipėda district were interviewed. The institutions that took part are the main institutions with public kitchens in Klaipėda town. The individual-consumers were selected randomly. However representatives belonging to different age, gender and education groups were interviewed.

Results of the organic food product market and consumers survey in Klaipėda town and Klaipėda district

The average size of organic farms in the district is about 30 ha, which is close to the Lithuania average for such farms. The great majority (19 of 22) of the organic farms are located within 20-30 km radius of Klaipėda and are specialised mostly in crop husbandry – growing different field crops, mainly cereals (Figure 3).

Figure 3. Distribution and specialisation of organic farms in Klaipėda district (darker grey background) and county, 2003. (Prepared by authors based on information from the source: *Sertifikuoti ekologinės gamybos ir pereinamojo laikotarpio ūkiai bei įmonės*, Kaunas, Ekoagros, 2003-77 p.)



This is in line with product demand from institutional kitchens and individuals in Klaipėda town. The majority of interviewed respondent-institutions would prefer to buy organically grown fruits, vegetables and milk products. Most hospitals and other public kitchens (but not school kitchens) also prefer organic meat products (Table 3). The majority of hospitals as well as kindergarten and school kitchens are ready to buy organic bread and other confectionary products as well (if they are available). The majority of hospital kitchens are also interested in buying medical herbs.

All the individual respondents prioritise buying organically grown fruits, vegetables and meat products, while men are also willing to buy milk products and women, honey. (See Figure 4.) In general women were better informed than men (66 % against 58 %) about where to purchase organic products in Klaipėda.

Table 3. Preference of organic grown food products in Klaipėda town institutional kitchens in % of respondent-institutions by category, 2004 (Source: Inquiry in Klaipėda town institutional kitchens, 2004)

Preferable organic food products	Hospital kitchens	Kitchens in kinder gardens and schools	Other public kitchens
Milk and milk products	100	69	85
Bread and confectionary products	70	62	50
Fruits and vegetables and their products	100	85	85
Meat products	70	46	70
Honey and other bee products	30	15	35
Medical herbs	70	38	35

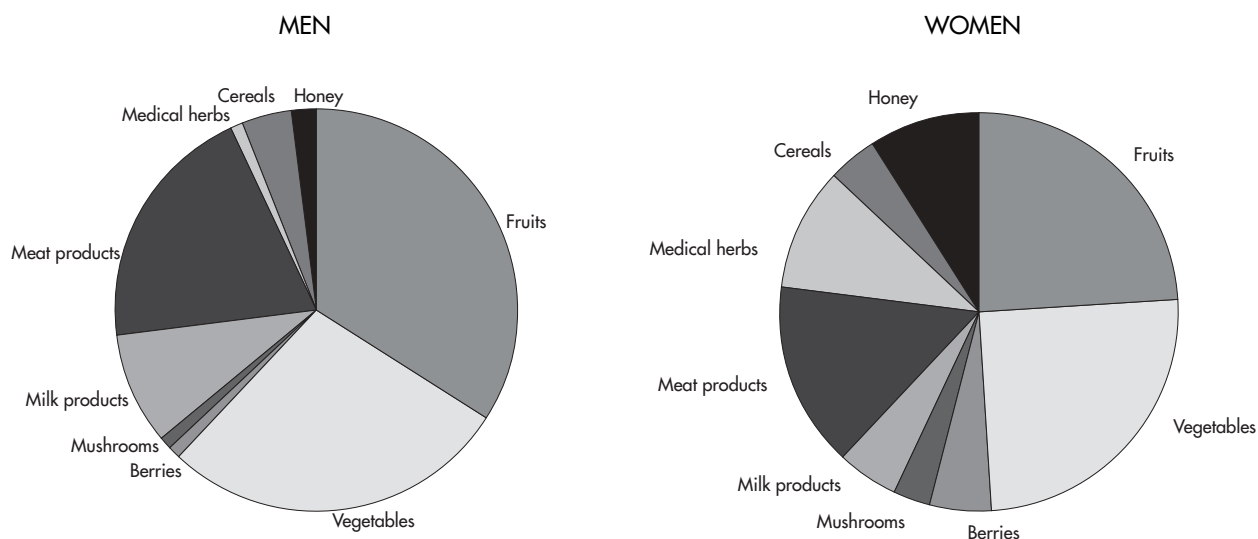


Figure 4. Demand for different organic food products among men and women respondents (Source: Inquiry of Klaipėda population, 2003).

In addition to gender particularity, the age of respondents is also important. For example, younger respondents (<40 years) greatly prefer fruits, while the oldest group (>60 years) prefers cereal products. (See Figure 5.) Organic vegetables are preferred by all age groups while organic meat products are preferred by all except the oldest.

There is a rather big demand for organic meat and milk products in the schools and kindergartens, but there are only 4 farms in the region ready to provide such products, and they are not able to meet all the demand, particularly for meat. Thus there is a good reason for new organic farmers in the region to choose animal husbandry production (both meat and milk) in the near future. However slaughterhouses, dairy and other processing facilities would have to be available as well.

There is a difference in institutional and individual respondents willingness to pay a higher price for organic products as compared with traditionally grown. About 73 % of respondent-institutions are motivated to pay 5-10 % extra, but this differed by institutional category (see Table 4).

Table 4. Willingness to pay higher price for organic food products among the institutional kitchens in % of respondent institutions, Klaipėda, 2004 (Source: Inquiry in Klaipėda town institutional kitchens, 2004).

	Willingness to pay higher price for organic food products				Can't pay higher price
	< 20 % higher price	< 15 % higher price	< 10 % higher price	< 5 % higher price	
Hospital kitchens	33	-	-	33	33
Kitchens in kindergartens and schools	8	8	31	15	38
Other public kitchens	-	-	-	50	50

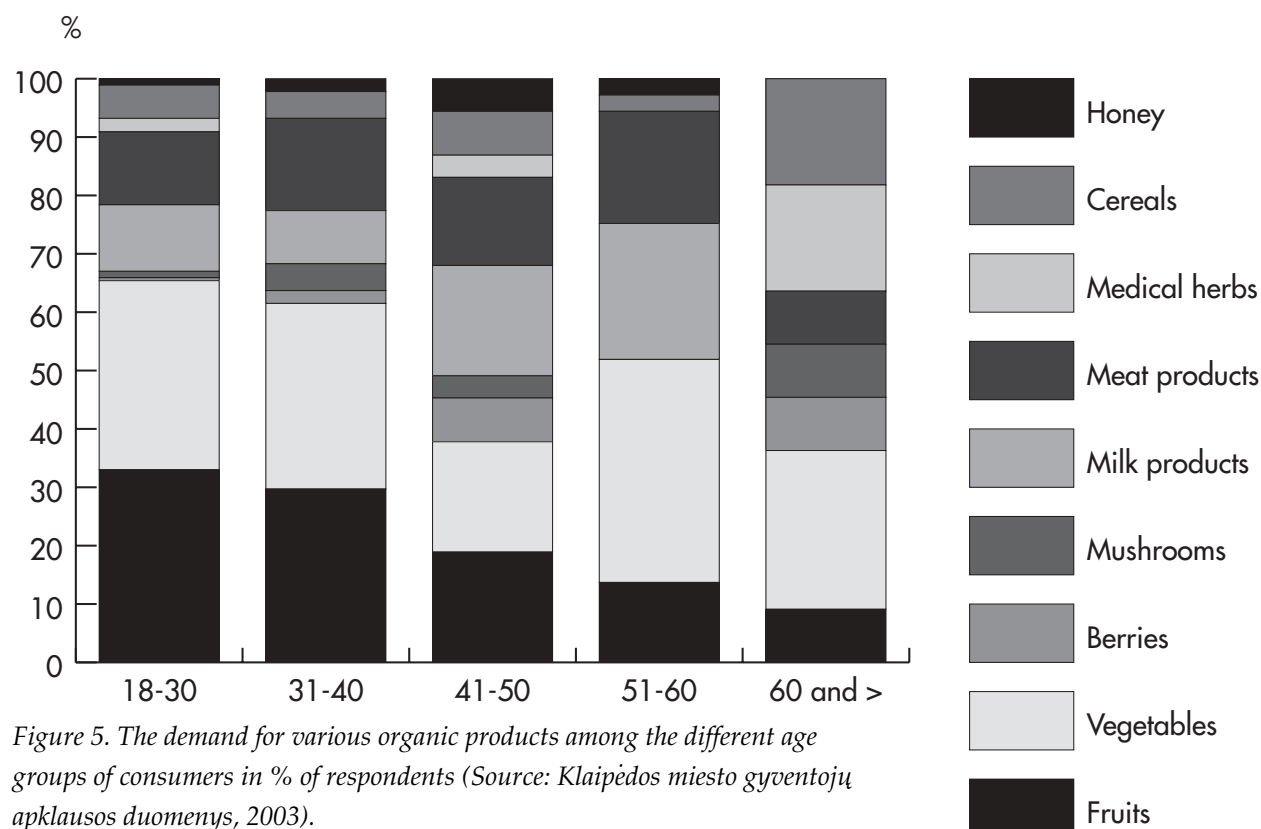


Figure 5. The demand for various organic products among the different age groups of consumers in % of respondents (Source: Klaipėdos miesto gyventojų apklausos duomenys, 2003).

One of the respondent-hospital kitchens said they would refuse to pay a higher price for organic food products, but the other two said they would be willing to pay a somewhat higher price for organically grown vegetables, fruits and milk products. The majority of kitchens in kindergartens and schools said they were prepared to pay a higher price for organic vegetables and milk products but the majority said not more than 10 % extra. Other public kitchens were in general not prepared to pay a higher price except for certain kinds of products.

Among individual respondents 55 % of the female and 25 % of the male-respondents said they were willing to pay up to 25 % higher price for organically grown food products. (See Figure 6.) About 66 % of the women-respondents and only 20% of the men-respondents consider it reasonable that organic milk products are sold for a higher price. Corresponding percentages for other products are: medical herbs - 62 % of the women respondents and 44 % of the men; honey – 80% and 27 % respectively. Concerning the price for meat and cereal products, most of the respondents (both men and women) are not willing to pay more than for conventionally grown products.

Also there is a large number of consumers (40 - 46 % of all respondents) who said they didn't yet know whether or not they are prepared to pay a higher price for organic food products.

The age of consumers is also important. There is a greater willingness to pay for organic food products among younger and middleage groups: eg. 57% of the 31 to 40 year old and 61% of the 41to 50 year old respondents. The majority (75%) of the oldest group (>60 years of age) didn't think so or hesitated to answer. This can perhaps be explained by the low incomes (pensions) this group is receiving. (See Figure 7.) Other age groups were less willing to pay a higher price for organic food products.

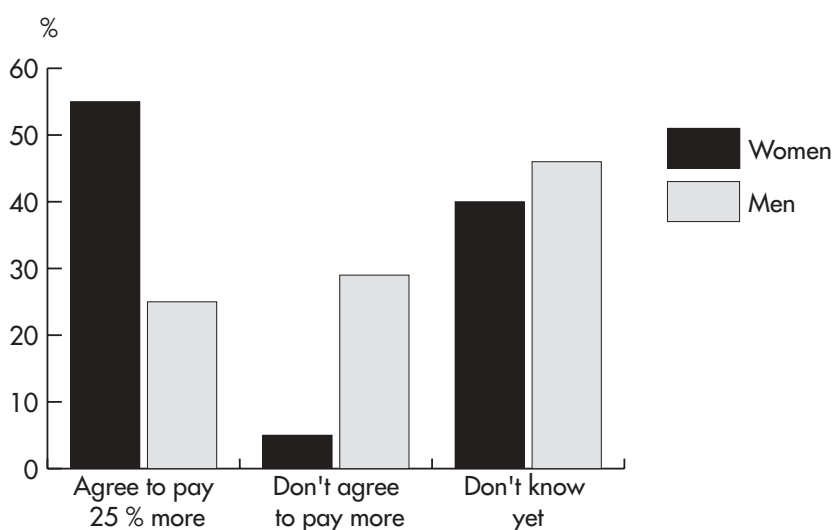


Figure 6. Attitude of men and women consumers to the higher prices (< 25 %) for organic food products as a % of all respondents (Source: Inquiry of Klaipėda population, 2003).

The two younger groups were better informed than older groups about where organic food products can be purchased. Best informed was the youngest group of respondents (72 %).

The respondents educational level also seems to influence their attitude to the price level: respondents with higher education (62 %) and university education (57 %) were more willing to pay a higher price for organic food products, while the majority (60 %) of respondents with primary and basic education were against it (Figure 8). However in general people with a higher education have a higher salary.

Higher educated respondents were better informed about where they could purchase organic products in Klaipėda: 70 % of all education groups were informed whereas 75 % of those with primary education did not know where to buy organic food.

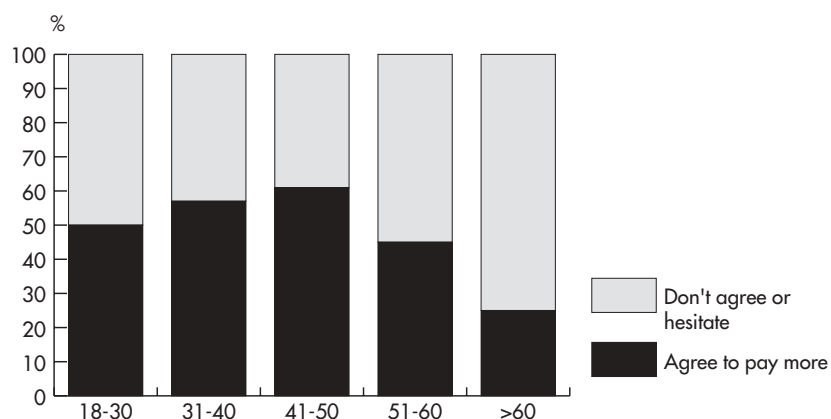


Figure 7. Willingness of respondents of different age groups to pay up to 25 % higher price for organically grown food products (Source: Inquiry of Klaipėda population, 2003).

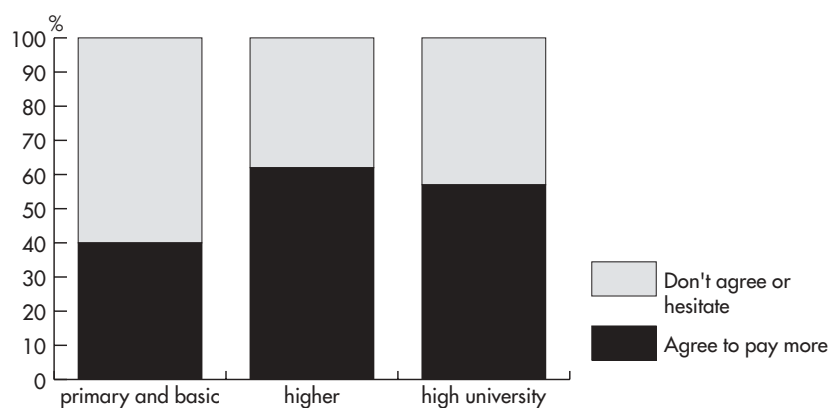


Figure 8. Willingness of respondents with different education to pay > 25 % higher price for organically grown food products (Source: Inquiry of Klaipėda population, 2003).

Discussion

The consumer surveys showed the differences in demand of local organic food products among the institutional kitchens by their category as well as among individual-respondents according to gender, age and education/disposable income. While it is worthwhile to continue consumer studies focusing on these aspects, more institutions with public kitchens should be included in studies.

The farmer-producer survey revealed one important local organic food market problem in the district – lack of processing facilities for some organically grown products like milk and meat. Research on different possibilities to solve this problem needs to be initiated.

This overview based on information from various actors about the situation in Klaipėda district reveals that an increase in the number of organic farms does not automatically result in a more vital local organic food market. This could perhaps be strengthened by providing economic stimulus and knowledge about the problems of the consumers, producers and processors.

Conclusions

There are good conditions for supplying Klaipėda town with organic crop products such as vegetables, fruits and cereals. There is, however, a shortage of the organically grown meat and milk available to consumers. This provides a possible direction for the new organic farms appearing in the region.

Women consumers have more information about where to purchase organic food and are more motivated to pay extra-price (<25% above the ordinary price) than men.

About 73% of respondent-institutions with public kitchens say they are willing to pay up to 5–10% more for organic products than for conventionally grown.

The sections of the population with only primary and basic education as well as older groups (more than 60 years) were less informed and hesitated to pay more for organic food due to economic reasons.

Similar studies will be conducted in other settlements and resort towns of the region. These will in addition give more attention to the producer-processor relationship.

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DEVELOPMENT OF LOCAL ORGANIC MARKETS AND OTHER ENVIRONMENT-ORIENTED ACTIVITIES IN POLAND

- The cases of Kluczbork, Bochnia and Zbiczno

Introduction

Polish rural areas have a very special character compared to the countryside in other European countries. Rural out-migration and intensive agriculture are still not common. Rather many small, multifunctional farms characterize the South and Eastern part of Poland and these provide employment for many rural inhabitants. This situation could change when the mechanisms of Common Agriculture Policy come into full force in Poland. These small farms could disappear because they are much less competitive than the huge European farms that produce cheap food with little respect for environmental and social aspects.

In this context, local initiatives that build on the social, environmental and culture/historical (traditional) capital can be one very important basis for nurturing a living countryside. The stories of Zbiczno and Kluczbork municipalities and Bochnia County are only three of many examples of local activities. They are unique because of the environmentally oriented policy of their decision makers and the cooperation among the different actors participating in the initiatives' development.

Ewa Hajduk and Maria Staniszevska

The Kluczbork municipality

Description of the municipality

Kluczbork is a rural municipality with its centre in the town of Kluczbork in the Opolskie voivodship, one of the sixteenth regions of Poland. It is located in the South West of Poland – 40 km from Opole, 96 from Wrocław, 205 from Poznań, 120 from Katowice and Łódź, and 250 km from Warsaw.

The total population of Kluczbork municipality is 39259 persons. About a third of the population lives in rural areas, including 24 villages. The average population density is 78 people/km². In Kluczbork town it is 184. About 61 % of the population is of productive age. The birth rate is 0,7 %.

The unemployment rate in 2003 in Kluczbork was 23.9%, higher than the Polish average of 18 %. The municipality's statistics show that 1407 (5,88 %) adult men and women were employed in the agricultural sector in 2003 - 275 on collective farms and 1132 on private family farms.

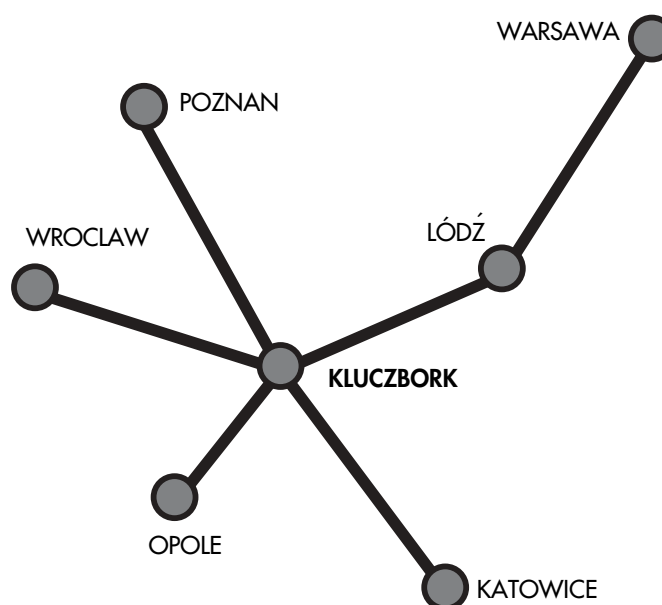


Figure 1. Location of Kluczbork municipality in relation to major urban centres.

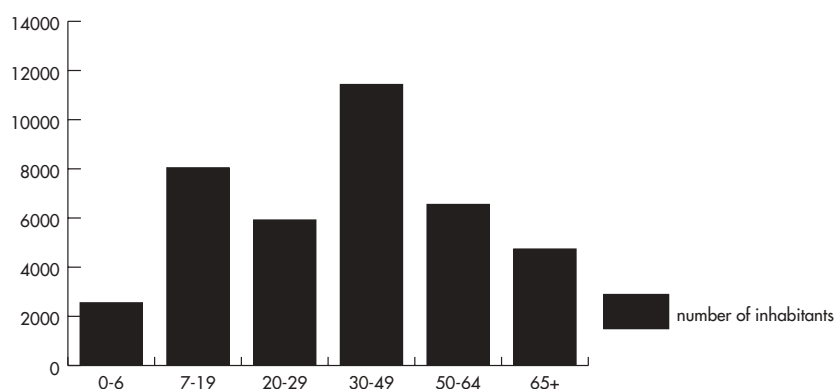


Figure 2. Population by age in Kluczbork municipality.

