



Deliverable 8.5 Policy and Practice notes

Work Package 8

COPA



Document Identification

Project Acronym	SMARTCHAIN
Project Full Title	Towards Innovation - driven and smart solutions in short food supply chains
Project ID	773785
Starting Date	01.09.2018
Duration	36 months
H2020 Call ID & Topic	SFS-34-2017 - Innovative agri-food chains: unlocking the potential for competitiveness and sustainability
Project Website	http://www.smartchain-h2020.eu/
Project Coordinator	University of Hohenheim (UHOH)
Work Package No. & Title	WP8 Dissemination, communication and exploitation
Work Package Leader	Copa-Cogeca (COPA)
Deliverable No. & Title	Deliverable 8.5 Policy and Practice notes
Responsible Partner	COPA
Author (s)	Branwen Miles (COPA)
Review & Edit	F° Javier Casado Hebrard (UHOH)
Type	Report
Dissemination Level	Public
Date	31.08.2021
Version	1.0
Status	Final

Executive Summary

This document consists of the policy and practice notes prepared under Task 8.3.2.7 to create Deliverable 8.5. The notes provide an overview of the key findings from the SMARTCHAIN project and the recommendations that were collected following the results and evaluations of partners in each Work Package.

Table of Contents

1. Introduction	4
2. Policy and Practice Notes	4
1.1. Improving Sustainability Impact of SFSCs	4
2.1. Attracting Consumers towards SFSCs	4
3.1. What are the key elements for the success of SFSCs?	4
4.1. Importance of communication and cooperation in SFSCs	5
Annex I - Improving Sustainability Impact of SFSCs.....	6
Annex II - Attracting Consumers towards SFSCs.....	8
Annex III - What are the key elements for the success of SFSCs	10
Annex VI – How to support cooperation in SFSCs?	12

1. Introduction

The Policy and Practice Notes have been prepared in line with Task 8.3.2.7 to provide briefings of the key findings from the relevant working packages to practitioners and policy makers.

The notes present a compilation of the recommendations and good practices stemming from the results of the work packages, examples of which can be found in Annexes I-VI.

As an introduction, a short overview is provided at the beginning of each note followed by the challenges as well as key recommendations. Depending on the content, recommendations have been provided directed to SFSC practitioners and/or policy makers on ways to support SFSCs in order to foster and accelerate the shift towards collaborative short food supply chains.

The Policy and Practice notes complement the deliverables made in other work packages, most notably, Deliverable 4.5 "Consolidation report on consumer attitudes and recommendations", Deliverable 5.7 "Recommendations for reducing the environmental impacts and optimising sustainability" and Deliverable 7.5 "Legal and policy recommendations for decision makers".

Each note concludes with where to find more information about the project, and way to communicate with the project.

Translated versions of the Policy and Practice Notes will be made available on the SMARTCHAIN Innovation platform in the following languages: English, French, Spanish, Italian, German, Polish and Romanian.

2. Policy and Practice Notes

1.1. Improving Sustainability Impact of SFSCs

This note provides a condensed overview of the work undertaken by WP2-7 relating to improving the sustainability of SFSCs along with the recommendations that have been identified. During WP5 sustainability assessments were carried out on selected examples of the SMARTCHAIN case studies and comparisons were made to identify the elements that would lead to improved social, environmental, and economic sustainability of SFSCs. This led to environmental and socio-economic recommendations for consumers, SFSC practitioners and policy makers.

2.1. Attracting Consumers towards SFSCs

This note provides recommendations that can be undertaken to make SFSCs a more attractive purchasing choice to consumers. There were some positive elements to the data collected by WP4, however, there were also clear elements that SFSC practitioners could begin implementing to improve their interaction with new and returning consumers. The note set outs recommendations for both the SFSC practitioner as well as policy makers.

3.1. What are the key elements for the success of SFSCs?

The extensive data collection and analysis made within WP2 highlighted some key bottlenecks and challenges faced by SFSCs in addition to examples of success factors. This note draws attention to some of the general bottlenecks faced by SFSCs along with some examples of that can be used to alleviate them. Furthermore, the note provides some best practices towards innovation and cooperation between SFSC practitioners.

4.1. Importance of communication and cooperation in SFSCs

This note highlights some of the challenges that have had an impact on cooperation in SFSCs, whilst outlining the recommendations and best practices towards improving cooperation amongst SFSC actors. It also includes the example of the GAIN MODEL that aims to increase the competitiveness and sustainability of SFSCs with practical and strategic solutions whilst also facilitating collaboration among SFSC actors.

