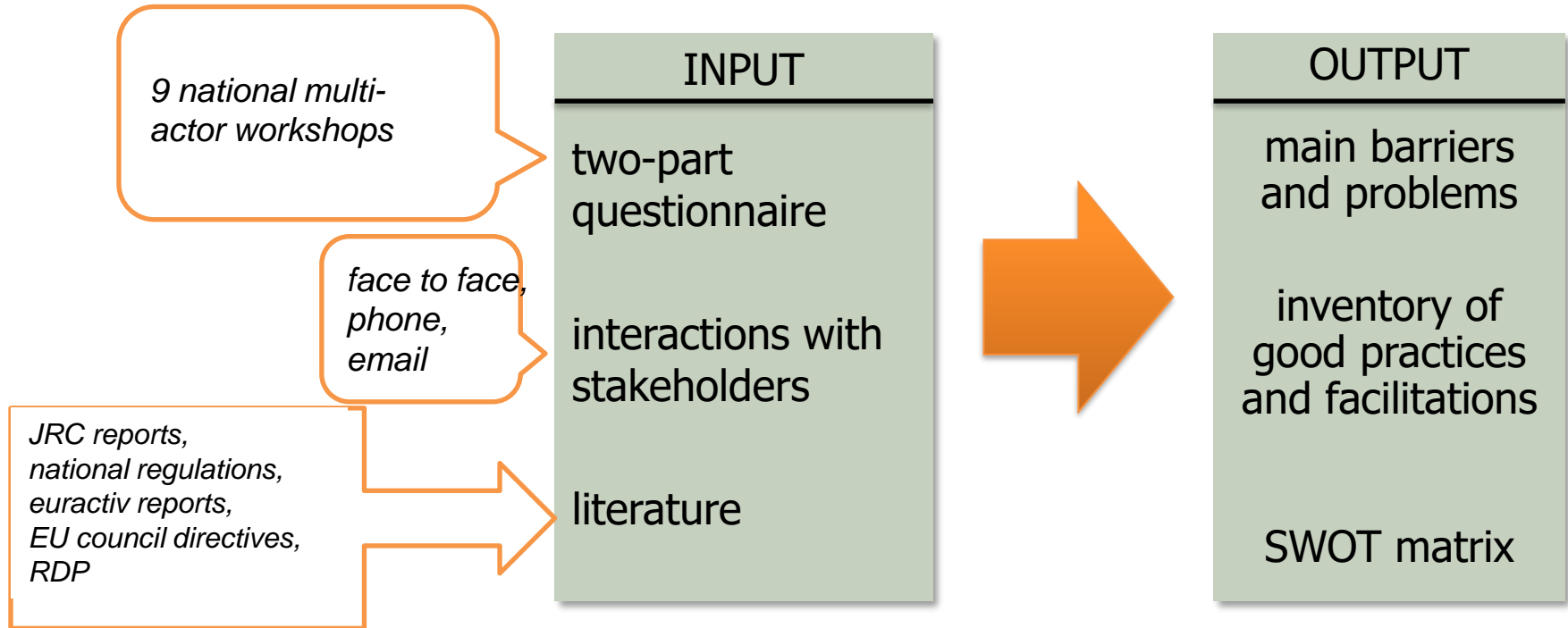


# WP1: Short food supply chains. Analysis of related policies.

**Mirjana Pešić  
Lazar Živković  
Viktor Nedović**



# Study Design



# Questionnaire

## Part 1: Open-ended

describe experience with obstacles and facilitations regarding policy

## Part 2: Rating

18 specific regulatory aspects from 'great problem' to 'great facilitation'

## 124 responses

SMARTCHAIN case studies  
Experts,  
producers,  
processors,  
farmers,  
associations,  
advisors,  
consumers,  
decision makers,  
chambers of Agriculture

QUESTIONNAIRE

Very often   
Often   
Sometimes   
Rarely

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# Policy Obstacles

## Lack of policy that supports SFSCs

- Absence
- inappropriate adaptation
- RDP not totally suitable
- unrecognised status
- high taxation rates

## Complex regulations, high level of bureaucracy

- Complicated
- not transparent
- too many
- not harmonized
- HACCP standards are not totally applicable
- product quality regulations
- selling on internet

## Unfavorable subsidy policy

- Insufficient focus and support
- Too much focus on new initiatives instead on strengthening existing ones
- Insufficient knowledge and resources to apply for funds

## Insufficient support in trading practises and direct sales

- unfair trading practises:
  - late payment
  - long billing period
  - last minute cancellation
  - unilateral/retroactive changes of contracts
  - very complex contracts
- Direct sales:
  - low level of marketing skills
  - lack of own infrastructure

# Policy Facilitation

## Law, strategies

France: 50% of products for catering establishments must be from organic production, quality labelled products and SFSC by 2022.