History

The development of organic farming in Poland started in the mid 80s but the real beginning of organic production was 1989 when the Association of Organic Producers EKOLAND was established and organic farms in Poland started producing. In Kluczbork the very first organic producers were Iwona and Janusz Źliczni. They began their conversion to organic production in 1990. For almost ten years they worked alone in this region, selling their products at the local market in Kluczbork and in their own little shop located in the town centre. In 1990 they also opened a small mill to produce organic flakes (wheat, oat, barley, and mixed, etc.) and flour. They survived due to their deep conviction about the importance of what they were doing and with very small support from outside. In time their approach, ideas and successes have convinced other farmers from the municipality that this kind of organic production could be a good way for earning a living and ensuring a livelihood in their rural area.

In 2000 the Polish government decided to support organic farmers by refunding their certification costs as well as providing them with production subsidies. This change in governmental policy made the conversion to organic agriculture both possible and profitable for many

more farmers and the number of organic farms in Poland has increased significantly during the past years. Polish accession to the European Union did not stop this process despite changes in the rules for conversion and subsidies.

The year 2000 changed the situation in Kluczbork also. Being inspired by the example of Śliczni's family, 5 other farms began the conversion process. This increase brought about new challenges. The lack of a developed distribution system for organic products as well as the lack of collaboration among farmers resulted in the new organic farmers having problems selling their products. They either had to take them to far-off markets, eg. in Opole, the capital of the region, or to sell them as conventional products, with no remuneration for their being organic. Fortunately at this moment new actors entered the stage which brings us to the present time.

Present situation

The Kluczbork initiative had its beginning among the farmers living there and it has been stimulated by the changing laws and policies at both the national and local level. It reached a point where a new catalyst was needed for it to develop further. This came from Śliczni. His idea was to connect all the organic farms surrounding Kluczbork with a bicycle path. This would create a unique opportunity for customers from town to get out and enjoy nature and at the same time communicate with farmers and buy organic products. In addition some farms had other services to offer customers, e.g. ecological education and horseback riding. So a bicycle path that provided access to all these products and services could be very attractive for the town citizens.

In the beginning of 2003 Ślicznis presented his idea to the municipal government and the Polish Ecological Club, City of Gliwice Chapter. Fortunately, it was a good time to come in with this proposal as both the Polish Ecological Club (PKE) and the Institute of Soil Science and Plant Cultivation (IUNG) were preparing an application to the Phare programme¹, in order to finance their activities in INRERREG project – BERAS. The Kluczbork initiative fit well within the BERAS program, so the activities in Kuczbork were included in this application. The project received Phare co-funding and after one year the first 20 kilometres of the bicycle path were ready and more farmers were waiting in line to join the initiative. Importantly this project brought together different actors: farmers, non-governmental organisation, the municipality and the advisory centre for farmers. A new application to receive co-funding for the new period of Phare financing was made. But in the new proposal the municipality plays a much more central role – as a project partner.

¹ Pre-accession funding programme to prepare these countries to use European funds. The year 2004 was the last year of contracting projects within Phare. The programme is still valid in Bulgaria and Romania.

The bicycle path is an interesting idea but as it has only been functioning for one year it is very difficult to say what its impact will be. The first observations show that the sale of farmers' products and services has increased. The success of this first year has prompted the municipality to further develop the bicycle paths around Kluczbork and include other places on the route. For example this year the new path will be ready that leads to the rural culture house that has a traditional bakery and smithy. Here visitors can bake bread and make medals themselves.

As a result farmers now have opportunities for training, promotion of their projects and a very friendly climate in which to develop their initiatives. They are improving their services and starting new initiatives together. For example they have had common booths at the fairs and together developed an educational package that is on offer to the schools. They have started to think about formalizing their initiative as an association as this would give them the possibility to apply for outside funding. Lots of things remain to be done: the area under organic farming is still very small, so production is not enough to meet customers' demands, the marketing channels still need improvements and farmers themselves need to be able to co-operate better.

The lesson learned in Kluczbork

The most important obstacle to the success of environmental initiatives in Kluczbork is the low environmental awareness of the society in general. This is also true for the whole of Poland. The Kluczbork story shows that without financial support and advice from outside development of organic agriculture is not possible. It took the municipal decision makers a long time to understand the benefits that could be won from the proper use of local resources such as organic farms, traditions and culture. This knowledge came both from outside as well as from the good example of Slicznis' farm. Also the customers' education has taken a very long time. Today their awareness is visibly higher, but there is still a gap that could be filled by the organic products if the customers' interest increased. In fact now-a-days organic production in Kluczbork municipality is not more than what could be sold locally. Since 2000, after the introduction of direct payments for organic production, the number of organic farms in Poland has increased rapidly with more than 100 % yearly. This is the situation in Kluczbork and in Poland as a whole. Unfortunately many Polish farms focus on export, as the EU prices for organic production are much higher. In this respect the Kluczbork initiative is unique, giving farmers the possibility to sell their products locally. The municipality has started to play a supporting role for the development of these initiatives by organising training, workshops and promotion events. Until now this strategy has been very effective.

Linked to this general lack of awareness, is the problem farmers faced of a very weak organic market. If they wanted to sell their

production as organic they had to transport it to bigger towns such as Opole, or even Silesia, approximately 100 km away. Failing this the only possibility was to sell their produce as conventional. This was one of the reasons why the Śliczni's family had decided to grow cereals and process them themselves. In the beginning of the 1990s they also had organic vegetable production but most of this had to be sold as conventional. Dry organic products such as flour and cereal flakes could be transported to the farthest places in Poland. Now the market for fresh products is increasing. There are more farmers interested in collaborating in selling their produce. For example they have organised common booths at fairs, etc. There are also more tools for developing a market for organic products in the municipality. The bicycle path built with support from the BERAS project is one such example.

The weak collaboration among the different actors responsible for the development of the municipality has also been a problem. For a long time organic farmers were not taken seriously and the authorities saw no need to support them. This situation has also changed. Since 2000 more farmers are interested in organic production because the climate for organic farming at national level has started to improve. But the really important collaboration between the most important actors – farmers and local authorities – started when the BERAS project started in Kluczbork. The project not only brought these bright ideas to the attention of the municipality, it also provided support for their implementation.

However the most important driving force has been and continues to be the first organic farmers in Kluczbork, the Śliczni family. They continue to play a leading role. Their examples and determination have given the real results.

So what is the lesson learned from the initiative? Providing outside start-up support to determined farmers with good ideas can be instrumental in moving from individual organic production to widespread production. This however needs to be followed up by the activities involving different actors, i.e. municipality decision makers, NGOs, schools, etc.

Bochnia County

Description of the county

Bochnia is small town located in Malopolska region, not far from Cracow (approx. 50 km east), the capital of the county. It includes the following municipalities: Bochnia, Nowy Wiśnicz, Drwinia, Lipnica Murowana, Łapanów, Rzeszawa, Trzciana, Żegocina. Its proximity to the Cracow metropolis, its pure environment (clean air and unspoilt nature) and its historical monuments (e.g. Nowy Wiśnicz Castle) provide the special possibilities for the county's development.

The majority of the population is employed in agriculture and forestry but the third largest employment sector, agro-tourism, is developing very dynamically.

The initiative

The Bochnia initiative differs from Kluczborok in several ways:

- The main initiator of this activity, in addition to farmers, is a group of people working for the Polish Ecological Club. They have actively participated in the county life, implemented their own ideas and worked with farmers and municipality decision makers.
- The initiative is much bigger and involves many sectors, such as agro-tourism and culture and not only organic farming.

This county-wide initiative is composed of many smaller projects, implemented locally:

- The organic food basket is an effort to stimulate the demand for local organic products. Each municipality of Bochnia county has its own 'basket of organic products' which can be ordered by the customers in Bochnia. These baskets are delivered every week to the customers' homes. There is a proposal to widen this project to include Cracow residents, but there are logistical problems that still have to be solved. The best-known basket is Lipnica's. Activists in the local chapter of the Polish Ecological Club received a grant to develop and promote it. The prices of the products differ considerably – while the unprocessed food have almost the same price as conventional products, the processed products can be even twice as expensive.
- Eco-museums have been set up by some farmers who wanted to organise places to exhibit traditional farm equipment for educational purposes. They organise lessons and workshops in the traditions of Malopolskie region countryside. These have become very popular among schools.
- The environmental education initiative is closely connected to eco-museums but includes more farmers. A few women farmers were trained in organising workshops and giving lessons to children. They have trained additional farmers and the idea of providing environmental education has spread throughout the county. This activity has proven to be a very good source of income for many farmers.

These activities are supported by the local governments, non-governmental organisations and the farmers' advisory centre. The local decision makers see the potential that organic agriculture and agro-tourism hold for improving socio-economic wellbeing.

The lesson learned from the Bochnia initiative

The Bochnia initiative faces similar challenges as the one in Kluczborok:

- Lack of awareness in society in general.
- Poor understanding by the local and regional authorities of the problems faced by organic farmers, initially.
- Lack of local market for organic products. Most have been sold in Krakow.

However there are also some important differences. The Bochnia initiative differs from the Kluczbork case in how it was started. Farmers saw the potential of organic production as a basis for developing their farms. From the very beginning they had the support of the Polish Ecological Club, Bochnia Chapter who helped them develop new ideas and find co-funding and the local advisory centre that offered advice on organic production.

The central lesson learnt in Bochnia concerns the importance of collaboration among the different actors to reach a common goal. All the activities carried out by farmers have been supported by grassroots organisations and/or the government advisory centre and have been implemented in collaboration.

Brodnicza County - Zbiczno municipality

The municipality of Zbiczno is situated in the eastern part of Kujawsko-Pomorskie region not far from the Poznan-Torun-Olsztyn highway. The nearest towns are Brodnica, which is seven hundred years old, and Grudziadz and Torun both medieval. Its total area is 13 290 ha of which 42 % is forests, and 9.7 % is covered by more than 30 lakes. Almost the whole municipality is situated in the Brodnickie Lake District area. It is part of the "Green Lungs of Poland".

The main source of livelihood for people in Zbiczno municipality is agriculture, tourism, small scale processing, crafts and services. There are 4 720 inhabitants and a registered unemployment rate of 12 % (564 individuals).

There are 1187 agricultural holdings (mostly family farms) spread over 5 457 ha of arable land and with an average size of 12 ha.

Organic farms and processing in the Zbiczno municipality

Organic agriculture in this region started in the early eighties. Today there are 8 organic farms with a total of 85.15 ha and a varied production. There is also a pasta processing plant in Zbiczno municipality owned by one of the farmers. This pasta processing plant in the small village of Pokrzydowo has been operational since 1991. The owner is Mieczyslaw Babalski, but the plant is run as a family business. Initially it was difficult to find customers in the village and neighbouring towns so they started selling their pasta and ecological products from other farmers (fruits, vegetables, juices) in Warsaw at eco-fests, Earth Days and other similar events. In this way organic farmers started to cooperate and a network was established.

By 2002 production had grown to 200 tons, and the plant employed three full time and two part time workers. The variety of products had also increased. Today they produce whole grain flour and pasta from wheat, spelt and rye mixed with herbs as well as wheat, rye, spelt and oat bran and pillows from spelt husks. The wholesalers from Warsaw, Gdansk, Szczecin and Łódź also collect products such as vegetables, juices and eggs from other ecological farms in the area. A few years ago

the whole grain pasta started to appear at the local market in Zbiczno and Brodnica. 2003 was an especially good year. Production increased by 40 %, they have new customers and two more people were employed at the plant.

The development of the organic pasta processing plant required increased production of organic crops. Mieczyslaw Babalski started to encourage neighbouring farmers to convert to organic production. Now there are eight farmers in the Zbiczno municipality with whom he collaborates closely. Their production ensures a constant supply for the plant and the plant in turn ensures the farmers of a ready market for their produce.

There is a growing consumer interest in organic food. Many people are concerned about their health and realize that organic products are better for them. The production from this pasta processing plant is too small to meet the demand from a growing number of consumers. New investments are necessary as well as more organic farms to deliver organic products. The site for the new processing plant has been purchased and the installation of equipment started this year. Additional farmers have received training and are in the process of converting to organic production. A new phase in organic food production and distribution has started.

The lesson learned from the Zbiczno initiative

The organic farms located in Zbiczno municipality have the longest history in Poland, as they have been operational since 1988. The development of organic agriculture has been a very slow process here and in need of a leader to drive it. The change came during the last three years. The number of organic farms and production has increased. Finally the years of educating farmers and general public have given results. The change is mainly a result of increased interest of farmers due to government subsidies, as well growing consumer awareness. However in Poland it is easier to sell both fresh and processed organic products in big urban centres like Warsaw, Lodz, and Gdansk than in smaller cities. This situation is the same in Zbiczno as in Bochnia and Kluczbork. Another similarity is the importance of cooperation between different actors and need of determined driving force like Mieczyslaw Babalski.

Summary

The cases of Zbiczno, Kluczbork and Bochnia show the necessity of collaboration of different sectors and stakeholders. Moreover all initiatives have had determined 'pinoneers' – in Zbiczno and Kluczbork they were farmers, in Bochnia it was a local association. All the initiatives are still in the initial stages of becoming a model for a sustainable solution for rural areas, but even now their positive impact on rural development can be observed. The small farms that participate in all initiatives are taking new initiatives and increasing the products and

services on offer. These farmers are collaborating in the marketing of their products and are using the CAP payments for sustainable development. These trends also give ideas for the direction of future developments. Increased local processing, improved local organic markets and provision of new services (eco-education, eco- museums, agro-tourism, etc.) are the most important aims to be fulfilled in the near future.

LARGE SCALE ORGANIC BEEF PRODUCTION AND REGIONAL MARKETING IN RURAL EASTERN GERMANY

- Opportunities and challenges

Holger Fischer and Martina Schäfer

Introduction

With the reunification in 1990 of the two German states the economic preconditions for the big state-owned farms in East Germany changed drastically. Many of them went out of business. Some of this land was taken over by entrepreneurs who started large-scale organic farms. Organic farms of this size were all but unknown to the well-established organic farming community in the Federal Republic of Germany before 1990. The problems these big organic farms encountered were not only different in scale. They were also of a completely different nature compared to the average-sized organic farm in West Germany. The Bio-ranch Zempow is one of these new large-scale organic farms. It represents a business that is not only economically successful but also one that has strong social ties with the surrounding community.

Background

In the late 1980s the concept of organic farming was quite unknown in what was then the German Democratic Republic (GDR). There was no market for such products, demand and supply were almost nonexistent. However, in West Germany as well as in West Berlin the demand for organic products was growing steadily. Whilst the number and area of organic farms rose to meet the demand in western Germany only a limited production was possible in West Berlin which was to that time an enclave in the GDR (and separated from it by the Berlin Wall). Consequently, the demand for organic foodstuffs in Berlin was met through imports from outside. The biggest wholesaler of organic food in Berlin, "terra", had (and still has) very good trade connections to West German producers some 200 kilometres from Berlin from where most of these domestic organic foodstuffs were 'imported'. Shortly after the reunification several steps were taken by the manager of "terra", Meinrad Schmitt, as well as others to encourage farms in Brandenburg, the federal state that surrounds Berlin, to start organic farming. These efforts have been successful to a certain extent. For example the biggest biodynamic farm in Germany, Brodowin (2000 ha, 300 milk cows) is about 50 km from Berlin and today its dairy supplies much of the organic fresh milk that is consumed in Berlin. However organic fruit and vegetable production around Berlin can still not come close to meeting the demand in the German capital.

It was at this time (1992) that the Bioranch Zempow was founded

by Wilhelm Schäkel Sr. and his son Wilhelm Schäkel Jr. The farm today has a total of 690 ha of which 170 ha are under permanent pasture. The farms keeps 300 mother cows and all the calves stay on the farm until they are old enough to be slaughtered or to be taken into the herd for breeding. Besides its main product, beef, the farm also produces Jerusalem artichoke or topinambur (*Heliantus tuberosus, L.*) on about 20 ha. A total of nine people are employed on the farm.

The “Bioranch” forms the base for sustainable economic development in the municipality of Zempow.

Zempow, a small village with 140 inhabitants, is located in the northern part of Brandenburg about 75 kilometres from Berlin. It borders on the federal state of Mecklemburg-Lower Pommerania. By German standards the population density is very low, as is the average income. The potential for local organic beef consumption is very low.

The Situation today

Economic

The Bioranch Zempow itself, today, consists of several enterprises and initiatives (See Figure 1.) These include: the Zempow farm, the village tourism Zempow, the two companies which produce energy from woodchips and supply energy on contract, the association which manages the riding activities and the Umland e.V. – an association which initiates natural and environmental protection measures.

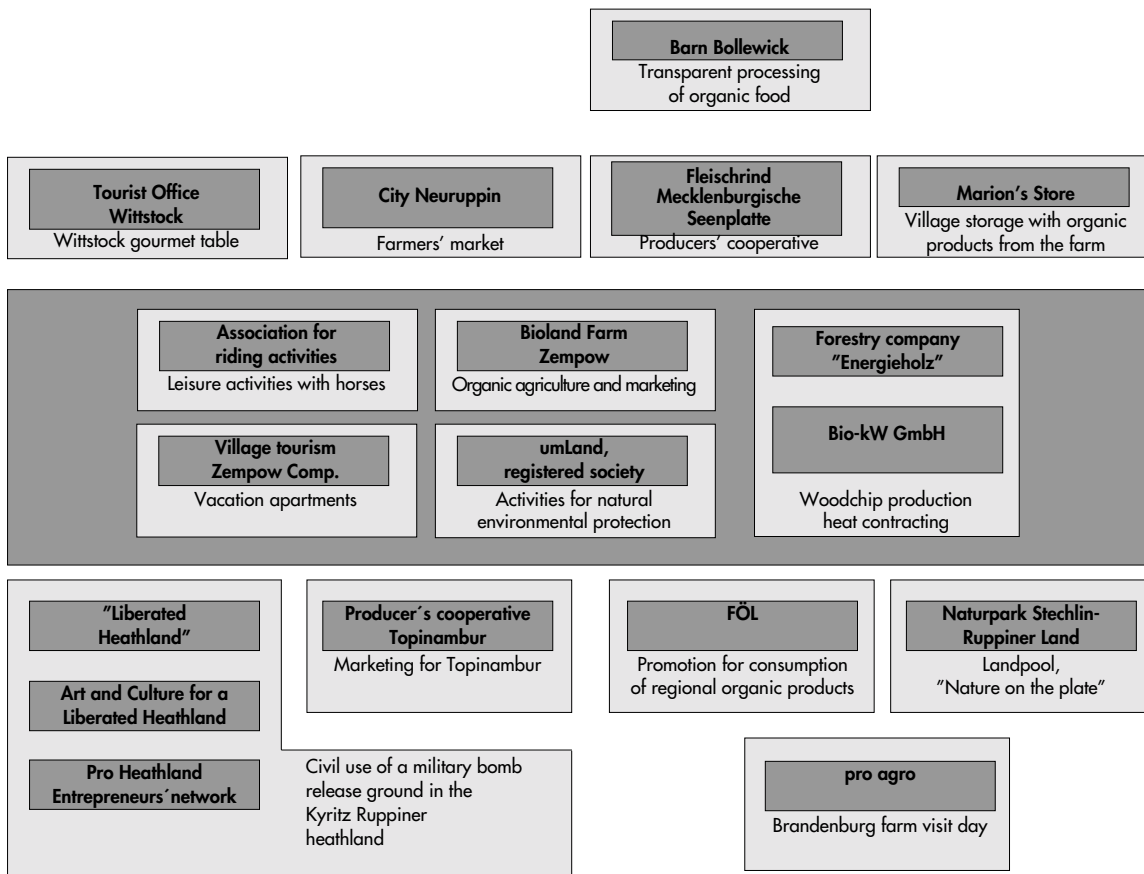


Figure 1. The Bioland Ranch Zempow and its regional contacts.