Annex I - Improving Sustainability Impact of SFSCs



Policy and Practice Notes

Improving Sustainability Impact of SFSCs

Overview

As part of the Integrated sustainability assessments during the SMARTCHAIN project, comparison between selected case studies and general conventional supply chains was undertaken, whilst considering the three dimensions of sustainability: social, economic and environment. The purpose was to identify elements to reduce the environmental impact of SFSCs whilst maintaining and improving their positive social and economic impact

Challenges

There are also significant differences in the impacts of SFSCs' according to the country, type of product, and type of organisation. It was clear when assessing the case studies and comparing them with conventional food supply chains that there is a large variation, among different SFSCs highlighting the diversity across the European landscape. Despite the perception of SFSCs being more environmentally friendly, SFSCs can be associated with higher food miles and larger carbon footprints than conventional supply chains. This can be attributed by the need for actors such as consumers to travel for more kilometers to buy small quantities of food. Whereas supermarkets are generally 'one stop shops' where customers can fulfill all their needs

Key Recommendations

- Coordinated logistics and food distributions amongst local SFSC practitioners
- A diversification of distribution channels and points of sale
- Development of social and physical infrastructure, such as food hubs
- Apply the food hub concept to digital solutions, creating digital food hubs
- Choose environmentally friendly transport.

Main Findings

In order to assess and recommend improved sustainability aspects of SFSCs, an environmental and socio-economic assessment was undertaken on selected case studies of the project across Europe. An evaluation of SFSC innovations from environmental, social and economic perspectives was made, comparing them with conventional food chain practices. This provided an insight into the comparative advantages and disadvantages of different types of SFSCs

Overall the socio-economic impacts on the Social Life Cycle assessment show better results for SFSC, with less gender discrimination, less corruption, fair competition, and appropriate working time. Beyond economic reasons, social integration and empowerment have a great importance in SFSC. The most important advantages of SFSCs for producers are the direct, social and supportive relationship with consumers, the control they keep on their product along the value chain and conviviality. In addition, the direct relationship with consumers enhances all SFSCs benefits

Despite general perception of SFSCs having a reduced environmental impact, this is not always the case due to the logistical parameters of SFSC. In general, SFSC's distribution avenues are located outside populate areas meaning some consumers are required to drive more kilometers by car per kilogram

Environmental recommendations

- **Foster farmers' markets and cooperative shops**

Farmer markets, as well as cooperative shops bring together a range of local producers for a 'one stop shop', usually in a central location to consumers. Supporting these selling channels reduces the travel requirement of consumers whilst the location enables customers to visit complementary shops nearby without travelling more

- **Provide networking platforms**

Platforms provide opportunities for primary producers to connect and build networks with other local SFSC actors, and enable future collaboration to complement each others offers

- **Transportation**

Practitioners and consumers should choose environmentally friendly transportation available to them, in order to reduce their carbon footprint

Socio-economic recommendations for practitioners

- **Cooperate with local producers and supply chains**

Sharing knowledge, investments, and resources, could optimize logistics and to get more visibility for individual SFSCs

- **Diversification**

Complement the produce on offer by including goods from other producers to provide more options for consumers

- **Increase the accessibility of products:**

Explore additional selling channels such as online sales, new local-food markets or social events, good sources of communication and marketing

- **Carry out informative and educational campaigns**

Improving the understand of consumers of the origin of their locally sourced products, could lead to informed choices and increased sales.

Socio-economic recommendations for policy makers

- **Foster local reindustrialisation**

The lack of local processing infrastructure is a barrier in the development of SFSCs. Improved infrastructure such as slaughterhouses, mills, shared processing plants, etc. is needed along with their adaption to handle small and seasonal productions

- **Social criteria for public procurement**

Consider rules that include a social criterion favouring providers that are socially sustainable, and contribute to the local economy, viability of farmers, and the revitalisation of rural areas

- **Increase Investment in SFSC related research**

The results of the environmental and socio-economic assessments call for more coordination of the food production and supply in SFSCs. From a social perspective, the modalities of this cooperation (vertical and horizontal) should be further investigated, focusing on the conditions under which cooperatives effectively act as a support to producers' empowerment.

For this, more data is needed, harmonised data at EU level, according to common criteria and indicators, to know more about the contribution of SFSC in EU economy (in terms of GDP, employment, etc.), their relative importance in producers' business model, but also more qualitative aspect (satisfaction of producers, etc.)