Hungarian rural development strategy 2020: institutional support, relocalisation, flexible rules

## EU directive, measures

EU directive: Unfair trading practises will be banned – e.g. up to 30 calendar days for payment of perishable goods, two years for implementation in national laws

EU regulation No 1305/2013, sub-measure 16.4: Support for establishment and promotions of SFSCs and local markets

## Legislations

Organic production, Quality and safety of food and agricultural products, Processing fruits and vegetables

## Regulations

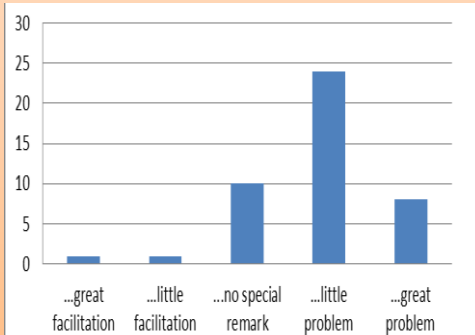
ISO 22005 on supply chain traceability  
Food and Commodities Regulation  
Act on food stuffs and utility articles  
Act on personal income tax (Hungary): the producer with revenues less than 600,000 forints shall not pay tax



# Regulatory & Institutional settings

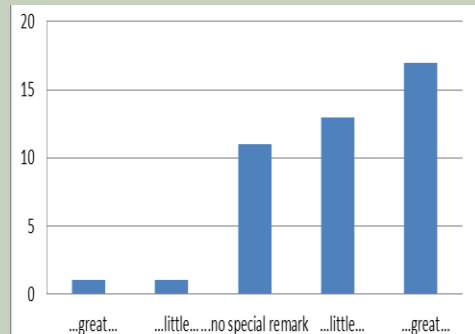
## Labeling

Lack of knowledge/expertise  
Confusing, broad and restrictive legislation  
Lack of free advisory system in labeling



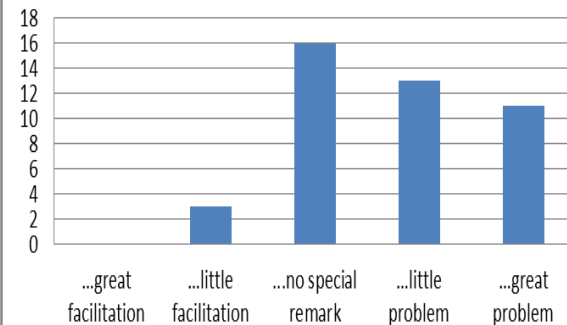
## Nutrition and Health claims

Lack of knowledge/expertise  
Confusing, broad and restrictive legislation  
Time-consuming and expensive analysis



## Business licenses and permits

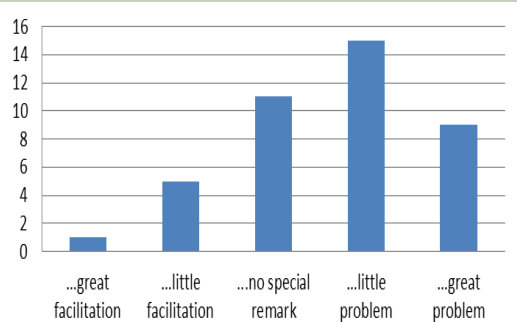
Absurd regulation, too much bureaucracy  
Lack of information  
Lack of single platform for getting licenses and permits



# Regulatory & Institutional settings

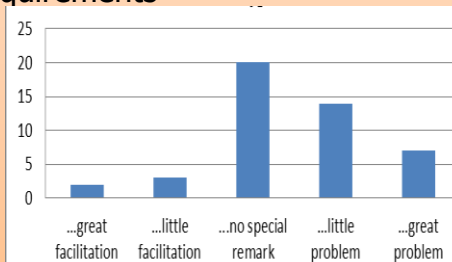
## Food certificates

Lack of single platform  
Legislation and bureaucracy  
Lack of staff is a big problem for small suppliers



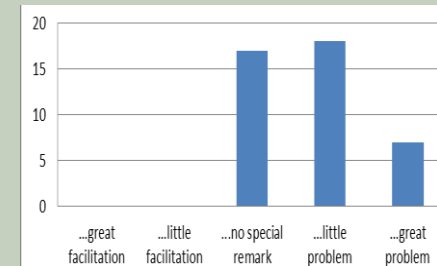
## Implementation of hygiene standards

Complicated procedures and bureaucracy  
Standards not practiced in day-to-day business  
High costs, impractical requirements