In addition to these different organisations Bioranch Zempow also has a lot of links to local and regional organisations and institutions. Different activities are carried out together with one or several local actors in varying alliances. These include regional marketing activities with the city of Neuruppin and collaboration with the tourist office in Wittstock and the natural park. One focus is to raise the interest among the local and regional gastronomy businesses for regional and organic food products. Another focus is on facilities for sale of regional organic products, for example at farmers' markets and in local shops. Another important project is a regional facility for slaughtering and processing organic meat that is presently under construction.

The Ranch is also working to improve relationships between consumers and producers. To this end they are cooperating with the regional organisation for agricultural marketing (pro agro) and with FÖL (Fördergemeinschaft Ökologischer Landbau), the association responsible for consumer information that is located in Berlin. A relatively new production branch, the Jerusalem artichoke is being marketed by a producers' cooperative.

The Ranch has been successful in creating jobs in different fields. In addition to the Ranch owners family members around 25 jobs have been created for people from the village and the surrounding area. Their wages have been partly covered for a period of time by the federal employment agency. This support allows new enterprises to become established and reach a certain degree of economic stability while also being able to employ adequately trained staff from the beginning.

Regional marketing remains a challenge in this region with low population density and low income. The good prices the Ranch has received for their meat products from high quality stores in Northern Germany have been used to help finance diverse activities with the aim to develop a regional market. The manager of the farm and other regional actors are especially active in motivating regional high quality hotels and restaurants to purchase organic and regional products. In 1999 a farm store in Berlin was started as a cooperation between the Ökonetzwerk Müritz-Rupin and the, at that time, main purchaser of beef from Zempow the butcher Buchheister in the federal state Lower Saxony. The farm store existed for two years. It was then closed because of too low business volume. However the local store in Zempow offers organic products from the farm and has regular customers from close by and as far as Berlin who use this facility. Additionally many tourists that stay in the village and especially on the farm itself take the opportunity to buy local products at the store. The decision of the shop owner to sell organic products in the village store is a good example for a win-win-situation: on the one side the village store – that was in danger of being closed because of low business volume before – could be stabilized by new costumers, on the other side the Bioranch Zempow found a place to market regionally. The second main product of the farm – the Jeruasalem artichoke – is processed in the region. The products, including

juice and sweetener, are, however, sold nationwide and even abroad.

Social/socio-economic

As part of the BERAS project 14 people were interviewed. They included farm workers, inhabitants of Zempow, the farm managers themselves as well as key figures of local and regional politics as for example the former mayor of Zempow and the deputy mayor of Wittstock the city to which Zempow now belongs as an administrative unit. Also the head of the natural park that is close to the Zempow farm and the shop owner of the village shop were interviewed. Most of these people feel that the Ranch is very well integrated and accepted. This is a considerable achievement because the managers and their wives come from 'outside' (from West-Germany). Also they have experimented with concepts that were completely new for the local inhabitants: organic agriculture and the production of renewable energy.

The Ranch owners have worked hard to establish close contact with the people in the village and the region and have initiated several activities to strengthen acceptance and local participation. One of these is the village cafés that have provided an opportunity to discuss urgent local topics (e.g. wastewater treatment). The Ranch also is very active in organising feasts and other cultural events.

Another very important activity that has helped them to gain regional acceptance is their engagement in a grassroots movement that is working to prohibit the reactivation of a military area in the region that is to be used as a bombing ground. In addition to the popular movement, a network of entrepreneurs has also been founded to articulate the economic risks such militarization would have for both tourism and agriculture. They have also made an analysis to show that there are profitable alternatives to the military use that at least offer as many job opportunities as the reactivation of the bombing ground. By being very active in establishing this network, the managers have established a lot of new regional contacts. Many people have been involved in this struggle so it brings together those who have lived here for generations and the 'newcomers' from other regions.

Another ambitious project was started last year. It is the foundation of a 'food academy' in an old farmstead in Zempow. The aim is to renovate the farmstead and to establish a school for healthy living in this building. The target group will be adolescents who will learn about nutrition, health and agriculture. Once established the building will be able to board at least one school class (30 persons). Each class will stay one week. The program to be offered will include education about the nutritional value of different foods and how to prepare a healthy meal. Equally important it will give the visitors a view of the whole food chain from the farmer's field to the consumer's kitchen. There will be an experimental kitchen for the pupils, a demonstration garden and a regular classroom.

This the project is one of the results of an ongoing discussion in

Germany about how to improve eating habits of young people and reverse the trend of the increasing numbers of young people with obesity, eating disorders and related health problems. The willingness of health insurance companies and the national ministry of health to make sufficient funds available for projects in this area is increasing. The head of the umland society has already taken the opportunity to get funding from the EU social funds for a six month salary making it possible to elaborate a concept for the food academy and to work out applications for further funding.

Obstacles to overcome

The obstacles the Bioranch Zempow faces in its day to day operation and in its mid term and long term development fall in different categories. They range from issues dealing with hygiene restrictions in meat marketing to possible changes in production structure in consequence of the EU CAP (Common Agriculture Policy) reform. The categories can be divided as follows:

Political

Up until now the effects of the EU CAP reform, which no longer links agriculture subsidies to production levels, are hard to predict for outsiders to the farm as well as for the farm managers themselves. Because marketing of processed products like organic meat is difficult, it may make more economic sense for farmers to give up the cattle and meat production and concentrate on landscape conservation. This would however change the character of the Ranch completely and undermine many of their regional development efforts.

Some of the projects the Ranch has started – like the farm garden and nature trails – could not be continued. They lacked funding as well as people willing to take responsibility for the project and carry them beyond the limited financial support granted by the federal employment agency.

Policy decisions if pointing towards the right direction can very much support or in reverse hinder engaged persons in realising their regional development projects. The main challenge is that these projects often integrate issues of different sectors – for example agriculture, nutrition, natural protection and caring for neglected adolescents. Policy and administration are, however, still organised by sector and sometimes are not able to support multi-sectoral projects of this type. A good example for this is the planned facility in Bollewick where a working group with members from different ministries of the federal state of Mecklenburg-Lower Pomerania (Agriculture, Tourism and Economics) is trying to find the best way to bring the project forward. The farm manager very much praised the good atmosphere in the meetings and compared it with a less cooperative attitude in Brandenburg (where the farm is situated).

Market and marketing related obstacles

The marketing structure of the farm is still not satisfactory as it remains dependant on far-off markets. Although almost all of the beef produced can be marketed for good prices as organic, much is sold outside the region. In this respect the large size of the farm is actually part of the problem. The volume produced by the farm is so big that it is difficult to market locally. There are various reasons for this. Both the limited number of local residents and their low income level mean that the number of potential customers is not very high. Also the concept of selling meat packages, i.e. quarters or eights, to single consumers, a strategy that has worked well for many smaller organic and non-organic farms, does not work well for a big farming enterprise like Zempow. It is very labour intensive and too costly as the packing and distributing is done by salaried employees and not by the farmer and/or his wife.

The same problem of scale is encountered with the production of the Jerusalem artichoke. The processor wants a certain quantity of products so he can produce economically. However, this economic production greatly exceeds the regional market uptake. Consequently, the surplus is exported.

Social/social economic obstacles

Many local residents still compare the Ranch with the former state-owned farms that had the responsibility for organising rural social life. It might be worthwhile to communicate the differences more offensively so that local residents do not continue to have unrealistic expectations.

The time the managers spend giving lectures or doing scientific research or participating in conferences, etc., could be reduced in order for them to have more time for their core tasks. However one of their strengths has been their network of contacts that has kept them well informed about actual trends. This is an important advantage that should not be given up.

Summary

The concept of combining agriculture, tourism and energy production so far seems to have worked out well for the Bioranch Zempow. These different branches stabilise each other and there are synergies between them as well. For example, tourists are motivated to buy organic food and some of the consumers of the products become interested in spending their holidays on the farm. The use of renewable energy for heating gives a good example for the visitors of the farm. It creates income alternatives for the farm business and improves the labour-utilisation of the farm workers during the winter.

In addition to the Jerusalem artichoke it might be worthwhile to consider growing other vegetables in order to broaden production. Up until now there are not enough organic vegetables produced in the region to meet the Berlin market demand. So regional marketing of vegetables would probably be easier than meat. Such diversification

would, however, require additional persons.

The Ranch is active in promoting new projects like the slaughtering and processing facility in Bollewick, a village about 20 kilometres from Zempow and the food academy in Zempow. The success of these projects will depend to a large extent on whether persons can be found that identify themselves with these projects and are prepared to promote them in an initial phase without gaining a regular income.

In addition to problems caused by the lack of cooperation between the different departments within and between ministries another difficulty is for enterprises to understand the funding structure of the different levels and institutions. A centre of information that can provide an overview about what is available would be very helpful. Then people seeking assistance at different administrative units could be referred to this centre for help.

If sustainable development is the main vision for Europe the integrated trans-disciplinary approach has to also diffuse into the administrative structure. Administration could also try and be flexible and make decisions in support of innovative experiments. Many good projects have been abandoned because of narrow minded administration.

It is thus a continuous task to raise awareness about the important role enterprises like the Bioranch Zempow can play for sustainable regional development. Many of the interviewed claimed that the existence of the Ranch has changed the perspectives of the village in a very positive way. Enterprises like these can have the function of a “crystallization point” which evokes further economic, social and/or ecological engagement in the region. The Ranch has helped several persons find new professional opportunities. It has also been active in the creation of regional networks. Especially in marginal regions with little industrial perspectives politics should strengthen initiatives of this type.

DEVELOPMENT OF JÄRNA ODLARRING - a local economic association of Järna farmers

The local ecological farmers in the Järna region have worked to improve their cooperation with each other. The BERAS project has supported this initiative. Their goal has been to make local organic food products available on the local market at prices that are sustainable for both the producers and the customers. This report describes the challenges that Järna Odlarring (JO) has met and how they have tried to deal with these obstacles to development.

*Hans-Petter Sveen and
Leif Holmberg*

JO works with three main types of local organic products: a) fresh vegetables, b) beef meat and c) processed meat.

The primary market for JO is the local market in Järna and its surroundings, including Hölö and Mölnbo. Approximately 13 000 people live in this area. The secondary market is the shops and restaurants in Stockholm where JO also delivers products.

The first years' development

Järna Odlarring¹ is a farmer owned cooperative association that was founded in 1998 by the 5 biodynamic farms that were operating in Järna at that time. Their main purpose was to market and sell the members agriculture products locally. They began with meat products because these had been very difficult to sell through the ordinary market channels. They cooperated with a local butchery in Nyköping, Stigtomta Slakteri, and developed a label, "Järna Meat", for labelling their products and creating a brand. In 2001 JO, in cooperation with the County of Stockholm and their LBU (rural development grant program), received financial support to further develop the local market.

In 1999 JO started local cooperation between 5 vegetable farmers, the Initiative locally grown² (Initiativ Närodlat) and Biodynamiska Produkter. The vegetable farmers applied for membership in Järna Odlarring and developed a label for their vegetables, "Järna Green", based on the label of Järna Odlarring. Membership in JO was a condition for using their label.

Their idea was to harvest on demand from their gardens and deliver field-fresh non-stored vegetables to the local institutional kitchens and shops. The key to this system functioning well was the existence of a logistical centre that had an overview of the possible daily harvest in

¹ A more detailed description of Järna Odlarring is found in the first BERAS publication (Seppänen et al, 2004).

² See paper on Initiative locally grown by Hans von Essen in this publication.

the fields and could link this with the orders from customers. Nådammar, one of the vegetable farmers, filled this function.

From 2002, JO took over the operation of the vegetable delivery system at the request of the farmers. This same year JO, in cooperation with the foundation and owner of Skilleby Gård, Stiftelsen Adda Svennedals Lantbruksfond and the vegetable farmers on Skilleby Gård, Skilleby Trädgård HB, built a vegetable storage with packing rooms. JO received support from the Swedish Authority for Agriculture in the form of a 'processing grant' that covered 30 % of the costs.

In August 2003 a new van was purchased to meet the increasing transport volumes of locally produced and distributed vegetables. The beginning of August until the end of October was an intensive period of cooperation to sell their products on the local market. During this time JO further developed the administration systems for handling the storage. To ensure flexibility they developed a system where the products remained 'stored' on the land. The producers harvested directly based on customers' orders. The management of this 'harvest on demand' was the key point, both to ensure that all producers received an equal share of the orders and to have a clear overview of the vegetables available in the 4 different gardens.

Evaluation of the situation in the spring of 2004

After a few years of activity JO felt the need to evaluate the situation and see what they had achieved, better understand the main obstacles they were facing and the possible solutions to improve the system. These were also central questions for the BERAS project, which decided to help JO financially to carry out this evaluation. The interest from the side of BERAS was to document the obstacles and possible solutions. The group of farmers reached an agreement on a few questions central to their work that would be further elaborated and evaluated in the spring of 2004. These included:

1. What financial results have been gained?
2. Have the customers been satisfied?
3. How has the return-packing system worked?
4. How has the storage, collection and distribution system worked?
5. Have the farmers been satisfied?

Information from the evaluation

1. Financial results:

The analysis is based on the sales figures and bookkeeping reports from activity in the association during 2003. This is nearing the end of the period of cooperation with the County of Stockholm (2001 – to June 2004) and the evaluation would show if the JO business had achieved financial sustainability.

- Järna Grönt Business:
 - Situation: Yearly turn over 2003 showed a growth of 90 % from

2002. The marginal had been fixed at 20 % in 2003 and financial result showed this was too low to cover overhead costs after transport and packaging.

- Solution: JO decided to raise the total marginal to 30% for the season 2004. A number of additional activities to increase capacity and efficiency were proposed. These are described in Project 1 below.
- Järna Kött Business:
 - Situation: Yearly turn over 2003 showed a small decline and a lower profit. The prices had remained constant since early 2002.
 - Solution: JO decided to raise the prices with 15 %. Development of new products for higher volumes and better logistics was proposed. A working-group was established and after 4 weeks they had identified 5 new products. The management planned to develop these for introduction on the market in the spring of 2004. This is described in Project 2 below. Negotiations were started with producers and market designers in preparation for the sales start.

2. *Were the customers satisfied?*

No systematic evaluation of the customers' satisfaction has been made. However JO has received a lot of very positive feedback from customers. They particularly mentioned the high quality, freshness, taste and long shelf life of the products.

3. *How did the return-packing system work?*

Situation: Fresh vegetables had mostly been packed in boxes of wood, plastic or carton that were disposed of after being used once. These packages were causing a mountain of waste. In the spring of 2003 JO introduced a reusable box in hard-plastics to the customers. This worked well and customers returned these boxes for reuse.

Solution: In the spring of 2004 JO bought 200 additional reusable boxes. This has lowered the amount of waste and will in the long run cut costs for JO.

4. *How was the logistical system working?*

Situation: The logistical system had low efficiency in terms of transport. The good quality service to customers compensated for the limited selection of products on offer.

Solution: In 2005 BERAS will make an analysis of the energy efficiency of the transport system.

5. *Were the farmers satisfied?*

This is a rather philosophic question for farmers who, as a group, are renowned for never really being satisfied. However they were able to identify some positive and negative aspects of the local ecological

production system:

- Positive:
 - + Direct feedback from customers – both positive and negative.
 - + Finding their own products in the shops.
 - + Direct influence over prices.
- Negative:
 - New administrative demands required system development. The work and management routines needed continuous development and improvement due to new situations, new customers, new demands, etc. All these constant changes created disturbances that also affected the work on the field for the individual farmer.
 - The system was not flexible enough to handle short-term production peaks resulting in oversupply, i.e. lots of sun → lots of tomatoes on a small market.
 - The time for harvesting, between receiving the order and expected delivery, was too short.

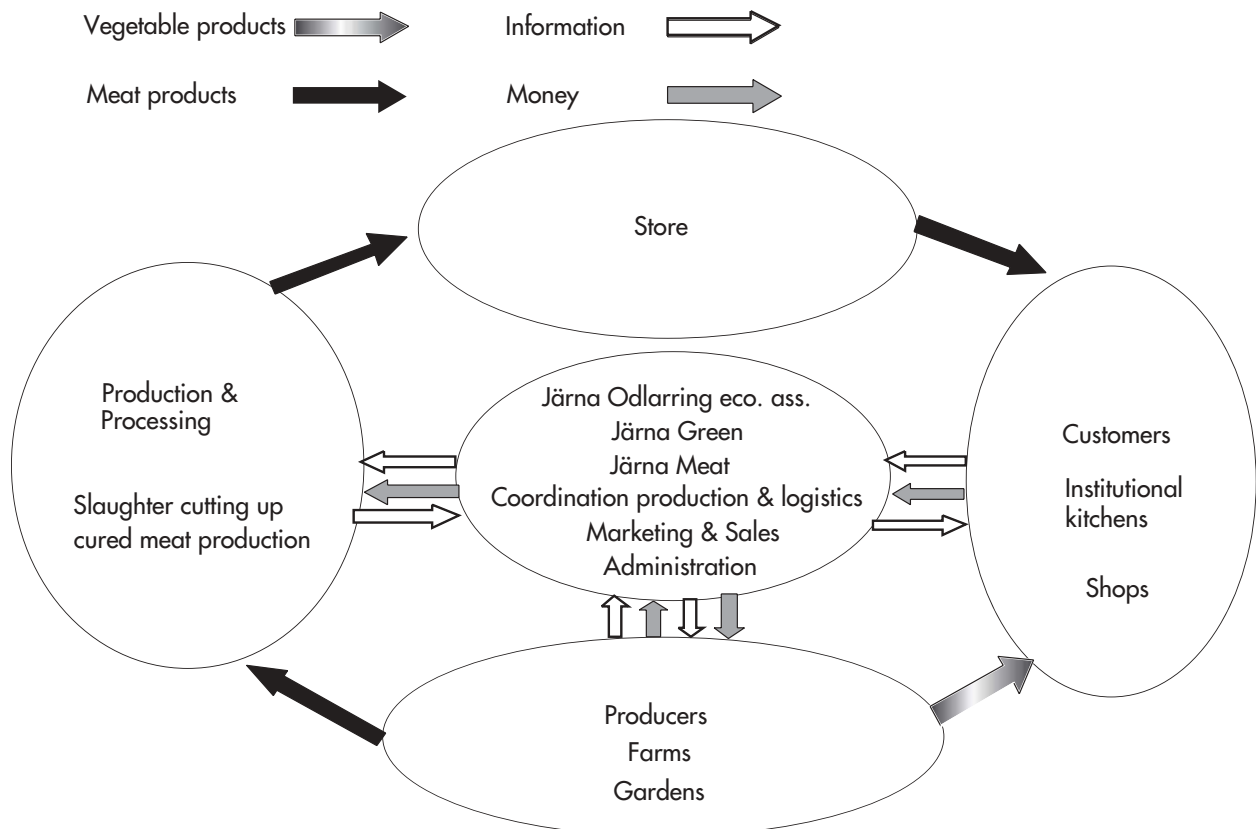


Figure 1. Flow chart of Järna Odlarring Economic Association.

Project 1: Development of the vegetable range, processing, storage and general work conditions

In meetings that JO arranged with their vegetable producers during the season to discuss work conditions several issues were identified. These included: volumes for the coming season, selection of vegetables to produce and possible profit, producer and consumer prices, logistical aspects and delivery schedules, handling short-term over production, transport by producers, vacation and summer holidays, processing possibilities.

Based on the discussions several decisions were made to alleviate or solve some of the problems that members of JO had been facing. First and most importantly a new pricelist was made both for consumers and producers. These prices increased the marginal income for JO so they better covered the running costs.

They also decided to standardise the delivery system and the following delivery schedule was agreed upon:

- Stockholm: Monday and Thursdays
- Järna: Tuesdays and Fridays
- Wholesaler: Wednesdays

Due to changes in the seasonal range of products, a certain flexibility in the delivery routines was expected from the office and the producers.

The short-term overproduction of, e.g., tomatoes was to be solved by introducing refining processes. The most probable would be to make tomato purée. It would be simpler to can crushed tomatoes, but that would give a lower income. The high most income generation would be from the sale of dried tomatoes but this would also require the biggest investment. Due to lack of premises meeting the standards set by the health authorities and the financial resources to build these it were not deemed possible to organise this before the coming season. For this season JO would try to handle the overproduction by selling it to the conventional market.

Holger van der Woude, the farmer on Skäve Lantbruk, took the responsibility for the transportation management. Requests for transport were to be made by fax to him and he would organize drivers, fuel and vehicle maintenance.

After the evaluation a set of additional issues that needed solutions remained.