More Info

The central objective of SMARTCHAIN is to foster and accelerate the shift towards collaborative short food supply chains and, through specific actions and recommendations, to introduce new robust business models and innovative practical solutions that enhance the competitiveness and sustainability of the European agri-food system



Horizon 2020
European Union Funding
for Research & Innovation

SMARTCHAIN project has received funding from the European Union Horizon 2020 research and innovation programme under grant agreement No 773788



@Smartchain_EU



www.smartchain-h2020.eu/



@SMARTCHAIN H2020 Project

Annex II - Attracting Consumers towards SFSCs



Policy and Practice Notes

Attracting Consumers towards SFSCs

Overview

Collecting consumer attitudes, values, expectation and purchase behaviour in relation to SFSCs improves the understanding of the choices made by consumers and often the reasons behind that decision. Where applicable the information can be utilised by SFSCs in practice to help to improve consumer awareness towards the benefits to SFSCs, with the end goal to improve overall sales, economic viability and social benefit to rural areas

Challenges

Questionnaires, interviews and focus groups were held with European consumers to understand their behaviours to SFSCs. The top three reasons consumers provided for not buying from SFSCs include:

Price
 Accessibility
 Lack of promotion of SFSCs

Many consumers perceive the price of SFSC products as too high. The general location of selling points like farm shops are not conveniently located, and there is a lack of promotion and understanding of SFSC benefits

Key Recommendations

- Improved accessibility of SFSCs
- Increase marketing activities
- Awareness raising amongst consumers
- Understanding the need and demand of consumers
- Facilitate knowledge transfer between farmers and scientific community

Main Findings

During the evaluation of consumer behaviours and perceptions, there were some common grounds across the countries surveyed, as well as preferences to products bought through SFSCs. In all countries, the consumers were more likely to purchase fresh food items more often than processed ones from SFSCs. It was also highlighted that customers these customers were also inclined to prefer organic, locally produced or traditional products. The preferred products purchased through SFSCs include: vegetables, fruits, eggs, honey and bread. Many consumers perceived products from SFSCs and SFSC in general as more environmentally friendly than conventional supply chains.

Despite the positive outlook towards SFSCs and the quality of products. The convenience provided by conventional supply chains such as supermarkets with their readily available products and other conveniences such as longer opening hours, hinder the attractiveness towards SFSCs.

Recommendations

SFSCs practitioners

- **Marketing and communication**

Communication and marketing is an important aspect for SFSCs. It provides consumers with information about the products as well as the SFSC business. Consider highlighting niche elements of your business.

- **Improve accessibility**

Accessibility is key to increasing the uptake of SFSCs as an alternative purchasing channel. This includes looking at opportunities to bring the products nearer to consumers and adjusting the opening days or hours to for optimal sales.

- **Promote the products available**

According to the results of the SMARTCHAIN project, consumers value the naturalness and freshness of food from SFSCs. As well as the provenance and production of the products.

- **Highlight the advantages of SFSCs**

There are a number of benefits of SFSCs for consumers, yet this is often not understood. Consumer confidence needs to be improved, as well as understanding for the higher prices. Information campaigns and promotion by SFSCs can alleviate this barrier and improve sales.

- **Understand your customers**

Customer preference varies, not only across Europe but also within countries or regions. Consider conducting market research with your customer groups, or at least observing their purchasing habits.

Policy makers

- **Provide a common definition of SFSCs**

An EU applicable definition for SFSCs can assist in removing any unclear parameters surrounding SFSCs, as well as avoiding a narrow definition that could leave relevant examples out of the scope

- **Facilitate Farmers involvement in SFSC**

Improved farmer involvement is needed to support the success of SFSCs. Through Rural Development programmes, EU countries have the potential to support SFSCs, farmers' market, etc. In addition, novel farmer co-operation and co-ordination, like food innovation hubs can be reinforced

- **Quality Assurance Schemes**

Territorial development programs may establish regional quality assurance systems that will stimulate local sourcing and connect the HoReCa sector with local producers. The HoReCa industry can then serve as an important gatekeeper for SFSCs

- **Facilitate knowledge transfer**

Knowledge transfer is an important aspect to success of research and businesses. Improved measures are needed to bring together farmers and the scientific community to work together

- **Develop public campaigns**

Regional and local public campaigns are a great way to inform local citizens about the benefits provided by SFSCs to them as consumers and to their local community or region. Campaigns would also increase awareness of local actors in SFSC and improve consumer trust.