## Marketing standards

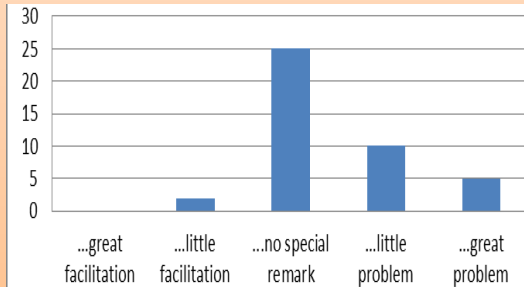
Inability to meet marketing standards  
Small producers are poorly organized  
Legislation difficult to understand, bureaucracy



# Regulatory & Institutional settings

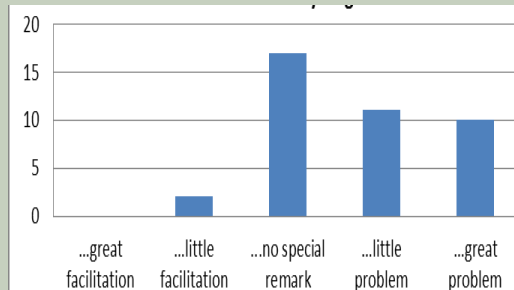
## Water for production/processing

High costs for water analysis-Italy  
Low quality of water in several location and difficult procedures for permission-Hungary



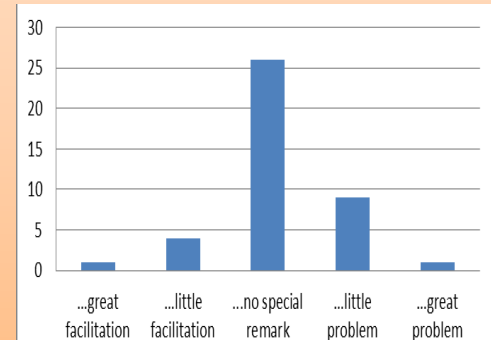
## Waste management and recycling

No compliance. Low control of phytosanitary waste.  
Rigid legislation, restrictive norms.  
Rules change quickly



## Specific quality requirements

Lack of knowledge, change of regulatory framework

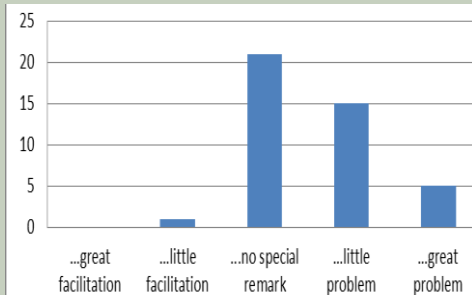




# Regulatory & Institutional settings

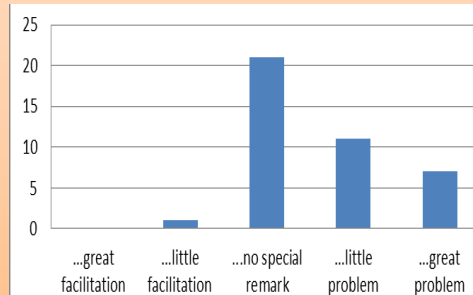
## Food contact materials

Legislation and bureaucracy  
Excessive costs  
Lack of trade offer



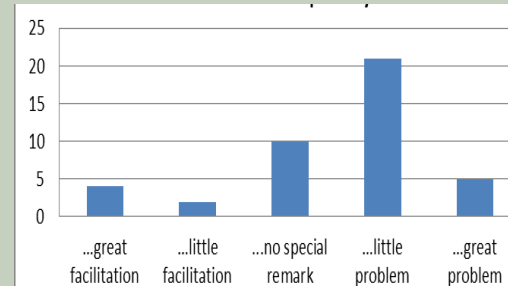
## Food safety

Lack of knowledge  
Unfavorable legislation  
Insufficient institutional support (too expensive analysis of pesticide residues)



## Traceability, authenticity, transparency

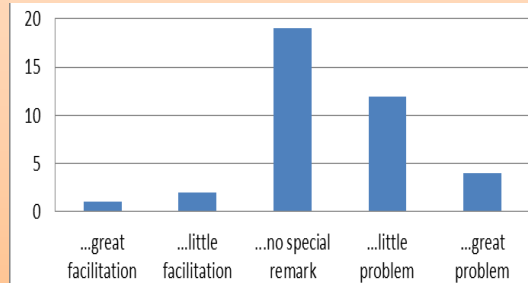
Limited support  
SFSCs sometimes fail to provide and guarantee traceability  
Lack of appropriate regulations on authenticity of traditional products



# Regulatory & Institutional settings

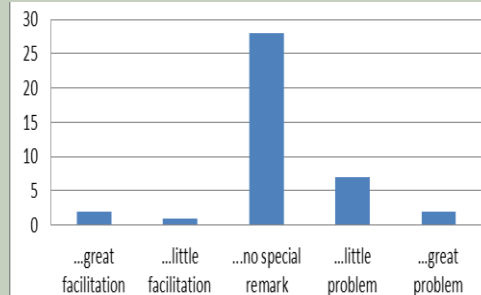
## Transportation of goods, cold chain

Insufficient logistical offer  
Too expensive logistics supply for perishable food products