- There is a misfit between supply and demand on a local market:
 - The main customers are shops and institutional kitchens. They all buy fewer groceries during the general summer vacation in Sweden ordering a minimum during the month of July and the two first weeks of August. This coincides with period of peak production on the vegetable farms.
- There is a need to improve the storage in the shops so the high quality of the delivered goods is maintained.
- There is a need to inform customers of variations in delivery because

of weather, the reason for higher prices compared to imported vegetables from central Europe and the wider socioeconomic benefits of local production to the local community.

- There is a need for objective quality parameters as a basis for setting product prices. What parameters are appropriate and how can these be set?
- How can start-up efforts to maximize the quality of products be financed despite the small quantities that are being produced?
- How can the ordering and sales system and the administrative demands linked to it be optimized?

Project 2: Local ecological processed meat

The financial reports from the year 2003 indicated that increased turn over was needed to bear the costs of the association and cover overheads. The Board of the JO decided to look for new products that fit with their profile on the market.

In February 2004 the board decided to develop 5 types of sausages for introduction to the local market. The following criteria were set to ensure the quality of new products:

- The basis for the label is JO's first label (1998) for ecological meat. It was used for products from producers who were not yet approved by the Swedish Demeter Association.
- The lowest basic level of quality on primary products should be the KRAV label (Swedish label for organic products) or the equivalent.
- During the start-up phase primary products could be bought through ordinary market channels.
- As soon as possible the primary products should consist of locally produced and Demeter approved production to maintain the profile and identity of safe and known local production.
- Products with the JO label should only be sold to the highest quality producers and used in the best recipes.

Identified steps in the working process

Step 1:

- Decide on products.
- Find a producer.
- Develop the logistics and test the system.
- Finding of a professional to guide marketing and label development.
- Find primary products with desired quality standards.
- Test production and introduction.

Step 2:

- Identify and make an agreement with the local producer of the primary product.

Step 3:

- Make it economically interesting for the new producer to convert

his production to Demeter certified to maintain quality of products delivered to JO customers.

The following working process was actually implemented in the end:

August 2004

- 5 different types of sausages well known on the Swedish market were chosen as new products from JO.
- A producer of processed meat was found and preliminary negotiations were initiated.
- A graphic designer was found and preliminary negotiations on sales materials and labels initiated.
- The graphic designers proposal was produced, went through several proof readings and further developed.
- Follow-ups and calculation controls of profitability of the products were made.

September

- Tenders for labels were called for.
- More proof readings of proposal were done.
- EAN codes were ordered.
- Labels were ordered.
- Motives for sales material were photographed.
- The prices of products were calculated.

October

- KRAV approved the label.
- Labels were printed.
- Negotiations with a local producer of ecological pigs were carried out concerning buying his products and checking his interest in becoming accredited as a biodynamic producer.
- The first proposal of an information folder was developed.

November

- The different products were photographed for the folder.
- The selling and production were planned.
- Adjustments were made to price calculations.
- The first test introduction of products was carried out.
- The first locally produced pork was purchased.
- New pork meat products were planned.

Summary

Managing a local marketing system with several small farmers requires clear routines and clear management. One of the central obstacles has been how to cover overhead costs and at the same time ensure that a substantial amount gets back to the producers in payment.

Transport logistics is key when one is dealing with produce such as fresh meat and vegetables. Without an efficient transport system the whole system fails. In a situation where small volumes of produce are continuously being collected and delivered transport becomes very costly.

Developing new processed products such as sausages for a local market requires a lot of time and investment. Despite the process being well planned by JO it has been very tough to get through all the steps.

THE “BONDENS EGEN” PROJECT

What is the “Bondens Egen” project?

“Bondens Egen”¹ is Swedish for “Farmers Own”. The goal of the “Farmers Own” project is to regain the direct link between farmer and consumer to improve communication between them. At the core of the project is the question of identity. Local farmers create an identity individually, as a local group and as being local farmers and learn to communicate this identity and use it as a marketing tool. It is about farmers learning to reclaim their identity as food producers from food industry and its brands (See also Naomi Klein “No Logo”). It is also about farmers learning to cooperate with each other and with other professionals in a trustful way and without giving up their integrity.

Hans von Essen

For example the farmers who participate in the “Farmers Own” market in Stockholm have decided that only farmers within a 250 km radius from Stockholm centre can participate and that the farmer or a farm co-worker must stand at the booth and meet the customers directly. Other towns have their own rules. The rules are flexible to fit the dynamics of the situation. For example when availability of products increases the criteria for participating may become narrower. Another example: The farmers around Flen, a city within the 250 km radius of Stockholm, are considering withdrawing from Stockholm and creating a nearer market. If this is successful it will affect the Stockholm market, but it is difficult to predict how.

The intention of the initiator – John Higson – has been to register the name “Bondens Egen” and give the right to use it to the actors themselves. Higson has been inspired by the Farmers’ Market project in USA and Great Britain and has added his own specific marketing competence to further develop this initiative.

Why was this initiative started?

All over the world terms such as “farmers products” or “local” or “farmers’ shop” are used without any clear definition of what they mean. The good name of “farmers” and “local” are in this way stolen by initiatives that often help neither farmers nor local development. Farmers are forced to sell to monopolistic dealers who are pushing the price down to unrealistic levels. In such a situation their products become anonymous. Farmers lose control over and responsibility for the quality of their products. Consumers feel cheated and lose trust. This situation is driving many ERA² farms out of business.

¹ This paper about the Bondens Egen or Farmers Own project is specifically discussing the initiative of John Higson and his company in Sweden. The Swedish term Bondens Egen will be used when specific issues of legal rights are being discussed and the English term Farmers Own when referring to the idea.

² ERA farms = Ecological Recycling Agriculture Farm. This is an organic farm with a balance between crop production and animal husbandry so that it is almost self sufficient in fodder and manure.

The goal of the “Farmers Own ” project is to take back the initiative and create real market communication where farmers are stimulated to produce what consumers really want – fresh and tasty products and lots of variety. The idea has been to let this real market dynamic loose.

What happened?

When John Higson, who prior to 2000 was working as a Trade Mark builder for different transnational corporations, discovered the Farmers’ Market in London he understood that they had created something that Trade Mark builders were dreaming about – a relaxed mood of customers in a buying situation. However, they lacked formal protection of their good name.

Higson began his actions by registering the name “Bondens Egen” in his own company John Higson Ltd, expressing to business partners his intention to give the name away. The first Bondens Egen market was launched at a market in Stockholm in the autumn of 2000. This initiative was a great success and in 2001 it grew to include Farmers Own Markets in eight Swedish towns. Today there are Farmers Own Markets in twenty towns and a Farmers Own shop has recently opened in Stockholm, In addition, a Farmers Own restaurant is about to start, a web based Farmers Own distribution system is in an advanced stage of planning and two elementary schools are in an early planning stage.

In 2001 one of Higson’s first business partners LRF (Swedish Farmers Union) offered to buy the right to the name Bondens Egen and Higson refused to sell it, because he did not think that the LRF was a representative of just farmers. LRF represents not only farmers but also the food industry in Sweden, which is the main antagonist of the Farmers Own idea. When Higson refused to sell LRF attempted to block registration of the name “Bondens Egen” and the legal suit is still going on. In 2001 Higson offered to hand over the ownership of Bondens Egen to the national Bondens Egen Marknad non-profit organization but the young organization did not feel itself to be ready for the responsibility. John Higson has asked that the future owner of the Bondens Egen name will take responsibility to pay back the costs for the legal process to John Higson Ltd.

The idea to have a whole Farmers Own setup that includes markets, a distribution system, shops, restaurants, box deliveries and schools all with the common name Farmers Own and simultaneously in Stockholm, Malmö, Göteborg, Bristol (UK) and Aarhus (Denmark) was launched in 2003. The “Global Monopoly or Local Possibility” conference in Järna in September 2003 added new dimensions to the idea. Krakow (Poland) was added to the list of interested cities and an active group in France began to contact similar movements in the Mediterranean area. Nicandor Perlas a civil society leader from the Philippines was one of the speakers at the conference. He and Dr Ibrahim Abouleish from Egypt were both awarded The Right Livelihood Award in 2003. This extended the networks and the bonds between a range of

activists over the whole world. The basic ideas behind the Farmers Own project landed in Perlas' organization GlobeNet3 (www.gn3.com) and thereby became worldwide. The Farmers Own shop in Stockholm began to operate in 2005 and the Farmers Own restaurant is now about to start. A web based distribution system is in an advanced stage of planning in Stockholm and Malmö and two elementary schools are well on their way. The plans are, with Malmö as lead partner, and when the system works in Sweden, to offer the web based distribution system in Great Britain, Poland and other countries in Europe. The idea is to make sure local actors are able to handle the system and then give it to them.

Ownership and identity

Ownership and identity is at the very core of the Farmers Own project. When farmers sell their produce as anonymous products to the processing industry they actually give away their identity. The food industry that has taken over the identity building work can dictate the price to the farmer pointing at international competition. It can also dictate to the consumer both price and what products are available. Taking back an identity that once has been lost is hard work and requires a high degree of self-esteem and integrity. If they lack this an employed managing director or an expert easily manipulates them using classic 'divide and conquer' techniques.

It is important for the long-term success of the project that individual farmers build their own identity and that they build a common identity that does not take over their own individual identity, but enhances it and profiles it.

Magnitude of the idea and realization

The potential for profound societal transformation of the "Farmers Own" project is a very strong driving force. This was visible in the enthusiasm at the "Global Monopoly or Global Possibility" conference in Järna, where John Higson was a speaker together with Nicanor Perlas.

Another strength of the initiative was its concentration in one place and one issue – the first Farmers Own Market in Stockholm was carried out with a great deal of preparatory work so that it would fulfil all expectations raised by a concentrated marketing campaign. Everyone who was involved knew what to do and a profusion of products from many producers was concentrated and coordinated with a well-managed marketing campaign. Farmers were happy to sell and consumers were happy to discover many new and interesting products. Farmers Own markets starting up in other places could learn from the experience in Stockholm.

The production of organic vegetables in Sweden was small and was quickly absorbed. To raise production, investments have to be made and to make investments producers have to feel comfortable with that there is a stable market. The actual developments have helped to create

this confidence. There are many farmers planning to invest. As a farm adviser with many contacts across the country I am aware that there is much more going on in the minds of farmers than what can be captured by any statistics.

What seems to slow down the development are issues related to trust. Ownership of identity is an obvious hot issue that challenges the reality of trust. What helps to build up this trust is the longing for a deep societal transformation that is universally human. Different groups that discover that they share the same longing – as at the “Global Monopoly or Local Possibility” conference in Järna – get a strong push towards more trusting relations with each other.

This is an ongoing maturity process. Those who have learned from earlier experiences are able to take more potent initiatives. More and more people are watching and learning and are getting ready to act.

Conclusions

From the point of view of BERAS’ ecological sustainability goals the Farmers Own project is interesting because of its potential to create a new dynamic on the market which makes it interesting for the entrepreneur to invest in local organic production. In the long perspective its effect on emissions of Green House Gases and run off of plant nutrients will be strongly positive, even if it is unpredictable how it will work during the transition period. Looking at the role local food plays in fulfilling cultural needs, which could be compared with other cultural activities like going to the movies or making holidays, the positive effect on the environment is yet stronger. People go to the Farmers Market for fun! The basic need of eating turns from being a “necessary evil” that should be done as fast as possible to representing the very meaning of life. In this perspective it is not an issue that people travel far (and produce greenhouse gases) to get to the Farmers market. Maybe it replaces a longer trip to a “fun park”.

The Farmers Own project has already set a new dynamic loose on the food market in Sweden. It has successfully established itself as a ‘fact’ and awakened new creativity and new questions that did not exist before. The real bottleneck in its further development is becoming clearer: The ability to learn from others mistakes instead of repeating them and to build trust despite these mistakes. This is life and Farmers Own is at the heart of it.

INITIATIVE LOCALLY GROWN

What is Initiative Locally Grown?

The purpose of Initiative Locally Grown (ILG – *Initiativ Närodlat*) is to raise awareness of consumers and promote a life style based on local, biodynamic high quality foodstuffs and health promoting habits. ILG is a non-government organization (NGO) and the members are consumers in and around Järna. The concept includes acting locally and concretely to increase the consumption of local organic and biodynamic products in Järna.

Hans von Essen

Why was this initiative started?

Järna has a long story of alternative activities. Biodynamic farming started in Järna in the 1940s in order to supply curative pedagogic boarding schools with high quality food. Biodynamic high quality food was a part of the successful therapy as was participation in work with gardening, agriculture, small-scale food processing and other handicrafts. Initially self-sufficiency in food was an important part of the economic base for the different pedagogic and social initiatives in Järna. As the whole country industrialized and food became cheap the economic motivation was lost, but growing ones own foodstuffs continued for “ideological” reasons. However this engagement has eroded during decades of the similar trends and those who started ILG felt that a new initiative was needed.

What happened?

The initiative started in the year 2000 as an economic cooperation. Among other things bags of local vegetables were sold to members in and around Järna and research about alternative food habits was carried out. After some time it was discovered that the initiative was competing with the local producers cooperative and that the formation of an economic association had been a mistake. For this reason the Board put forward a proposal to transform the association into a non-profit organization (in Swedish “*ideell förening*”) at the annual members meeting in 2003 where it was approved. The turmoil around these changes has resulted in reduced membership. It is down from 80 to today’s 50. However the new organization form makes it easier to apply for grants and campaigning for new membership has not yet begun. The research that was begun by the association was concluded by the BERAS project (Olof Thomsson)¹.

In 2003 ILG participated in an initiative together with the Biodynamic Association and Merkur GlobeNet3 (www.gn3.se) to hold an international conference with the theme “Global Monopoly or Local

¹ Effective recycling agriculture around the Baltic Sea. Background report, Artur Granstedt, Pentii Seuri, Olof Thomsson. BERAS Nr. 2, 2004.

Possibility". Invited speakers included Nicanor Perlas from the Philippines (who later the same year received the Right Livelihood Award), Binita Shah from India (who reported from Uttar Anchal, a state in India that has taken a strategic policy decision to promote local and organic agriculture) and John Higson from Sweden (the pioneer behind the successful Farmers Own Market project in Sweden). This meeting also proved to be an arena for global level strategy discussions among people from the biodynamic, the organic agriculture, the small farmers and the alternative movements. The meeting created many new bonds and inspired a similar development in France, which in its turn, through the Confederation Paysanne Europeenne (CPE) has inspired other countries in the Mediterranean region. It was also taken to Poland by Jadwiga Lopata and Julian Rose of the International Coalition for Protection of the Polish Countryside (ICPPC). The cooperation between the biodynamic and the small farmers movements in Sweden has been lively and creative ever since.

Another initiative of the ILG was with local schools. In 2004 a 3+1 whole day course for all preschool teachers in Järna was held. The course gives inspiration, practical ideas on how to cooperate with a farm, experiences of obstacles and how to solve problems. This course was highly appreciated and has led to practical results. Among other things 19 five-year-olds from two pre schools come to Skillebyholm biodynamic farm every month for five hours and participate in work and play. This is an investment in building a ground for good food habits and for understanding how food is produced. Children, parents and teachers appreciate this. This project has also led to improved communication between different groups within the Järna community (mainly: anthroposophists, other alternative groups that are more or less attracted by the open-mindedness in Järna and "traditional" Swedes). To keep motivation up and ensure that the activities will go on and continue to develop more education of and support to the teachers is needed.

A wall calendar for 2005 was developed. With beautifully coloured photographs, this calendar has recipes for every month based on food stuffs that are typical for the specific season and that can be brought from local producers in most of Sweden. The calendar has been sold across the whole country and the edition of 1000 has almost sold out.

Plans for the near future include helping farmers to grow their own seed, promoting vegetables with especially good taste and helping consumers learn how to differentiate these specific tastes. There is a proposal to make Järna a GMO free zone. These activities will be carried out in collaboration with the small farmers movement.

Conclusions

The natural task of the local consumers organization seems to go in the direction of strategically selecting initiatives for promoting local high quality food out of a fingertip sense of what can awaken engagement among the members and what is possible to express clearly and concisely

to non-members. The pre-school initiative, the wall calendar and other recent initiatives has shown that the board of the ILG is able to identify and focus on projects where everyone involved has something to win and it has also shown an ability to go from idea to action.

A consumer who has the skills, the patience and the ability to both plan and improvise can combine local high quality (tasty and healthy) food, a satisfying and fulfilling life style and a significant positive effect on the environment – both increasing biodiversity and minimizing emissions of greenhouse gases and leakage of plant nutrients. The potential of this win-win situation is very big. The great challenge for ILG lies in the art of communication.

MIDDLEMAN AND RUOKAKORI, ONE SOLUTION FOR THE LOCAL SUPPLY

Hanna-Riikka Tuhkanen

Introduction

Food producers and institutional kitchens are positive about using locally produced food products in their kitchens nowadays. Despite this good will, there is often a lack of good practice. This paper presents an example of good practice. It identifies the main obstacles to using local food products – difficulties in finding producers and problems in the supply of suitable products – and how these have been overcome.

Finfood – Finnish Food Information Service – is a government-funded but functionally independent association. It has been established to provide accurate and up-to-date information about Finnish agriculture and food production to consumers and the media. It started to develop Ruokakori (the Food Basket) Internet service in 2003. Before that there was a service called Kauppanava – a shopping channel. Kauppanava served both private households and public institutions. The producers were not satisfied with the system because they received small orders from households making the delivery difficult to organize. In 2003 the service was changed and Ruokakori was set up to serve institutional kitchens only.

What is Ruokakori?

Initiated by Finfood, Ruokakori provides a service for public institutional kitchens and restaurants to help them find local producers of specific products by providing a channel for them to order food products directly from small scale food processors or small middlemen. Ruokakori was set up in co-operation with the food chain actors.

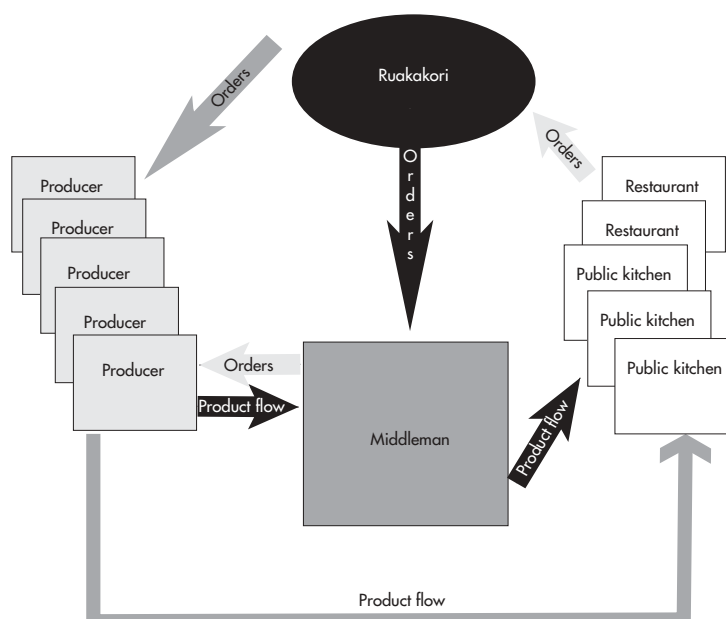


Figure 1. Ruokakori could be used as a ordering system between producer and public kitchen. Some small scale middlemen use the service as an ordering system.

The service can be accessed via Internet and requires only a computer and an Internet connection. Buyers can use it for free but the suppliers, both producers and middlemen, are charged. Ruokakori provides a platform for suppliers to offer products and for matrons and chefs to order. Their orders go directly to the supplier's e-mail. Delivery and invoicing are also dealt with directly between the buyer and the supplier.

There are two kinds of suppliers: producers and middlemen. The producers can offer their products directly to the system and update the information about their products themselves. If an order is placed they then deal directly with the customer, deciding how to organise the delivery as well as make the contracts and invoicing. Some of the small middlemen have also included the provision of this service into their business concept. They have made deals with some producers to deliver their products. They update the product information on the Internet and take care of logistics including invoicing and ordering. They collect the products from producers and deliver the products to restaurants and public kitchens.

The supplier – either a producer or middleman – signs a contract with Finfood. The supplier then gets authorisation to access the system. S/he submits information about her/his enterprise and available products and Finfood posts this on the website. The supplier is responsible for updating the information about available products on the website. The service is very easy to use. If needed there is telephone consultation available at Finfood.