More Info

 [@SMARTCHAIN_EU](https://twitter.com/SMARTCHAIN_EU)

 www.smartchain-h2020.eu

 [@SMARTCHAIN H2020 Project](https://www.linkedin.com/company/smartchain-h2020-project)

The central objective of SMARTCHAIN is to foster and accelerate the shift towards collaborative short food supply chains and, through specific actions and recommendations, to introduce new robust business models and innovative practical solutions that enhance the competitiveness and sustainability of the European agri-food system



Horizon 2020
European Union Funding
for Research & Innovation

SMARTCHAIN project has received funding from the European Union Horizon 2020 research and innovation programme under grant agreement No 771788

Working Definition

SFSCs are co-operative systems that include very few intermediaries, increasing sustainability, transparency, social relations and fairer prices for farmers and consumers. Such supply chains usually involve local producers working together to promote local food which, in many cases, only travels a short distance, so farmers and consumers can communicate with each other

Annex III - What are the key elements for the success of SFSCs



Policy and Practice Notes

What are the key elements for the success of SFSCs ?

Overview

During the SMARTCHAIN H2020 project, new methods for making SFSC more sustainable and competitive were explored and resulted in solutions for eliminating the bottlenecks present in food chains, and heighten the success factors for the sustainable operation of the SFSC practitioners, and the SFSCs as a whole. On the SMARTCHAIN Innovation platform, a number of technological and non-technological innovations identified for SFSC can be found. Several bottlenecks identified by the case studies, can be related to the problems associated with food safety, food quality, marketing, product development, and business skills.

Bottlenecks & Challenges

- Rural development policy does not operate as a supporting system for SFSC actors
- Lack of freely available financial resources at EU and national level: barriers to investments and the use of innovative methods
- Lack of tailored legislation for SFSC
- Different interpretations of the relevant legislation at the EU level
- Complex regulations on food hygiene, food information and various products
- Farmers and producers are not able to meet the requirements of the regulations without the help of national and EU institutions
- Operating food quality systems is costly for small-scale producers
- Lack of national regulations for quality in some countries

- Limited and unpredictable product volumes
- Perishability of products
- Limited availability of labour
- High cost of logistics for minimum products
- Poor direct access and/or links to consumers and low consumer awareness
- Lack of trust among the chain actors
- Low negotiating power with retailers, large service providers, large customers, intermediaries, municipal governments
- Low adaptability to price competition resulting in high prices of products
- Lack of information and knowledge of product development skills, advanced technologies, marketing, awareness of public funding opportunities, understanding of and compliance to legal requirements.
- Lack of collaboration with peers and other SFSCs members

Examples of success factors for SFSCs

- Authentic, local, traditional, and quality products
- Sustainable production, including organic production
- Strong communication and online presence.
- Common marketing and visibility
- Strong common brand of the (local) producers
- Following food types
- Food chain management and networking
- Employment of disabled and handicapped people.
- Interaction with different partners: e.g. agritourism of SFSCs with customer demand

- Exploiting, combining fragmented and complementary resources: to achieve strategic objectives
- Operating a uniform quality assurance system
- Close communication with members
- Strategic collaboration with different institutions
- Solitary participation of producers and consumers
- Sharing economic responsibility
- Experience and education, shared learning, and innovation acknowledged in the local community
- Acting as an interface for matching supply offer of SFSCs with customer demand

Recommendations for policy makers

- **Good Practices on the application of the flexibility principles**

There is a need to increase the awareness of the farmers, small food processors and food control officers, will significantly assist the operational success of the short food chains and enhance the production and supply of local foods

- **Facilitate Training for SFSC Actors**

Information and training to SFSC Actors can help improve the efficiency of the transfer of knowledge by the food control officers and advisors to the small producers in the short food chains.

- **Development of Training Material**

There is a lack of knowledge within SFSCs, and a need for specific training materials to address a number of topics such as labelling, nutrition, recycling, food safety. In addition there needs to be improved promotion of the training available and the implementation of innovations in practice.



Good Practice for innovation and cooperation between SFSC actors



Collaborate with others



Common marketing



Low cost innovations



Work together to reach strategic objectives



Seek innovations that work in other similar regions/countries/sectors



Open and transparent communication



Prioritise the innovations that add value to your products and services



Integration with local community



Think like consumers



Fair income for farmers



Take advantage of innovation for marketing



Employment of people with disabilities

More Info

The central objective of SMARTCHAIN is to foster and accelerate the shift towards collaborative short food supply chains and, through specific actions and recommendations, to introduce new robust business models and innovative practical solutions that enhance the competitiveness and sustainability of the European agri-food system



[@Smartchain_EU](https://twitter.com/Smartchain_EU)



www.smartchain-h2020.eu/



[@SMARTCHAIN H2020 Project](https://www.linkedin.com/company/smartchain-h2020-project/)



Horizon 2020
European Union Funding
for Research & Innovation

SMARTCHAIN project has received funding from the European Union Horizon 2020 research and innovation programme under grant agreement No 772788

Annex VI – How to support cooperation in SFSCs?