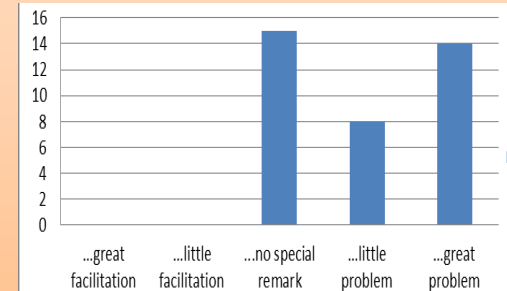
## Ethical food production

Implementation of regulations and stricter control  
Raising awareness of ethical production  
Institutional support



## Public procurements

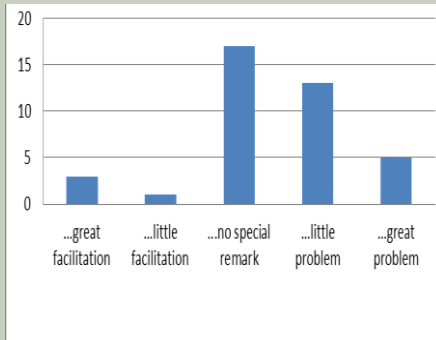
Unfair competition  
Insufficient governmental support



# Regulatory & Institutional settings

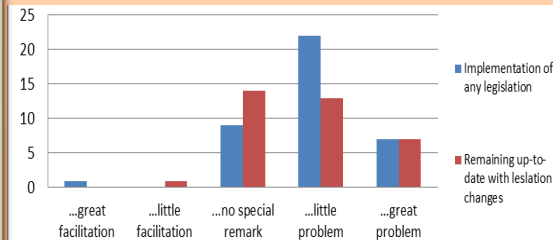
## Purchasing equipment

Insufficient financial resources  
Insufficient governmental support  
Limited offer



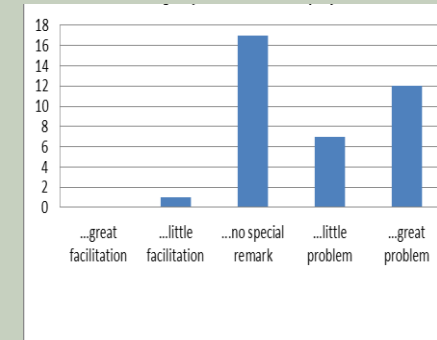
## Implementation of any legislation

Legislations are not well-defined  
Procedures are complicated and bureaucratized, too many rules, difficult to get information on new legislation or law amendments  
Implementation is problematic due to complicated wording and (often) lack of clear definitions.



## Employees' recruitment

Volunteers and seasonal workers' status issues  
Too expensive health insurance issues  
Difficulties in finding suitable workforce



# SWOT analysis



## Strengths

Offer of **high-quality** traditional food products  
**Healthier and fresh** food products  
 Established **trust** with consumers  
 Geographical and social **proximity** to the consumer  
 Presence of the **cooperatives** - Innovative forms of partnerships and collaboration

## Opportunities

The **local gastronomy** offer is more and more valued in rural tourism  
 Demand for **organic food** products continues to grow  
**The booming internet and digital commerce**  
**Trend** of new means of distribution by the **Community supported agriculture system**  
**Growing focus** of consumers' **on welfare and health**, but also to environmental sustainability  
**Consumers trust** in local farmers  
 More Europeans are favouring **regional and quality food products**  
**Subsidy policy**  
**Digital farmers' markets** as a new concept that uses the internet as a marketplace for agricultural products  
 The offering of **an attractive alternative** with niche products **to trend of globalization**

## Weaknesses

**Insufficient knowledge and resources** to apply for funds  
 Lack of internal expertise regarding regulations  
 Low level of marketing skills, limited resources  
**Lack of own infrastructure**  
**Weak negotiating position** against food processors, traders, wholesalers, and large retail chains.  
**Insufficient logistics and distributions** network

## Threats

**Unrecognized status of SFSCs** in many countries regarding regulations  
**Complex regulations** that are difficult to understand by small producers  
**High level of bureaucracy**  
 There is **no right adaptation of EU regulations** for SFSC markets and small farmers  
**Insufficient logistical support** to SFSCs by public organizations  
**Taxation rates** not adjusted to small farmers  
**Reduction of the EU funds** for the post-2020 Common Agricultural Policy  
**Unfair trade practices** in the food supply chain.



# Concluding remarks

- Enable a favorable and interactive local community environment
- Enable agreement with the internal and external actors of the supply chain
- Enable favorable municipal provisions in terms of availability of spaces and services
- Existing tools could be better adapted to the needs of small farmers, producers, processors
- Existing measures could be better implemented