In the local food seminar in Mikkeli April 2005 Matti Viljanen, owner of Restaurant Services Viljanen PLC and one of the suppliers, presented his experiences in using Ruokakori. He represents a supplier who does not produce anything himself but rather organises the supply of products from a few producers to restaurants in Helsinki. He has also been involved in the development of the system. In the following text the supply of local food products is discussed from his point of view.

Middlemen – a solution for supplying locally produced food in Southern Finland

In the Helsinki region the large restaurants and public kitchens are interested in buying products from local small producers. The customers are mainly in Helsinki, but the producers are scattered over the surrounding region, Eastern Uusimaa.

A middleman Matti Viljanen was willing to supply the local small producers' products to the kitchens. He started by finding out what products the matrons and chefs wanted and where these were available. This proved to be very difficult as no information about the producers was available. Who produces homemade commodities like cheese or bakery products of good quality? The municipal authorities are not allowed to give information about rural entrepreneurs and there was

no public register of who produces what. Initially he found the information about the producers by chance.

Another problem was transportation. The products have to be in the kitchens early in the morning, but the producers had their own time constraints and had no time to deliver the products to the kitchens. Lack of time is also a constraint for institutional kitchens. They prefer to order products from as few suppliers as possible – ordering from many different producers is too time consuming.

His role as middleman has been to find the products for the kitchens. When he started the business he purchased the necessary transportation equipment. The services he provides include organising the transportation, ordering products from producers and invoicing. He uses the Ruokakori system as an information link to the kitchens.

Problems in the beginning of co-operation

Most of the products made by small rural food processors are targeted at private consumers. As a result the packages are too small for institutional kitchens, the salt and fat contents too high and the prices are set at retail, not wholesale, level. In addition institutional kitchens require products to be inspected by a sanitary inspector. Also there are regulations that producers must follow as well. They must have their own control system and employees must pass a hygiene examination.

In some cases it has been difficult for producers to understand that signing a contract obliges them to adhere to an agreement. When a kitchen needs a product it has to be there and it must be what was ordered. The need to keep agreements is also relevant for matrons – in some cases they made last minute cancellations. However the main point is that producers must be flexible and reliable. If they cannot be trusted to deliver what they have promised, kitchens will not order their products.

The role of the middleman has also been that of advisor and product developer. He has negotiated with producers to provide products suitable for the institutional kitchens. Both the packaging and the products' contents have been changed to meet the customers' demands. He has also helped to negotiate price and supply schedules and has advised the processors on how to get the required hygiene know-how.

The middleman's work in practice

This middleman has about ten producers whose products he supplies. In this particular case he has one main supplier, a bakery, that provides the foundation for his business. Volumes of the other products are smaller and just accompany the main order. Orders from kitchens for different local producers' products are placed directly with him and he is able to respond quickly. He invoices the customer with one invoice and makes payment to the producers once or twice a month. He also updates the product information posted at the Ruokakori site on the Internet.

The producers are located within a 35-kilometre radius from the middleman's place of business. Not all the products are collected daily but fresh products are not stored more than one night so they are fresh when delivered to the customer. The product range is wide, from bakery products to cheese and chocolate. This requires that both transportation equipment and storage temperatures are right for each product to ensure good quality.

Ruokakori is used mainly for information about product availability. There are possibilities for customers to place their orders by email but few make use of this facility. They prefer to place their orders by telephone. This gives them immediate information about product availability and they do not need to wait for confirmation of their order. They also think that by calling they get the products sooner.

What has been learned

Customers and producers do not have a common understanding of each other's business situation, needs and constraints. In many cases small rural entrepreneurs are not flexible enough in their business. Some tend to think that because they have a good product it is the consumer who must learn to appreciate it. This attitude must change. Those who are willing to meet consumers' demands will survive. This case shows the importance of someone promoting cooperation among producers and buyers. Also having someone who listens to the buyers and informs the producers of their demands is very important.

Even though the institutional kitchens could become steady buyers, only a few of the producers think of them as primary customers. Most of their products are made for the retail market and private consumption. Restaurants want raw materials of good quality and are willing to pay a good price for such products. Small business can supply products to large customers if their products have a competitive price and meet the customers' other requirements.

Can this model work in the BERAs project area - Juva?

Juva municipality has been selected as the Finnish case study area in the BERAS project. Juva is a small area with a few local organic suppliers. For a middleman the Juva region is too small and there are not enough suppliers, so it is more realistic to cover a larger area, for example the surrounding county, South Savo.

The institutional kitchens in the South Savo would be willing to take the Ruokakori system into use if there were local producers. As the middleman above they have had problems in finding suitable products from their own region. Also, they have a time constraint and do not want to have to order products from many different suppliers. They would like to have one local actor that can supply most if not all of their needs.

The middleman model might work also in the Southern Savo region. If small entrepreneurs feel that the monthly charge of the

Ruokakori is too much for them, having the middleman as a user of the Ruokakori system, would result in a smaller monthly payment for each user. Having a middleman also helps with the logistical problems.

A small transport entrepreneur already operates in the Juva region, transporting small business products to retail trade. One possibility is that this entrepreneur diversifies and expands his services to also include taking care of the whole order-supply chain. At the moment the small food processing companies are not willing to pay for the transportation service, they prefer to deliver their products to the customer themselves. If a more comprehensive service was available they might be willing to pay for it.

Conclusion

After discussion with the actors of the South Savo, it seems that producers would like to produce for local kitchens and local kitchens would like to use local products. However this interest has not yet led to much action? The main reasons seem to be that:

The producers do not respond to the customers' product needs quickly enough

The customers are not prepared to put any effort into discussion and negotiation of product development and exclude a producer if they do not have exactly what they require.

Action depends on attitude changes. Now that people are positive to local co-operation there are good prospects that this can reverberate into the action.

Having a middleman as an additional actor in the supply chain means prices will change as his services have to be paid for. Probably the producer's price will decrease and the customer's price will increase. But s/he can also solve many problems in the supply of locally produced food products to public institutional kitchens. It would help matrons because they would be able to order products from one supplier and receive only one invoice. If the middleman uses Ruokakori, the matrons would be able to see on the Internet site what products are available. It would also make the producers' work easier. They would get only one order and not have to transport their products to many different customers.

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“GENUINE KNOW-HOW FROM JUVA” – A label for local products that has made a difference

Introduction

Having a label for local products was a priority for both farmers and shopkeepers in Juva and this project represents a real grass roots initiative. They had a clear reason for creating this label – they wanted to help consumers find the local products easily in the shops.

Salla Kakriainen

By taking this initiative they were able to implement their ideas with little bureaucracy. Apart from the municipality that contributed a small part of the necessary capital, this project has received no financial support from authorities or institutions.

Background and project implementation

The starting point for developing the local label was the shared opinion of local shopkeepers, farmers and local government officials: local food products were not as visible in the stores as they could and should be. A local shopkeeper took the initiative and this awakened the interest of all local shopkeepers, farmers and small-scale food processors who delivered to the shops. (Even local non-food products, e.g. charcoal for grilling, are entitled to use this label.) It became a local food project. The goal was, and is, to make local food products more visible in shops by labelling them with a special price tag.

Once the problem was identified and an idea about how to solve it became apparent, the project itself started. In February 2001 an initial meeting was held. All those concerned were invited to discuss how to proceed. Local shopkeepers, farmers and the municipality were all represented. Although there had previously been some cooperation among some local actors, this meeting facilitated cooperation on a much larger scale. The costs were estimated and it was decided that they could be covered without external help. This enabled a fast process with minimum bureaucracy.

The Juva municipality had had a label, on which it presented its contact information. This was slightly modified and turned into a form more suitable for marketing. The practical aspects were taken care of by small working groups of concerned actors. Although the shopkeepers have had an important role, the first meeting was called together by a farmer. Later another farmer joined the core team. All in all there were 25-30 persons and the municipality, who wanted to participate in the project and who were also willing to invest money in it. The capital needed to cover the expenses for materials, price tags, planning and marketing was about 3000 Euros. This was covered by the farmers, processors and shopkeepers. In addition some supporting organisations

and the municipality provided small grants.

An association was formed to take care of the practical things such as printing price tags and other material. This was done in large enough amounts to avoid the need for new investments in the near future. The project moved on so fast that by Easter all actors had received a start-up package. The whole process from planning to realization only took about three months. The PR-side was also taken care of. Because the newspapers and media were interested and reported on this 'label for local products' initiative' there was no need for expensive advertising campaigns.

This label is visible because it is white instead of the normal yellow price tags. It also has a local logo. It makes it easy for shoppers to see whether a product is produced locally or comes from outside the region. It is also easy for shopkeepers to use because it does not require extra packaging. The actors themselves defined what 'local' is. Their definition allowed for some flexibility – some ingredients could come from elsewhere as long as the work input was local. This label can be used for both local as well as local organic products.

The goals of this project were to:

- create local welfare and new employment opportunities
- enhance cooperation among enterprises
- ensure better quality and valuation of one's own work
- inform the consumers
- make local products visible in local shops
- gain market access to institutional kitchens
- make use of existing distribution channels and improve product quality
- develop the ordering and supply systems

After the project had been completed successfully all parties were happy about the decision to finance everything by themselves. This guaranteed the desired result and enabled things to be done quickly and efficiently. One result of this successful project has been an interest to take part in projects initiated by others. However initiating new projects of their own has not been of immediate interest.

The implementing team also carried out a self-evaluation shortly after the label was taken in use. They concluded that the project started well and all central actors were actively involved and also covered all the costs (with the help of small grants). The project also got good publicity and the label was a success. In addition to this, they enjoyed working together and felt positive about this collaboration. Personal communication and relationships are quite important in realising such projects. New ideas came up during the project – eg they began to question municipal food services and what role local food products could play there. One of the initiators and a shopkeeper from a big national chain store felt that it had been very valuable to bring together the shopkeepers and give thought to local food – its problems and

possibilities. (Hartikainen, 2005)

Since establishing the label in 2001 some of the shops have changed hands. The most loyal use of the label has been in the shop whose shopkeeper was the initiator. He is also still working in the same position so personnel changes have not affected his contribution. At the moment there is a need to revive the issue again and remind consumers about the label.

Remaining obstacles to be overcome

So far the local farmers have not co-ordinated their supply to fit with the demand. Some form of overview in farming activities (who farms what and how much) would be useful and help farmers identify opportunities to produce products to better meet the demand of the shops. In this way it would, in principle, be possible to have a more even supply of products and to some extent coordinate so that, for example, lettuce from different farmers is ready for marketing at somewhat different times. This would, of course, mean that some farmers lose the higher profits from higher priced products in the beginning of the summer. On the other hand it would be easier to market the produce when there are not so many local competitors striving to the market at the same time. The turnover in local shops is not that much and at the moment one farmer who grows different varieties of vegetables is pretty much able to cover the demand from one shop. Other farmers see this and do not necessarily want to squeeze in. Open discussions and finding ways to collaborate could encourage more farmers to come to the local market.

The shopkeeper's view

From the shopkeepers' point of view the farmers seem to lack courage to market their own products. They should sell their products locally and not only concentrate on taking them further away. One critical question is how the local label activity can be preserved in the future. Meetings and communication as well as instructions for its use are needed. Who will take the responsibility for this?

In order to strengthen local food flows in Juva, it is necessary that 'local' as such is not understood as something that can be used to justify a higher price for a product. Rather local is an additional value that helps consumers make a decision. Locally processed products are often seen as specialities and these do have a higher price. However, specialities are only eaten on special occasions, so everyday products with 'everyday' prices should also be available.

The local food label for Juva has now been in use for four years. What has been observed during this time? More attention needs to be given to the value of local food. It needs to be advertised more and the public better informed about the positive things that can be achieved through its use. The shops and kitchens need to develop an ordering system that is as easy as possible to use. At the moment 90 % of the

products in the shops are ordered automatically when the cashier system lets the shopkeeper know that the shelf is getting empty. The system is based on standard orders (the same order goes automatically unless there is a need to modify). At the moment, local food falls outside these ordering systems and therefore means extra work for everyone. The steady supply of the products is often uncertain. The local organic supply at the moment is mainly concentrated to vegetables and milk products, but their share is still rather small.

The farmer's view

Local food products have always been on the shelves, but now during the past five years the cooperation with the shops has been tighter and products have been in the shops steadily. The first three years was a time for learning. Now the sales in the shops have stabilized and slowly the activity is becoming more profitable. It is difficult to say why, but it seems that consumers have learned to use these products and are more and more convinced that they want to buy them steadily. Since 2001 the local label has been helping consumers to find local products. Building trust between the producer and the consumer takes time. The location and arrangement of the products in the shop also makes a big difference.

At the moment things are organised so that each farmer supplies a specific shop with local organic vegetables. The farmer usually has a given shelf in the shop and he takes care of it himself. His task is to bring products to the shop, see to it that the shelf is well stocked and remove the products that are no longer fresh. Normally all the produce is bought and the farmer gets paid on the basis of the cashier system information. The shop takes a small percentage of the sales value and the rest goes to the farmer. This system is easy for the shop because it does not have to take care of the ordering. It is also advantageous for the farmer as he can more effectively keep an eye on the quality of his products and decide the price. However it also means more work for him. To be able to do this the farm and the shop need to be geographically close to each other. A longer distance requires a good ordering system and different arrangements.

Summary

The local label from Juva is a very positive example of self-organised cooperation around a clear need. All parties had a genuine interest in establishing the label. For farmers, processors and shopkeepers it meant help in marketing; for organisations and the municipality, PR and promoting the welfare in the region. A common vision about the goals, the existence of an appropriate 'contained' action that would meet these goals and the extremely low level of bureaucracy motivated people to make a commitment to the project. Motivation throughout the short implementation process remained high. Because things happened so quickly everyone remembered what was going on and saw the concrete

results of their efforts. The fast and visible results also gave a good feeling in the end. The project implementation required close cooperation for a short while, but after that the cooperation has loosened up.

The result has also been educative. The presence of the white price tags has awakened the interest of consumers who take a closer look to see what it is. The label has a short text: "Genuine know-how from Juva", which reveals that its producer is local. When a product is being shown off in the shop this way, it is possible to tell the consumer that it is something special. At the same time it is not pushy and gives room for the consumer's own decisions and choices. This is a way of promoting change and still giving free hands for everyone to choose products without making them feel guilty.

It has been practical to have a loose definition of local in this case. As seen in other cases, local can be defined in many different ways. One option would be to define local food so that also the raw materials used in the processed products are also local. A tighter definition of local would also reduce the number of local products compared to the present situation. According to Vihma (2005, 72), the request for local products has the biggest effects on the retail and food processing sectors, but has not had such a strong effect on agriculture. This could encourage farmers to be more active in processing, because the result shows that the local processors are in a key position. If they use local raw materials the effect is remarkable. However, it is also important to remember the local private consumers.

The "Genuine know-how from Juva"-label has been a good way to help the consumers to find the local products in the grocery store. One problem has been that the label has been linked a little bit too much with the initiator and the shop he represents. In the long run this is not a good thing and the initiator himself is aware of this and is willing to give room others.

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DO CARROTS REALLY HAVE TO TRAVEL 700 KILOMETRES?

Salla Kakriainen

Introduction

The transportation question was a starting point for local food activities in Kauhajoki. Questioning this led to further activities in the area. The whole process really started in the mid 1990's when a matron who did not want to take the present system for granted started to critically examine her own working environment. This led to an active search for alternatives and the initiation of local food activities.

Asking questions and finding answers - what and why?

Kauhajoki is located in western Finland (see map on page 4) and has about 14 600 inhabitants scattered over a large area (11 inhabitants/km²). The town cooperates closely with four other municipalities in the region. This makes it possible to organise and share tasks that would otherwise be too difficult for one municipality to carry out on its own (e.g. some educational activities and product promotion). Together this region is known as Suupohja.

As is often the case, one strong individual played an important role in starting this local food activity. The matron, who worked in the Kauhajoki seniors' residence and health centre kitchen at the time, was originally a home economics teacher. She started questioning the system when she realised that carrots from the field next door travelled 700 km before ending up in their kitchen. She also had a powerful personality, had a vision and, most importantly, took action. This happened during mid 1990's. (Mylläri, 2005.) By presenting her ideas to others she contributed to forming a working group that was interested in finding ways to bring about change.

The basic idea behind this initiative was to purchase locally produced food directly from the producers. It began as an organised activity in 1997 with a survey about vegetables used in institutional kitchens. This provided information about how much of what kind of vegetables were used in the region and made it possible to plan the next step. Kitchens were first included in activities a year later when pilot activities to promote collaboration between kitchen personnel and farmers were established. In the beginning efforts were directed at influencing public purchasing and informing about different possibilities. (Kankaanpää-Anttila, 2005.)

Facing obstacles and finding solutions

Institutional kitchens have fairly regulated ways for purchasing. Information about options was very much needed in the beginning. Few people with the time and interest and a general lack of knowledge were serious limitations. In the Suupohja area this was solved by active people

searching for the necessary information and then accessing resources to start different projects that have been used as a tool for initiating an activity. The five municipalities worked together and this helped to alleviate the shortage of time, money and interested people. In small municipalities both financial resources and the number of interested people are limited.

In the Suupohja region there has been a whole series of projects to develop ordering systems, marketing, etc. All have had a common goal of promoting the use of local food. These projects have mainly been co-financed by the EU. Learning by doing and experiencing both mistakes and success has been important. The Kauhajoki seniors' residence and health centre kitchen actively participated in the projects. It was both interesting and useful for kitchen staff to be actively included in finding and developing ways for using more local food – interesting because they were able to use their professional skills and learn more; useful because the achievements of the projects help their everyday work.

One important step was developing the collaboration between the kitchen personnel and interested farmers through projects. This required an understanding of both needs and expectations from both sides. The kitchen personnel and the farmer-suppliers need to understand each other's context. The farmer-supplier must understand why the kitchen has certain requirements and the kitchen must understand the farmer's reality.

The cooperation between kitchen personnel and farmer-suppliers has been fruitful and some kitchens have even developed special recipes for some of the local products. This illustrates that the benefits from local marketing cannot always be measured in terms of money; advantages can, for example, also be the development of new recipes. Still, over and over again there has been one main constraint – kitchens need raw materials in a form that suits their processes and farmers can not necessarily supply the products in this desired form.

What can we learn? – Good practises live on

During the past two years the use of local food has not been supported by a specific project in the region. The kitchens are not being instructed to use local food which is often more expensive than bulk buying. Despite this kitchens continue to use it. This local food activity was initiated because of environmental and economic reasons as well as just common sense, but at the practical level in the daily running of kitchens it has also been shown to have many other positive aspects. Why do kitchens still use local food products? Maire Mylläri (2005) is working as a matron in the kitchen and supports the idea of local food. She appreciates the efforts of her predecessor for making the necessary connections and contacts. She and the other staff have now learned to use local food and find it positive for many reasons. They want to use local food firstly because of its good quality and secondly to do away

with unnecessary transport. They also want to support the local production.

Fresh products are more flavoursome than frozen ones and therefore added extracts (e.g. stock cubes) are not needed. This is good because more and more people are allergic to these added ingredients. Kitchens need to cater to people on many different diets. Safe raw materials that do not require extracts help to ensure good quality of these various dishes. In the end, the difference in the price is not very high. In addition buying locally is also a guarantee for domestic production. Kitchens have good cooperation with the suppliers and this enables them to have a say in product development. This guarantees that suitable products will also be available in the future. Kauhajoki seniors' residence and health centre kitchen has also had cooperation with grain producers and a mill and they have developed recipes for these products.

These are all things that ensure an interesting and positive working environment. Kitchen staff are able to use the professional skills they have and farmers' customers, both patients and employees, are happy. The Municipality has not taken a stance on local food, but Mylläri (2005) thinks that they see the connection to the economic and social wellbeing of the region and do not want to interfere as long as the kitchens are able to hold their budgets even if they sometimes use more expensive products.

One of the constraints in using local food has been the lack of knowledge about where to get it. Projects have been a great help in solving this kind of problem and at the moment there are relatively steady delivery arrangements. Some suppliers deliver regularly, others only occasionally which is also due to the seasonal nature of their products. Although projects have been a great help in developing these initiatives, they also have limitations. Projects only work for a short term and on specific activities. Therefore their possibilities to support holistic and long-term development are limited. Initially there was also lack of knowledge and many things have been learned on the way. Such learning takes time.

There are also ideas about how local products can be processed to meet the needs of kitchens. At the time of writing, plans for establishing a local food processing and distribution centre for vegetables, which would serve the whole Suupohja region, have been made. These plans and calculations have been ready for some time, but no entrepreneur has been interested in it. It is not clear to what extent the present arrangements affect the enthusiasm for establishing this new unit. There are some entrepreneurs who are already processing vegetables on a small scale. One question is, certainly, how a new, big unit for processing will affect them.