Policy and Practice Notes

How to support cooperation in SFSCs?

Overview

Cooperation and communication within SFSCs are important factors and should be encouraged among SFSC actors. This can help lead to more efficient business activities and in the long run would improve the success of SFSC. The project has collected several good examples of cooperation in SFSCs that could be helpful in overcoming the problems and bottlenecks identified.

Challenges

Through the focus group organised as part of WP 7, it emerged that many of the actors, producers and stakeholders of SFSCs are not generally connected to each other.

This stems from a number of reasons such as, lack of established network, negative connotations towards cooperatives and cooperation, and lack of regulatory framework to support cooperation amongst SFSCs practitioners.

Key Recommendations

- Promote the benefits cooperation amongst SFSC actors
- Develop support networks to facilitate cooperation
- Creation of capacity building programmes
- Reduce regulatory burdens and bureaucracy

Main Findings

The successful application of cooperation amongst SFSC actors can lead to a number of opportunities and improved market situation for those involved. Due to the nature of SFSCs, they are often in a weaker position when it comes to negotiations than those within conventional supply chains such as supermarkets. However, these obstacles can be easily overcome by networks' creation and cooperation. This enables SFSC actors to come together to not only have a stronger voice in negotiations, but they can also share their potentials, both in terms of equipment and knowledge.

Cooperatives of producers present several strengths, that can lead to easier access to innovations, such as smart technologies and digitalisation, and a better recognition by the consumers. Operating in a network allows producers to obtain, process, distribute, market and sell the products cooperatively. This has the added benefit of reducing costs, when production and processing are relatively expensive and can be difficult to source as an individual. Further cooperation can lead to a collective labelling following EU Quality Schemes, which require common intent and interest in specific territories and/or traditions. Supporting measures tailored to the aggregation, the cooperation, and the valorisation of the foodstuff from SFSCs will partially overcome bottlenecks and obstacles. Supporting the creation of recognised networks of SFSC actors, by funding or by creating specific innovation hubs in which farmers can share facilities, can help to empower the SFSCs

Recommendations

- **Create innovation hubs**

The high cost to small business is often a bottleneck in SFSCs, their Innovation hubs provide a space for farmers to share facilities and to process their products. Alternatively it can also build a knowledge network.

- **Facilitate SFSC support networks**

To overcome the lack of cooperation and low level of networking, the creation of a register of SFSCs, could support network creation among the different actors.

- **Support measures that favour cooperation and aggregation of SFSC.**

A successful example of cooperation comes in the form of cooperatives, that enables a network of producers to obtain, process, distribute, market and sell the products cooperatively. Support for these measures assist in enhancing the exploitation of the distinguished value of the products from SFSCs.

- **Increase focus on Advisory Services**

Whilst support is provided through rural development programme for advisory services. It is important for there to be focus on the tools and solutions specialised towards SFSCs.

- **Guidelines for Member States in the CAP.**

In addition to improved focus of the Advisory system, improved measures to support SFSCs within the Common Agriculture Policy, along with guidelines on how to apply for funding would be providing benefit to SFSC actors like farmers.

Example: GAIN MODEL

- Enabling collaboration between actors and stakeholders on the local, regional, national and EU levels
- A network of hundreds of e-commerce platforms for local products, stakeholders that work together on added value models, by way of Data, Money, Authority, Tools, Expertise and Reach
- Boost of social engagement and empowerment of networks to re-establish the connection between consumers and farmers;



Short Food Chain EU Community

- Application of blockchain technology for value-based business models guided by SDGs (water collection, carbon capture, food as medicine, etc.)
- Community empowered campaign strategy to transition from 'early adopter' to 'early majority' by creating demand driven markets.

More Info

The central objective of SMARTCHAIN is to foster and accelerate the shift towards collaborative short food supply chains and, through specific actions and recommendations, to introduce new robust business models and innovative practical solutions that enhance the competitiveness and sustainability of the European agri-food system



@Smartchain_EU



www.smartchain-h2020.eu/



@SMARTCHAIN H2020 Project



Horizon 2020
European Union Funding
for Research & Innovation

SMARTCHAIN project has received funding from the European Union Horizon 2020 research and innovation programme under grant agreement No 772798