Summary

This encouraging example illustrates how a whole series of positive

developments can start with one person questioning the present system. She started speaking boldly about her ideas and also searched for different ways to make things happen. More people who were convinced about her genuine message joined her. This group started activities that resulted in the use of local food some years later.

Taking a closer look at what happened it seems that it all started from a question that was asked out loud. After that it was important to get together a critical mass of people so that the idea could be carried on. This bigger group included people with different capabilities and knowledge giving the needed synergy and support. Then it has basically been a question of tackling each problem as it arose and finding possibilities and ways to solve them one by one. Some of the proposed solutions have not been taken into use (e.g. ordering systems) but others have (e.g. cooperation). There seem to be many reasons for this. Some of them are as simple as the desire to see the customer and/or to have social contacts outside the farm. Using an ordering system eliminates the need for personal communication. Take for example the case where the kitchen developed recipes for a farmer. It is much more likely that such an idea can come up in a face-to-face discussion and not through an ordering system.

Projects have played a significant role in making it possible for individuals to carry out their own ideas. And because the ideas and the activity are carried on by local people, ending the projects has not affected the use of local food. Rather the process has continued and new ideas in different fields have continued to emerge in response to new situations and opportunities.

Hopefully this example will encourage actors in other places to continue to use local food even without external help. Local food systems often work with a different logic than centralised purchasing systems, but it is possible to learn to use the best from both. Also, when the use of local food has reached a sustainable level and has found its place within the local supply and demand, it no longer needs external support from projects.

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MUNICIPAL SUPPORT FOR LOCAL FOOD

Salla Kakriainen

Introduction

Kiuruvesi town has made a decision to support the use of local organic food in the municipal kitchens. This decision is closely linked with the town's other goals for the industrial sector and for sustainable development, rural vitality and employment. In Kiuruvesi the municipal kitchens are encouraged to use local and local-organic products even though they are often a little more expensive.

Why local and organic food?

Kiuruvesi is a sparsely populated rural town located just about in the middle of Finland. It is rural in the sense that a big share of the income comes from the agricultural sector, a sector that has faced a lot of challenges in Finland during the last few decades. Many farms have become unprofitable, and this has resulted in people either moving away from the municipality to the growth areas or staying and becoming dependant on social security. Both are poor options for the municipality.

The town of Kiuruvesi decided to fight against and slow down and hopefully stop this trend by investing in organic agriculture. This is part of a more general multi-sectoral strategy the town has to consciously guide its activities towards sustainable development. This strategy and the decision to develop organic production have evolved over time. Local organic farmers together with interested government officials and politicians planned organic production and processing to be one of the goals in the strategy for sustainable development (Paananen & Forsman-Hugg 2005, 18). The initiative presented here is connected to this. Municipal kitchens are encouraged to use local organic products not only to improve the quality of the meals they serve but also because this can contribute to rural development.

The strategy (made mid 1990's and valid until the end of 2005) includes the promotion of enterprises, increasing trade and strengthening the municipality's organic image as main goals. Also, because many of these enterprises are local food processing plants that need a secure supply of raw materials, supporting organic farming is also important. This is particularly important for milk production and processing. The inclusion of organic meat production as a goal is partly linked with milk production. The goal is to develop a concentration of know-how in the region and tight cooperation between the town, the food products development centre and educational institutions. (Kiuruveden kaupungin elinkeino-ohjelma 1999.)

The strategy also takes into account the importance of purchasing instructions. For example, there are guidelines for including environmental criteria when making purchasing decisions as well as how the environmental impact of the products can be determined. Eco

labels are most often used as a way to determine if products have been produced in an environmentally friendly manner (Kiuruveden paikallinen kestävä kehityksen ohjelma 1998, 6).

Kiuruvesi has 19 municipal kitchens. They employ 42 people and produce about 620 000 meals annually. The strategy includes goals for how the kitchens should function at a practical level. Cooking, food supplies, packaging, waste management, organic waste, refrigeration and hygiene are aspects of sustainable food services that are explicitly mentioned in the development goals. The call for tenders includes suitable criteria so that domestic, local and organic products can compete. The goal to have contacts between farmers, processors and municipal kitchen units is written in the strategy. These contacts should help the demand from kitchens and the supply from farmers and processors to meet each other better. Kitchens are encouraged to use less processed raw materials, even though this requires more personnel (Kiuruveden paikallinen kestävä kehityksen ohjelma 1998, 18-19).

What happened?

The town council's decision to encourage the use of local and local organic food has been implemented successfully and has had a positive effect on the local economy. Accordingly, a considerable part of the food bought by the school kitchens is now purchased from local farmers and producers. In this way the town has had a say in the food production and transportation while simultaneously supporting the small, local producers. Favouring local producers in all its activities is a general strategy and in this way the town has had a positive effect on employment and the local economy. (Repola et al. 2003.) Such alternative local food chains (and in some cases also food systems) make a positive contribution to rural development. They have been particularly significant in supporting the development of diverse livelihoods and in having a positive effect on female employment (Paananen & Forsman-Hugg, 2005, 22). By favouring the local food system and giving support to it, it has been possible to slow down the trend of decreasing employment opportunities in the countryside. Profitable farming has provided a basis for local processing, product development and distribution activities all of which have had a positive effect on the local social and economic wellbeing.

In 2002, school kitchens in Kiuruvesi purchased on average 26 % organic (of which 17 % was local organic and 9 % organic) and 18 % local products. This means that in total 44 % of the all raw materials that the school kitchens purchased were local and/or organic. This result seems very good. (Repola et al. 2003). In comparison the town of Mikkeli, which is also actively supporting the use of local food, purchases 10-15 % locally produced products (Paananen & Forsman-Hugg 2005, 19). (These figures from Mikkeli are only an estimate. They are not based on a study as the results from Kiuruvesi are.)

Of all the vegetables that the biggest kitchen bought in 2002, 82 %

were local or local organic. 95 % of the purchased berries were picked locally; the remaining 5 % were organic from elsewhere. Most of their bread, i.e. 85 %, was local organic (54 %) or local (32 %). (Repola et al. 2003, 8-12.) Even though the percentages differ a little from year to year, it is clear that the amounts are encouragingly high. Because schools need large amounts of bread it has made a big difference to the local bakery that supplied most of this bread. The steady demand made it easier for the bakery to make investments. This is only one example of the added value that stays in the town when local services are utilised. To monitor the positive effects of local food is not simple. Economic effects are not necessarily very big and it is not always clear if it is the increased use of local food has caused them or not. However, the social impacts can be more significant. More knowledge about the employment development in farming and processing as well as some kind of social audit are still needed.

To secure the availability of local and organic food, the town is continuously investing in infrastructure and other development. The town supports telecommunication in remote areas, the development of new food products and processing activities as well as education both for primary and secondary production. Education includes, for example, information about changes in legislation, research information, as well as training in practical skills. (Paananen & Forsman-Hugg, 2005, 25.)

Obstacles have been overcome

One challenge has been to find ways to include small and remote schools. It is not profitable for them to purchase from wholesalers. The amounts required are too small and transportation costs too high. The solution has been for these small kitchens to purchase from the local shops. The prices in these shops are higher and this is reflected in the higher cost per portion (Repola et al. 2003, 6), however it seems to be the best alternative. Also it has the added advantage of contributing to the shops profitability and thereby its chances of surviving. Small country shops provide an important service to the local community. Distances also have a strong influence on what products can be ordered directly from farmers. Only farmer who are close by can deliver small amounts regularly. The smallest school with only 13 pupils can only order small amounts. This means that they are even more dependent on the local shop for their supplies. Big central kitchens can and do cooperate with smaller school kitchens in purchasing food, but such collaboration works only when schools are in close proximity.

In all these activities the town also has to keep the law of General Terms of Public Procurement for Finland (1416/93) in mind. Locality is not a valid argument for awarding contracts so there must be some other reasons. Although it means extra work, it is possible to organise the purchasing so that local and local organic products can be used. The example of Kiuruvesi shows us this. In their tenders suppliers can make "split offers". This means that although the purchasing

cooperative wants to buy a total of 100 000 kg potatoes, a farmer can offer 50 000 kg and someone else can supply the rest. Some fresh vegetables and other products that experience rapid changes in price can also be left outside the competitive bidding and these can, basically, be ordered from anywhere.

The four main constraints, from the kitchen's perspective, to increasing their use of local food are:

- Poor knowledge about small companies producing and supplying local produce. Kitchens simply do not know about their existence.
- Lack of marketing. These producers do not market their products to institutional kitchens. Whether this is because of difficulty in providing the right quantities, in processing or simply because they haven't thought of it, is unclear.
- Small producer's products are not carried by the wholesaler where other products are ordered.
- These products are difficult to access due to lack of outlets, e.g. through wholesalers.

It is not surprising that price is not mentioned as a major constraint but only after the four above. (Repola et al. 2003, 27.)

Summary

Where there is a will there is a way. For local food systems to function there must be trust between producers and buyers. In Kiuruvesi, cooperation among the farmers, processors and kitchen personnel has been built through a transparent system that encourages mutual trust and responsibility. Support from municipal authorities has been important for getting more local food suppliers and more products. Strategic decisions that were made in the last election period worked as a justification for the kitchens and as guarantee for the producers. Political forces are not the only challenge. Developments in the economic system are also a hinder – Electronic ordering systems are evolving and these tend to result in purchasing systems covering larger areas. Such trends require that even greater attention is paid to local food and how it can be used.

Kiuruvesi represents an example where the town has taken an initiative and made a conscious decision for the use of local and organic food. This has more or less been carried out in all the municipal kitchens. Behind the development are municipal decision makers and co-workers and active pioneers. At the practical level the use of local and local organic products is very dependent on the matrons and their will and ability to find and use suitable products. They are very pleased with the results. Unfortunately, often students in the Finnish schools tend to complain about the food served and often skip lunch. In Kiuruvesi this has changed. Sixth graders come to eat even though they do not have classes. There could not be a better positive feedback and show of appreciation to the matrons.

The Kiuruvesi example also shows the importance of municipal decision making in this matter. Basically this comes down to the question of whether the (rural) municipality is taken as a whole or if it is looked at, sector by sector. When regarded as whole, it is easier to accept that one sector gets bit more money because it is clear that this can simultaneously help the other sectors. Just as Hans von Essen (in this report) stresses the importance of seeing a farm as a whole, it is also important to see the municipality as whole and how all the different sectors are linked and interdependent.

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THE BAG OF GROCERIES PROJECT

What is the Bag of Groceries project?

The Bag of Groceries project is a method to do project work in high schools (students in the 12th grade) based on free research of the contents of an ordinary bag of groceries. The project integrates social and natural science. In one of the first lectures the teacher brings a bag of groceries to the classroom. It contains a variety of foodstuffs (locally produced, organic, imported and non organic) purchased at the nearby supermarket. The students' task is to research the food chain in any way they can think of to find out about the concrete farms where the raw stuffs of these products come from originally and get an understanding of the whole chain and why it works as it does. Questions for the students to answer to are found in the daily news: Why does the EU pay so much subsidies to agriculture? Would it be better to just stop all subsidies? Can we trust the food after the Mad Cow crisis? Are organic and local products really better for the environment than conventional and global? By researching the concrete bag of groceries the students find answers to these and other questions they are engaged in. The project includes a study trip to an agriculture district where the students visit a dairy and other food processors. Each student stays with a host farm for two-three days to experience farm work first hand and discuss with the farmer. The course is built on working in groups. Each group has a specific theme like meat products, dairy products, potatoes and vegetables and so on and they usually produce a written report as their exam, but it can also be a video film or some other artistic product that illustrates what they have learned.

Hans von Essen

The project work is in a sense built up like a detective story: Nobody knows the whole answer. The shop knows where they bought the product. The wholesaler can tell a little more. It is the student's task to go behind the scenes and find complete and clear answers - or more questions. Because there are no ready-made answers the students feel free to explore and improvise. At the same time the work has a clear frame and guidelines.

The Bag of Groceries project is a different way to learn. It replaces scheduled teaching and stimulates students to search for knowledge actively. They also learn how to manage a project. This is also a way to integrate schools in society and to work with attitudes of adolescents towards food. After the study trip students have expressed that now they really understand the difference between organic and conventional agriculture. A black and white and polarized picture has been replaced with many nuances. When they talk about conventional and organic they are talking about human beings and real experiences and not about abstract ideas. The debate between vegetarians and meat eaters has been lively during the course – especially the year the course visited a local

slaughterhouse. Some students were quite chocked seeing real blood on the ground, but after three students had practiced at the slaughters for two days and experienced the skilled work involved their attitudes changed radically and this spread through the class. Coming in contact with real cows - feeding them and taking the dung away - left a strong impression and respect for the farmer who handles these animals. The students usually talked a lot with the farmers about the subsidy system and this has deeply changed attitudes. Genetic modification has also been discussed, which is especially interesting since the school has a bio technical profile. In common for all students that have taken the course is that they now reflect on food. Their opinions and what they practice at home vary, but whatever they have come to is based on reflection. The papers written by the students of this course have had a high standard with original thoughts and sometimes advanced interdisciplinary analysis and the students are able to discuss what they have learned.

In this way the project is in itself also action research. It is a learning process not only for the students, but also for the teachers and for the various actors in the food system.

Why was this initiative started?

The project began one day in summer with a meeting between friends - Göran Söderlund and myself - and the spark of an idea.

We had both grown up in the city. Göran had remained in Stockholm and become a high school social science teacher. I had left city life for work on and with farms and had acquired an MSc in Agronomy. I came straight from a natural science specialized high school with good grades. It was a very strong experience to come out first on a vegetable farm and for the first time in my life discover how a salad plant looks when it goes up in flower. I discovered I did not know the names of the most common weeds and I learned to see the difference between wheat, rye, barley and oats. I saw a dairy cow close for the first time in my life on the propaedeutic course school farm and was ordered to milk it. I discovered that I knew nothing and I had the highest grade in biology from high school! At the agricultural university I had been told that to understand agriculture I must study chemistry. And I knew it was not true. To understand agriculture I must learn about plants and animals and about life! Göran and I discussed this and we decided we should try to give high school students a real experience - a foundation for knowledge that would rest firmly on the earth. This was 1990.

What happened?

In order to teach this course at the high school where Göran worked we had to first develop a textbook. Despite the flood of literature nothing was suitable as an introduction to agriculture for teenagers. The material we produced was based on interviews with real farmers that together covered as much as possible the great variation of what a farm is in

Sweden. It included compressed farm descriptions under the topics "Real capital", "Input", "Output", "Rough economic overview", "Employment", "History" and "Future". This proved to be a useful instrument for the students.

At Norra Real high school the course was run as a natural cooperation between social and natural science. In this way they could pool their resources. When resources to finance a study tour for the whole class to a producing region were found the project was transformed into a half-year course in environment science for 12th graders.

The first year the study tour was to Gotland. Farms to who host the students were identified through contacts with an organic farmers group in Gotland and with conventional farmers. Arrangements for several study visits were made.

Gotland proved to be a very suitable place for the study tour. There, a dairy, a mill, a slaughterhouse and vegetable growers could all be found fairly concentrated. Gotland as an island is a whole in itself that could be studied and it was convenient to find farms rather near each other. Also Gotland provides a large part of the vegetables that are sold in Stockholm. The students were generally very positive and expressed that they had learned much and some students also expressed changed attitudes and new interest of working with food and environment issues in the future. This four-day study tour is a key part of the project.

The year of the Foot and Mouth disease outbreak in Europe was very special. The crisis came at the time the farm visits were being planned and it looked as though we would not be allowed to visit any farms. After careful consideration we decided to make the trip with the necessary precautions. We started with the district veterinary of Gotland who gave us a background and some recommendations. Even though there was disappointment about the severe restrictions (among them, no visits to each others farms) this particular experience gave an extra depth and an even deeper understanding of the situation of a farmer than other years.

Today three teachers at Norra Real highschool handle the course, which is held once every year. Sören Larsson (a conventional dairy farmer) and Marie Håkansson (an organic root crop producer), both living in the village När on Gotland, organize the study tour. They have their respective networks and, together, keep in contact with the teachers at Norra Real. The cooperation between Norra Real and Gotland is today solid. The farmers appreciate the contact with consumers who after the visit begin to look for products from Gotland and may come to the farms' Bed and Breakfast places for holiday. The school appreciates the inspiration and deep level learning experience that is given by the farm contacts.

The experiences of the Bag of Groceries project has been worked into a power point presentation and a one-day seminar that has been given to university students and to groups of pedagogic specialists from all countries in southern Africa and South East Asia (within a project

financed by SIDA). The contacts in South Africa and China are deepening and there are now other schools in Stockholm preparing to take up this way of working. Through BERAS there is now ongoing preparations for spreading the idea to the countries around the Baltic Sea.

Was it difficult to establish the Bag of Groceries Project? It was of course a long path to get the first course on feet and running. Today it should be well within reach for any high school class in Sweden with competent teachers and the right support. Actually once the students have started to work by themselves it is easier work than working in the conventional way. It is important to select what is in the Bag of Groceries and match it with farms so that the students have a chance to find out what they need and to invest time in tutoring groups getting started. Students need tutoring in the beginning to avoid getting stuck in questions that are impossible to solve or to think that they can compensate in the finishing phase. After the study trip they are inspired and know what they must do. But it is already April and only two months left of school and it will be impossible to catch up.

Learning systems thinking

Adolescents want to know how reality is, so it is important to have both ecological recycling agriculture (ERA) farms as well as conventional farms in the network. Actually comparing these two has proven to stimulate analytical thinking and strongly enhances learning and engagement. Having met real conventional farmers it is for the 'already convinced' ecological enthusiasts impossible to use arguments for organic that are negative to the conventional farmers as human beings. They have to search deeper into themselves as to why organic products is better for them. The issue of structure – balance between animal husbandry and crops – is a bit abstract for students who have not had the experience of the study trip. Once at the study visit at Dan Videgrens carrot farm and packing place for all organic root crops from Gotland Dan mentioned, in passing, that he has to work on 210 hectares of land to grow 30 hectares of organic carrots because of the organic seven-year crop rotation. . He was discussing his plan to convert the whole farm to organic methods, which was quite a challenge since the farm was so specialized. A student stopped him and a discussion followed that showed what a revelation it was to understand that it is so much more complicated to grow organic and that there is a quite different way of thinking behind it. To understand the difference an ability of systems thinking has to develop. The confrontation with two very different systems is certainly helpful.

Another level of systems thinking is well illustrated by the comparison of the ARLA dairy in Visby with Dan Videgren root crop packing. The first years the personnel at ARLA could not answer our questions because they were not used to this kind of systems questions. For Videgren answering such questions was easy and he became very

engaged in the discussion. He could easily answer all these questions because he was directly involved in the decision making process. For him systems' thinking was natural. At ARLA we met personnel who had the task to inform study visits and who were not involved in the decisions, at least not on the highest level. Those people were in Stockholm. The question of understanding where responsibility lies for making decisions and how important this is part of the major learning process of the project. It is a hurting question for the island of Gotland where interesting parallels can be drawn with the economic trap of third world countries.

A comparison between the visit at a small-scale slaughterhouse and the real life meeting with death and the visit at the industrial slaughterhouse in Visby gives another aspect. In Visby the visitors are guided through an office room with a comfortable atmosphere and the slaughtering line is seen through a panorama window. There are no smells and no bloodstains. The students react accordingly. : Boys giving cynical comments and girls mocking disgust, but no any real deep gut reactions. If it is possible to make it real – the chance should be taken. Food industry has hygienic reasons for not allowing it. This is at the price of isolating the young generation from a real confrontation with life-death issues, an isolation that has consequences as dangerous as any hygienic risk.

How concrete do we have to be?

It was a question: Should we really bring an actual bag of groceries to the classroom? The students are already familiar with the products and it is an extra cost. However bringing a real bag of groceries, bought at the local supermarket, into the classroom had a surprisingly strong effect. The students reacted emotionally and became engaged. The groceries were classified in different groups – meat, dairy, vegetable and so on – and the students were instructed to group themselves and choose one pile for the group. Some students are vegetarians, some like this and others that. There was a natural emotional response and the students could clearly understand how this related directly to them.

It seems it is worthwhile to be very concrete and not take intellectual short cuts. There are different levels of engagement. The intellectual level can have a very fast pace but can also be superficial. Students and teachers can easily get the illusion of having learned something. Working with real products and doing real work with live animals as the students did on the farms is very different. I have heard many students describe a deep joy and satisfaction together with sore muscles and being exhausted - a real "flow" experience¹. Activation at this deeper level is at the very core of this project.

¹ Definition of and research about the "flow" experience is found in **Finding Flow: The Psychology Of Engagement With Everyday Life** by Mihaly Csikszentmihalyi. Basic Books, A Division of HarperCollins Publishers, Inc., 10 East 53rd Street, New York, NY 10022, 1997.

Difficulties in getting started

There are always groups that have a hard time to get started. The freedom to work independently also opens for the temptation to not work at all – to wait until the last moment. Different groups have different dynamics. It is important that the teachers are clear enough from the beginning that the work process in the groups is as important as the end result.

Tutoring meetings in the beginning are important to make sure all groups are started off with relevant questions and relevant methods, both of which are essential. The teacher can make it clear from the beginning that grading is based not only on the end project result, but also on the experiences from tutoring. The students' own motivation is very important. The best results require a "flow" experience, which often occurs during the study tour. It is the teacher's task to inspire the students into a "flow" experience already in the preparatory work. New ideas for the project should be evaluated in these terms.

Difficulties in the research process and the art of asking relevant questions

It is not always easy to find out what is really in the food products. Some students give up too easily and accept what they read in an information brochure as fact without questioning it. It is very important to tutor the students individually and make sure they come to the point where they can work independently. Students always underestimate the time it takes to finish. The points where the teachers are most needed are getting started and concluding. At least two months are needed after the study tour. To draw own conclusions and question authorities requires a leap in consciousness. It is not a small thing.

"Farmers maths"

Teachers are not used to thinking concretely like farmers. A link is needed. The ground was prepared in the study material with eight farm examples in rough figures. Each farm represents a specific type of farm: A specialized dairy farm, a pork producing farm, a grain producing farm without animals, a specialized egg producer, an organic mixed farm with dairy cows, a small family farm with mixed production, a part time farm and a farm that had extensively entered the "Omställning 90" program. For every farm there is a box for real capital (all the physical resources including land, buildings, tractors, machines, etc.) for input and output (in tons), for approximate economic input and output, for people that make a living on the farm, for history and for expectations of the future. The students have this background material to read. In it are all key figures they need. They can compare these figures with those of their own farms and they can use the figures to, for example, make qualified guesses on farm level if they are given the gross input of milk and number of farms.

A kind of "farmers maths" was developed. This provided a

connection between the teachers and the way a farmer keeps track of fodder, manure, economy and other practical matters. The reason to count is very concrete: Make an investment or not? Will the fodder last until spring? The ERA type of farm is basic for this because it is complete even when it is small. It holds all basic functions. Pioneers of ERA initiatives have developed the farmers' way of thinking a bit further. Buying fodder and manure from outside, the conventional farmer lets the selling company count for them, while the farmer who strives toward self sufficiency with fodder and manure develops a mathematical instrument for keeping track of the wholeness.

Finding the right farms for the right groups

When groups start working they sometimes get interested in a product that cannot be found on any of the farms in the network. Most farms have dairy or milk, so the groups working with potatoes, vegetables, fruits and so on often have to accept being on farms with mostly animals and just one field with one type of vegetables. The students will accept the limitations given by reality if they are properly prepared. Vegetables require manure – so it is well motivated that also the vegetable groups are confronted with animals. An ERA farm gives the whole picture of what farming is or can be. A conventional farm is often very specialized and therefore gives a good picture of one single product with significant open ends: Where does the manure come from? What is in the fodder and how is it grown? The conventional farm leads thoughts to phosphate mines, to production of soy beans, palm oil, to advanced logistics, advanced technical math and global business issues. The organic farm can explain the farming system as a whole without moving from the place. The organic farmer makes the pieces of specialized knowledge fall in place and brings it to a satisfying whole picture. It is therefore a good idea to have around half of the farms that students stay on organic farms. To visit farms that actually produce the products that are found in the supermarkets at home and the students like to eat is a very strong driving force. Discovering that many products are near to impossible to track concretely or would require travels over the whole world is frustrating, but it is a valuable learning experience also.

Money questions

Farmers would probably have accepted to have students as guests for a couple of days without pay if we would have asked that when the project started, especially if we would have engaged idealistic farmers with limited experience of cooperation with schools. But we wanted to come back next year and the next after that and we wanted to show a serious attitude. The farmers in När told us about an earlier negative experience with a school sending ninth grade students for farm practice. There was not a good enough follow up and the farmers had much work keeping track of teenagers who were not sufficiently motivated or prepared. The economic compensation that the school offered for food

and lodging proved the serious attitude of the school. But the engagement and good preparation of the students before the visit and the good communication with teachers was probably more important when the group in När decided to take over the organizing responsibility.

The payments to the farmers are really symbolic. This is not a business for the farmers. The farmers find the contact rewarding if it does not cost more than they can afford in the form of time taken from work in a busy season. The serious attitude from the school and that the students are well prepared is important. Some of the Gotland farms offer “Stay on the farm” holidays, and take the chance to market this. Others take the chance to promote their products, which is possible because Stockholm is the main market for products from Gotland. A significant part of organic carrots at the Stockholm market come from Gotland so the farmers are able to build loyalty bonds to future consumers. By paying the school shows that it takes the cooperation seriously. The school can afford this if it sees the project not as a course on top of natural and social science, but as being these subjects. The project also provides learning opportunities for teachers’ development, for which purpose there should be resources. It also gives the school good PR and free marketing.

Conclusions and suggestions for BERAS implementation

A key for a deep societal transformation as it would be to go from a specialized industrial food system to a food system based on local and organic food is a deep attitude change. A societal transformation of this magnitude requires deep changes in life style on a broad basis.

The Bag of Groceries project corresponds on many levels with the conclusions of the UNICEF Delor commission report “The treasure within learning”¹ with its four pillars: Learning to live, Learning to live together, Learning to learn and Learning to act.

The strength of the Bag of Groceries project is that it answers to this need of radical renewal at the same time as it is also narrow and specific so that it can be implemented within the existing school system. It is specifically designed for the needs of adolescents and has been tried for so many years that the course has moulded itself into a stable form. The ideas and experiences of the Bag of Groceries project have already inspired many teachers, but a concerted effort to help new schools get started according to the best knowledge available within the Bag of Groceries project is still to be done.

To reach out to adolescents with understanding of and engagement in the holistic BERAS concepts is a key for creating the grass roots pressure, which plays one important role in a radical change of the food

¹ ISBN 92-3-103274-7 – can be ordered through www.unesco.org. The commission was appointed and given its task by the UNESCO general assembly in 1991 and worked from 1994 with Jacques Delors as chairman. The final report was presented in 1997.

system. The Bag of Groceries project has the potential to reach out in the first hand to youth in the main cities around the Baltic Sea. Competence needed for this is present in all countries and we believe the concept has a strong enough identity to withstand pressures from outside which will undoubtedly appear when expansion begins.

There are other important projects that connect schools with farms. The "Levende Skule" project in Norway¹ has a similar experience at the elementary school level. The national network of schools closely cooperating with farms in Norway is probably the most advanced in the world in this field. A pre-school level approach was tried within the BERAS project in Järna, building on, among other things, the experiences from Norway. At an adult level Patrick van Rensburg in the Education with Production² program in Botswana has taken a similar approach. These are just a couple of examples of the many creative pedagogic initiatives that work at a similar deep level as the Bag of Groceries project. Together they prove that the pedagogic techniques and entry points for a deep transformation in full freedom actually do exist and it is a real possibility to work in a truly liberating way in the whole human life cycle.

For the Bag of Groceries project the BERAS contact net to university-based research is interesting for at least three reasons. The students can use the analysing techniques developed to evaluate how the consumption habits affect emission of greenhouse gases and run off of plant nutrients and other scientific results in their research. The contacts with universities is inspiring for students who are thinking about what is their next step in life after finishing high school. It also gives good PR to the school.

The Bag of Groceries project is a network of a school, a group of farmers and the rural society of the farm district. This network itself can develop and get involved in action research looking at and optimising the win-win situation of schools, farmers and the society. What kind of beginning phase provides for the soundest growth? How will the project work in smaller towns? What kind of modifications will have to be made to adapt to different nationalities and specific local circumstances? Key actors in this process are teachers, agriculture advisors, farmers, researchers, local government and civil society activists.

¹ Aksel Hugo, Agricultural College, Ås, Norge.

² **Making Education Work: The What, Why and How of Education with Production**, by Patrick van Rensburg, Foundation for Education with Production International, Gaborone and Johannesburg, and the Dag Hammarskjöld Foundation, Uppsala, 2000. ISBN 91-85214-29-9. 152 pp. (Pre-publication edition).

DISCUSSION

*Salla Kakriainen
and Hans von Essen*

Obstacles and solutions

In line with the goals for this part of the BERAS project, this report presents case studies of local initiatives that have overcome obstacles and successfully promoted local food.

To start an initiative that is ecologically, economically and socially sustainable and combines organic food production with recycling and society may sound like a complicated task. Although we may have a clear goal with regard to local and organic food, food systems are complex and many people in different positions are involved. In such a situation it is not always easy to see how the kind of change we want can be initiated.

Entry points to initiating such changes have been very different in the different cases presented in this report. Farmers and NGO have been constructing a bicycle path and eco museums in Poland. In Finland, administrators have set up an electronic ordering system and farmers and shopkeepers have introduced a label for local products. Farmers in Sweden have set up a cooperative to help with marketing and processing. All these examples stress the importance of cooperation among actors within the local food chain. A school program in Sweden illustrates how the education sector can be included and the benefits from this. In one Finnish municipality, the town administration saw how supporting the local organic food sector would also support the development of opportunities for entrepreneurs in other sectors as well. In Sweden ideological associations have been founded. These cases illustrate the need for people to take action on a practical level in their work as well as the need for policy makers and others who can influence the system on a more general level, e.g. policy and legislation, to create a foundation and a positive atmosphere for the cause.

It is encouraging to see from these examples that people in different positions have been successful in bringing about a positive change. As Ewa Hajduk and Maria Staniszewska write, in Poland environmental awareness is not high, and a local organic market is almost non-existent. They have dealt with this by increasing awareness and creating learning situations – such as information tags along a bicycle path and in eco museums. In this way they have combined leisure time activities and education about the environment. Because people during their leisure time are more open for new ideas than in a stressful work situation the positive effect is even greater. New markets are set up to respond to new needs. Offering organic food baskets to the consumers is one example of this. According to Angelija Bučiėne and Marija Eidukevičiėne the organic food sector in Lithuania is not well developed and interaction among actors in the food chain is weak. Low purchasing capacity of consumers, lack of organic food processing facilities and lack of awareness about the demand and supply possibilities slow down the

development of the organic market. Organic marketing channels would make it easier for supply and demand to meet. To meet these challenges they have established an "Eco information –centre".

In Finland and Sweden local food systems are trying to find ways to better compete with conventional systems. Hanna-Riikka Tuhkanen describes how an electronic ordering system and a middleman are helping municipal kitchens, one big potential customer group for local and organic food, to make purchases. The kitchen staff rarely have time to search for local products and they also want one main supplier if possible, rather than receiving small amounts from various suppliers. The middleman is a link between kitchens, farmers and producers. He is a messenger and mediates the needs of both sides as well as taking care of the deliveries. This system improves information exchange and solves logistical problems by combining deliveries from different farmers and producers. Leif Holmberg and Hans-Petter Sveen present one example of the cooperation among farmers in Sweden. Competition on the local market was not sustainable and growing vegetables has also a low system flexibility. For example tomatoes cannot be stored for long periods. The farmers formed a cooperative association in order to better organise their production and share the costs of investments. Their latest idea is to invest in tomato processing equipment. This approach is comparable to the solution in Poland. Because organic markets are far from farmers – products are chosen and processed so that they can be transported easily.

Hans von Essen presents a larger-scale action under the brand "Farmer's own". Farmers do not want to give away the positive reputation that comes with this brand name to the big, faceless food industry. They are striving to strengthen the link between consumers and producers through marketing campaigns and by organizing farmers' market that are also an enjoyable experience for consumers. Other texts from von Essen describe initiatives to increase the awareness about food. A bag of groceries in the classroom challenges students in the 12th grade to follow the route these groceries have travelled and teaches them how complex the food system is. The highlight of the course is spending a few days on a farm.

Salla Kakriainen describes a case where a Finnish rural municipality has made the development and use of local organic food part of a larger development strategy for the whole municipality, including the processing sector. Kauhajoki serves as an example where problems like where to get local food and who has the time to organise and develop the local food system have been answered by networks, contacts and several years of project funding. If the activity is financed through short-term projects, it is important to ensure that the main goal is kept in sight at all times. If it is lost, then changes occur here and there without the system as a whole changing. In Juva, a local label for products from their own municipality was how farmers and shopkeepers showed consumers that a variety of local products are available.

It seems that in every country local food chains and food systems need to develop further. They are not yet strong enough to compete with conventional systems which are becoming increasingly centralised and international. These changes will require continuous adaptations as well.

Simple is beautiful. The examples show that simple and down-to-earth ideas speak to the heart and make the initiative powerful. This simplicity also makes it easier for others to join in and support the effort which is very important. If the costs for joining an effort become too high, it might be easier to reinvent the whole thing from the beginning. On the other hand, a new initiative needs to be protected and nurtured in the beginning. When the initiative is strong and has enough supporters it can face the rules set up by society and even contribute to modifying them for the benefit of everyone. But facing such obstacles too early can kill the initiative before it takes wing. For example the bag of groceries- needs support also from actors in food chain to be successful. Without information from the actors it is impossible to do the task.

One of the big challenges for alternative food systems is how to compete with the mainstream large-scale food industry. They cannot compete with the same products but local specialised products can find markets of their own. The concepts of large-scale food industry and local food systems are in many ways incompatible. The very idea of the food industry is to mechanize the production and gain large-scale advantages. Such an industry requires raw products of uniform quality and trucks that deliver full loads regularly. It is easiest for very large farms with highly specialized monoculture production to fulfil these needs. In contrast the basic principles for organic agriculture and local food systems is diversity, ecological balance and sustainability. The high degree of biological diversity creates an ecosystem that carries itself. Social responsibility means local employment opportunities rather than highest possible mechanization. These farms have difficulties to produce the amounts that the food industry requires at the prices they are willing to pay. John Higson (2005), the initiator of the Farmer's Own project, has compared the efforts of the organic movement to have the food industry help them with their deeper ambition of changing the food system with trying to squeeze a round object into a square hole. It is better to accept that these two systems are incompatible. Higson's (2005) solution is to work side by side and to accept that there will be two systems competing with each other on the market for a long time to come. (See also Söderberg 2005.)

Local organic food systems (alternative systems that include consumers and have their own specific food chain) develop very unconventional ways of working. As the cases initiative locally grown and bag of groceries show new ideas need a certain degree of freedom and space to be able to grow. If they are forced to follow all the written and unwritten rules, they seldom survive. An idea has to be nurtured

and grow stronger before it can face the 'real' world. This can be done both by testing it in practice and improving it as well as by sharing the idea and convincing others, including the concerned authorities, the judiciary and consumers, of its value. This is a lot of work, especially when it is done side by side with developing the initiative.

The initiatives described in this paper are survivors that have found the balance between the openness that is needed for the initiative to gain support and grow stronger and the protection needed to avoid being overwhelmed. From these cases two major conclusions can be drawn. For actors: Learn the art of balance between protection and openness! For policy makers: Rewrite the rules to allow necessary protection - especially for local and organic food systems!

Learning from others

Another important lesson from these cases is the importance of taking action. Often one or two persons with an idea can be found in the background. Taking in new information is one thing, turning it into action is another. And they both need time. Once an idea is born and matures, it then usually spreads to other interested people. In a studied on cooperation among farmers it was found that it is important to have time to let new developments settle down and find routines before additional changes are made. The study also found that cooperation is essential. (Kallioniemi 1998.) It provides a possibility to have a peer group and social contacts as well as a place where ideas and contacts can be exchanged.

Although it is important to let new developments become stable and the farmers and processors have a routines that work, change is also needed. The Swedish examples of the farmers' cooperation and the Initiative locally grown illustrate the need to redirect activities little by little. Without such adaptations the activities will not correspond to needs which are also always changing. For example as consumer habits change there is a growing demand for new and more processed products. The association also changed its form to avoid competing unnecessarily with other actors working for the same goals.

Also apparent from these cases is the importance of communication among actors. Once communication channels have been put in place, the situation and needs of others can be better understood and taken into consideration so that both the supplier and the customer can be satisfied. When both are willing to be a little bit flexible, then local food initiatives really start to work. But without such open-minded discussions, it is difficult for initiatives to develop.

Cooperation is a prerequisite for creating local food systems. A British project run by the Soil Association has listed the lessons they have learned while working with local and ecological food. The goal they had was to increase the share of local and organic food in schools. Although it is about schools, the main points in the ten-point checklist are similar to the lessons learned from the cases presented in this report.

1. Establish *mutual objectives* in the beginning. Ensure all partners can devote to the objectives so they feel they have ownership of the project and its outcomes.
 2. Catering managers will prefer to deal with only one individual *to coordinate supply*. They rarely have time to deal with many different people individually.
 3. *Educational support* is crucial to supply this market.
 4. The public procurement market is not an easy market to access. *Don't be put off by the difficulties*, however, as there is plenty of support available. Don't underestimate the time this process needs.
 5. When approaching any school, hospital or county caterer, *find out how their catering system works and what facilities they have*.
 6. It is crucial to have the *support from producers, procurers, distributors, parents, governors and pupils*. It is necessary for the whole chain to want to change the existing supply chain.
 7. *Producer co-operation* is the key to success in setting up an efficient supply chain.
 8. It is helpful, although not essential, to have an impartial *co-ordinator who must not seek to gain financially more than others from the process*.
 9. It is important to *link with other markets* and not rely on this market alone.
 10. *Local processing facilities are crucial* to the set up of the supply chain. Ensure that someone can provide support with certification requirements.
 11. *Affordability of organic produce* is a limiting issue. In-season local organic produce can often be more competitive. Clustering schools so that volumes are greater is also a helpful way to manage costs.
- (Developing the public... 2004.)

Despite overwhelming difficulties, some individuals continue to make great efforts and are successful in overcoming many obstacles. Why such enthusiasm? The reasons they give vary, as do the cases. One main reason is that local and organic food is good for the environment, for example through recycling agriculture and by avoiding unnecessary transportation. Another is that it supports the local economy and production and has a positive effect on local development. A third important reason is the good quality of local products. Their flavour and freshness are valued by both individual and institutional consumers. Also standardised processed products are sold over large areas whereas local food helps to sustain local food cultures and diversified tastes as well as local knowledge about ways to use raw materials to make local specialities.

Other BERAS reports provide additional information about the ecological and economic benefits of local organic food.

CONCLUSIONS

Identifying simple concrete activities seem to be a good way to start bringing about the desired changes. Because they are easy to understand it is also easy for others to join in and support them. Complicated structures are often unapproachable. Because the situation in each country (and indeed in each community) differs, the needs, opportunities and ideas for promoting the use of local organic food vary greatly. Despite these differences there also seem to be some common aspects. One of the basic problems in local organic food systems seems to be connected to food chains. In Sweden and Finland local food chains have often been replaced by complex international centralized industrial systems so the challenge in these countries is how local chains can be revived. In Lithuania, Latvia and Poland, on the other hand, many of these local food chains still exist. In these countries the question is how they can be supported.

*Salla Kakriainen
and Hans von Essen*

Finding a way to begin to act for local and organic food is difficult – Where to start?, What to do? The cases in this report show that almost all of them have single persons as initiators in the background. That goes for the Polish eco museum as well as the Swedish bag of groceries and the Finnish local food purchasing development in the Kauhajoki municipal kitchen. Talking about the idea and finding ways to start pushing it forward with other people can, in the end, make a big difference.

As the obstacles for development vary in different places, so also do the solutions. The range of creative initiatives covers all thinkable fields: information about ecology, the farmers' own activities in creating brands and labels, associations, developing ordering and delivery systems, processing, municipal help, marketing campaigns and so on. It seems to be much about connections and contacts. When an idea is born, it needs some time to develop, and for more people find out about it and support it. Active persons further develop the idea by communicating with others. Communication is important in the development phase (so that the idea will contribute to meeting the needs), a new innovation needs to find its own connections - a contact net of individuals who understand the advantages and support it. During the implementation it is important to inform different parties so that everyone knows the situation and latest development. Communication is needed also when there is an apparent lack of solutions. Most likely there is an initiative somewhere that has dealt with similar problems and can provide inspiration about how to move ahead. In other words, good communication is a prerequisite for success.

The local label in Juva and Farmers' Own are actually also identity building projects. Alternative food systems like local organic food are competing with the large food industry. One of the differences between these is that alternative systems wish to maintain or re-establish a

relationship between the consumer and the producer whereas in the food industry this relationship is lost. These initiatives help both to build a direct relationship between the producer and consumer and to inform consumers where products come from.

All farmers do not have the time, interest or possibility to be at market places and many customers who wish to buy local organic products want to be able to purchase them in grocery stores and super markets. This goes especially for institutional units (e.g. institutional kitchens and restaurants). For such situations a middleman can be very useful. When the middleman has clear guidelines for his activities, the customers trust him and can utilise his services. Also the farmers can concentrate on their main primary tasks and leave the marketing to experts.

Local organic food can also be seen as one embodiment of sustainable rural development. Development issues are complex and involve many different aspects. All of these connections are not always easily seen but still they are there. For example, at first it may seem irrational for a municipality to spend more money to buy more expensive locally produced organic food. However when looked at in its entirety, the investment may pay back in terms of increased employment opportunities, more tax paying citizens and more profitable small scale production in the municipality.

It is important for the EU commission, for the prime ministers in Europe and other top-level decision makers to understand that a real grass-root process for sustainable development in Europe is under way. Exchange and information sharing projects such as BERAS can create positive dynamics making local initiatives more visible and speeding up the positive changes needed for an ecologically, economically and socially sustainable society.

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ORGANIC AGRICULTURE IN THE DISTRICT OF AIZKRAUKLE - opportunities for development

J. Jakobi and Dzidra Kreisman

Agriculture in Latvia has changed drastically during the past fifteen years. Some of these changes have been for the better certainly, others for the worse. In the present situation, the main aim of the State agricultural policy is to turn agricultural into a sector which fully satisfies the demands of the internal market, is integrated into the European Common Market and can also manufacture competitive products that meet the demands of the world market in terms of quality and production costs. In the year 2003 Latvian agriculture produced 100 % of the national demand of cereals, legumes and eggs, 81 % of the beef, 62 % of the pork and 54 % of the poultry. The amount of milk produced was 107 % of the national demand. The number of livestock has decreased by about one third. Also farm equipment is somewhat out-dated. In 2003 only 5 % of the countries 57000 farm tractors were less than six years old. There are also positive changes such as investments for agricultural modernization and support under agrienvironment schemes from European Union funds during last 3 years.

The District of Aizkraukle was founded in 1967. It consists of 3 towns (Aizkraukle, Jaunjelgava, Plavinas) and 19 villages. At the beginning of 2002, the total population was 41546 inhabitants, 37 % living in towns and 63 % in the countryside. The district is 2567 km², 54 % is covered by forests, 32 % by agriculture land and 3 % by water. The average population density is 16 inhabitants/km².

The District of Aizkraukle lies in the south-eastern part of Latvia, bordering on Lithuania and the districts of Bauska, Ogre, Madona and Jekabpils. The territory is crossed by Latvia's largest river – the Daugava – and by the main railway line between Riga and Moscow.

The potential of the natural resources has favored development of the following industries: forestry and wood processing, water power, building material, peat processing as well as agriculture and food processing.

In the District of Aizkraukle the main agriculture products include grain, milk meat and vegetables. As agriculture production has declined several farms have turned to the development of rural tourism and non-conventional agricultural activities such as the production of food supplements and teas, ecological milk, herbal bathhouses, etc. Only the area under technical crop production has increased (more than doubled) and slightly more vegetables are also being grown. The dramatic changes in the agriculture sector in the district during the decade between 1990 and 2001 are illustrated in Table 1 below.

On average, registered organic farms in the District of Aizkraukle have about 13 ha of land for agriculture production. Of the 4646 farms

in the district only 129 (i.e. 2.8 %) are larger than 50 ha. (See Figure 1.)

In the District of Aizkraukle, 70 % of the 117 thousand ha of land without forests is used in agriculture. In the LR Commercial Register 1411 farms or 36.4 % of all the peasant farms are registered. More than half of all farms are not economically active, which means that they do not produce products for the market.

Table 1. Changes in agriculture in the District of Aizkraukle Source: Food and Veterinarian Service of Latvia (FVSL).

Data	Year 1990	Year 2001	% year 2001 against year 1990
Area under cultivation(ha) including:	52002	23432	45.1
Cereals	21558	10637	49.3
Technical crops	177	406	229.4
Potatoes	2814	1782	63.3
Vegetables	286	316	110.5
Forage crops	27167	10096	37.2
Cattle (number)	47180	12250	26.0
Pigs(number)	28540	7251	25.4

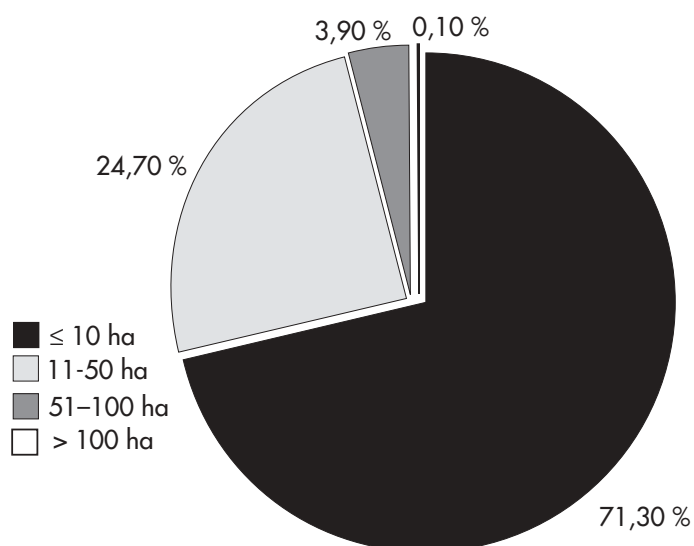


Figure 1. Division of farms according to size. Source: FVSL.

An area considered to have economic potential is fish farming - carp, pike, tench and soon crayfish will be grown at "Purvini", Sece Village. Bream and pike are already being grown in the fish farm at Serene.

The great majority of enterprises in the district are private (82 % are private, 2.7 % municipal and 2.4 % State). Approximately 3500 peasants are employed as agricultural workers and 4200 gain a livelihood on their own smallholdings. The average total area of a peasant farm is 25 ha of land, but there is one big farm in almost every village.

The interest in organic farming has dramatically increased in Latvia recently - by five times since 1998. This is due to an increase of national subsidies. Since 2004, the EU grants are made within the framework of the rural development plan. (See Figure 2.)

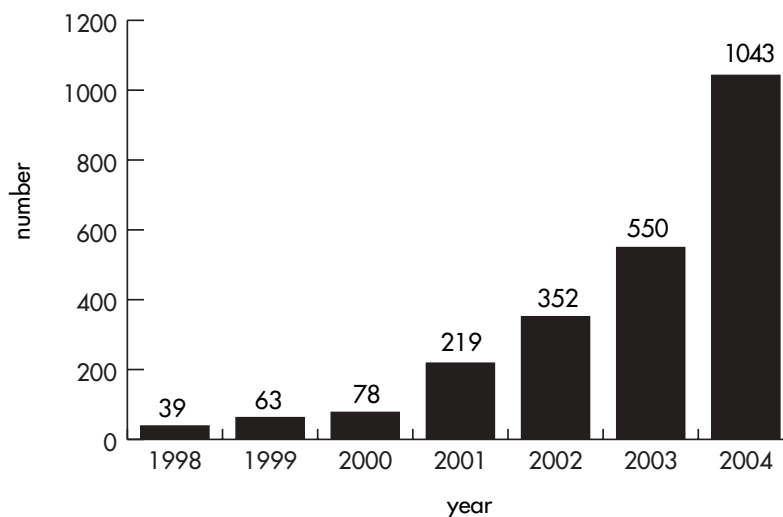


Figure 2. Number of organic farms in Latvia. Source: FVSL

The significance of organic agriculture for environmental protection is great despite the insignificant level of nutrient leakage to the environment from farms. Organic farming is particularly important in protected areas. In Latvia such natural territories under protection total approximately 1 million ha, including the one thousand ha in the District of Aizkraukle where are about 1 thousand ha. In the year 2004, 2 % of all agriculture land was managed organically. (See figure 3). In comparison with Austria, Sweden and other EU countries, it is not too much. However, from this area a large number of natural and wholesome products are obtained.

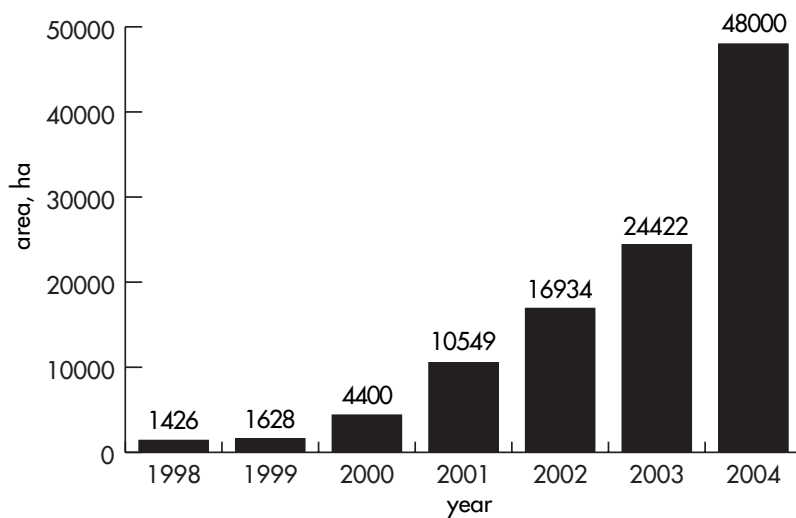


Figure 3. Agriculture land under organic management. Source: FVSL.

At this period in time when residents of Latvia are suffering from different diseases such as heart diseases and allergies, the demand for and use of a natural, poison-free food in the diet is significant. The amount of the organic products produced in 2003 does not meet the demands of the market. The manufactured biological products in 2003:

- grain: 6682 t
- beans: 336 t
- fruits and berries: 236 t
- meat: 2401 t
- milk: 30953 t
- eggs: 226 710
- vegetables: 1432 t
- bee products: 54 t
- canola seeds: 213 t
- potatoes: 3892 t

Source: FVSL

One reason for lack of supply of organic products in shops is the poorly developed facilities for processing of organic products in Latvia. For example, some organic milk farmers are forced to sell their milk to dairies where it is mixed with conventionally produced milk. The same is true for other products. Also the fragmentation of farms negatively affects the development of the organic agriculture to a great extent. Approximately 90 % of farms in Latvia are tiny and some are subsistence farms that do not produce for the market.

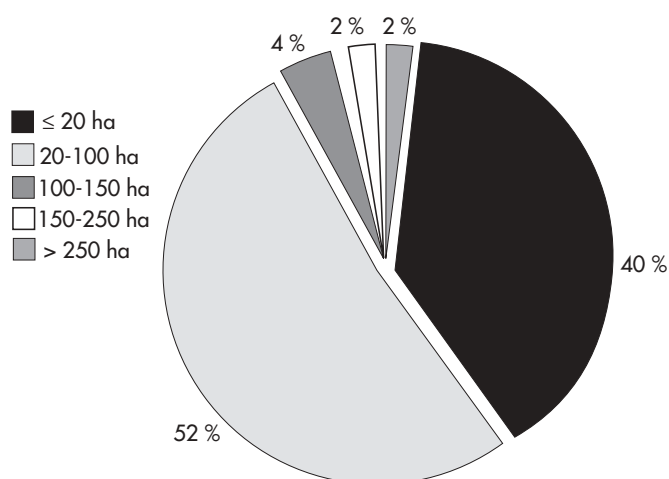


Figure 4. Structure of organic farms in Latvia, 2003. Source: FVSL.

Thirty-three farms in the District of Aizkraukle are registered at the Food and Veterinary Service as being engaged in organic agriculture.

Since 2003, the Development Agency of Zemgale has been implementing the project “Environmentally friendly management in the region of MidBaltic”. This has received support from the Small Project Fund of the EU Phare 2001 Cooperation Program in the Region of the Baltic Sea. Partners in this project include the Rural Development Association of the Region of Tampere in Finland and the Regional Administration of Sauliai in Lithuania, the Office of the District of Jelgava of the Latvian Agricultural Consulting and Education Support Center and the Association of the Latvian Organic Agriculture. A booklet has been prepared in three languages, that presents information about organic farms in the Zemgale Region. In the District of Aizkraukle, most organic farms have from 11 to 50 ha of land. In addition there are 3 farms with more than 200 ha. The joint-stock company “Bormani” has 813 ha of land. (See Figure 5.)

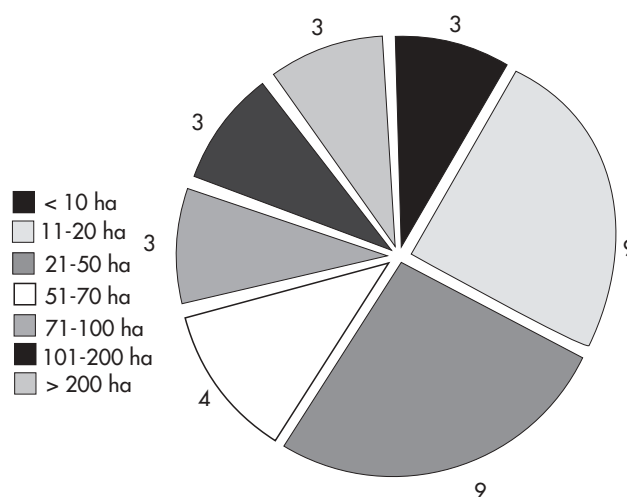


Figure 5. Division of organic farms according to size (ha). Source: FVSL.

The major products from organic farms include grains, canola, buckwheat and clover as well as potatoes, vegetables, fruits, honey, forage plants, herbal plants, and sprouts. The number of dairy cows in biological farms totals to approximately 500, but the average milk yield fluctuates from 3400 – 4500 kg. Proportion of other agricultural animals is insignificant.

Below is a description of the organic farms that produce for the market and take part in an information exchange of experiences. However the Agricultural Research Institute is the scientific centre of development of organic agriculture in the district. Their support includes organic seed production and information/education activities.

The joint-stock company „Bormani”, Chairperson Jānis Miezītis

The largest manufacturer of agricultural produce in the Area of Aizkraukle, which is located in the Village of Koknese. The total area is 813.16 ha. The organically certified area is comprised of 400.25 ha, 247.5 ha of which are in their first transition year and 165.41 ha in the second year of transition.

The company specializes in crop production (mainly animal feed) and dairy farming.

Pasture area: 52.8 ha, cereals: 138.1 ha, other forage crops: 29 ha.

In total, the company has 260 head of cattle: dairy cows – 150, breeding heifers – 45, calves up to 1 year of age – 65. Average annual milk yield per cow is > 4000 kg.

Canola is grown for the purpose of producing biofuel. In the future it will be used as a source of energy for driving tractors and cars. This fuel will be considerably cheaper, thus, it could decrease costs of production.

The peasant farm „Vecapēni”, Chairwoman Māra Kaugare

This farm is located in the Village of Aiviekste on the banks of the River Aiviekste which flows into the Daugava River.

The farm has 15.8 ha of land. It has been engaged in biological agriculture for four years and all its area is certified.

The farm sells a rich variety of organic products to the supermarkets. These include sprouted seeds of garden radish, cereals, alfalfa, onions, lentils, etc. These have high biological activity and are a good source of vitamins and minerals to enrich food. Herbs and exotic greens are also grown. For this purpose the farm has 460 m² of covered area. The most important include basil, majoram and tarragon. Legumes such as broad beans, shelling beans and peas are grown on 1 ha of land. Lettuce is also grown – approximately 20 different varieties.

**The peasant farm "Rāgares",
Owners Māra un Jānis Vaivari**

This farm has 7.6 ha of land. 3.5 ha are under organic cultivation. They have been engaged in organic agriculture for 10 years. The herbal plants are grown on 0.8 ha of land, 50 m² of which are under cover.

They have established the Veselibas Darzs (The Health Park), but the manufactured products are sold under the trademark "Ecoproduct of Latvia".

The farm sells fruit, e.g. apples, plums, pears and actinidias and seedlings, e.g. actinidias, bergamot, sea buckthorn, big fruit hazel, ornamental and edible honeysuckle, dark elder, lad's love, climbing cotoneaster, box ivy and others. Herbal teas are also sold here.

Every year 50 – 100 new fruit trees (apple, pear, plum and cherry) are planted to replace older trees.

In the automated greenhouses, golden currants and viburnums are also grown.

Lupin is grown as green manure.

**The Agricultural Research Institute,
Director Dr. agr Aldis Jansons,
Scientific advisor Dr. agr. Jānis Vigovskis.**

The Institute is located at Skrīveri and the largest certified Research and Seed Growing Center of Biological Agriculture in Latvia is located there. The total area for biological farming covers 43 ha of land, 30 ha have already been certified and 13 ha are in the first transition year. They have a rotation on 7 fields (4.5 ha each) of winter rye, red clover for seeds, potatoes, barley, oats, pasture ryegrass for seeds and winter canola.

At the Institute it is possible to obtain certified seed material for rye, barley, oats, pasture ryegrass and red clover. Workshops and rural days for peasants from Aizkraukle and other districts are organized on a regular basis covering issues related to organic agriculture among other things.

Conclusions

In the District of Aizkraukle, the number of biological farms is increasing. The increase, though not very rapid, is steady and the interest in environmentally friendly management is pronounced. Of great significance is the fact that the Latvian Agricultural Consulting and Education Support Centre in the District is positive to this trend. It actively carries out educational and other support activities. In 2004, 3 new farms started the transition to organic agriculture. (See Figure 6)

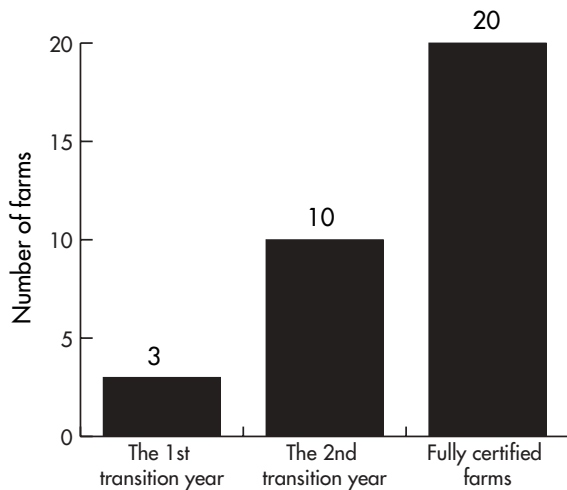


Figure 6. Organic farms in the District of Aizkraukle in 2004. Source: Rural Advisory Centre of the Aizkraukle region.

Based on the discussions held with peasants at the Aizkraukle District Council, several conclusions can be drawn and visions for the further development of organic agriculture outlined.

1. The Daugava River crosses the district. In order to save the Baltic Sea from water pollution, it is necessary to eliminate use of agricultural chemicals. Giving preference to and supporting organic management in the district is a necessary undertaking to protect the environment. There is opportunity for development, because the Aizkraukle District Council, the body responsible for the environment, is interested in developing this sector. For this work the District Council has been able to access EU funds through Leader and other similar programs.
2. The Agricultural Research Institute at Skrīveri does research on organic crop production. They also organize field days and training for peasants. It could develop as a serious educational and scientific centre in the sphere of organic agriculture in the district.
3. There is a pronounced lack of processing enterprises. For example, the organic farmers sell their milk to dairies where it is mixed together with conventionally produced milk. The same is true for other products. This situation could be changed if "Daugava" Ltd. turns to processing organic dairy products.

4. Opportunities to strengthen the market for organic agriculture and increase the competitiveness of organic products lie in developing cooperation among farmers. The farms are situated close to each other and cooperative activities such as the production of biofuel on the Bormani farm and perennials and cereal seed production in Agricultural Research Institute, has been started. Areas where cooperation could be started and/or expanded include the production of perennials, cereal seed production, production of canola for both feed and bio fuel as well as provision of services such as milling and marketing.

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