

Deliverable 4 - 2

GOVERNANCE OF SUSTAINABILITY TRANSITIONS: KEY VALUES AND FEATURES DERIVED FROM BELGIAN INITIATIVES AIMING AT INTRODUCING LOCAL PRODUCTS ON SUPERMARKET SHELVES

S. Bui, I. Costa, O. de Schutter, T. Dedeurwaerdere

– Shortpaper presented at the XXVIIth European Society for Rural Sociology – ESRS congress, 24-27 July 2017, Krakow, Poland



Abstract –

Despite their importance in the dominant agri-food system, the role that food retail corporations can play in transition processes has received little attention from scholars. We study three initiatives aiming at introducing local products on supermarkets' shelves in Belgium, to analyse how the development of local sourcing in supermarkets impacts the broader agri-food system. Hybrid governance arrangements which bring together small producers, large retailers, CSOs and local authorities produce hybrid ethical framings. Enabling higher diversity within the dominant food system, these could be a first step towards a transition process.

Introduction

Food retail corporations are powerful actors of the dominant food system, accounting for more than 95% of food market share in Belgium. Driven by motives of profit maximisation, they exert strong lock-in effects that hinder the transition towards a more sustainable food system. The criteria they impose on the upstream part of the food chain (e.g. homogeneity standards, volume and uninterrupted supply requirements) and their marketing practices (e.g. back margins) exclude a significant part of sustainable food products from their shelves which makes them lowly available for consumers.

Recently, several initiatives aiming at enabling the introduction of local, low-input, small farmers' products on supermarket shelves have emerged in Belgium. These initiatives mainly take the form of logistic platforms that have been launched by local authorities

and/or civil society organisations (CSOs). As supermarkets seek to improve their image, these are becoming a flourishing activity. This raises the following question: is the development of local sourcing in supermarkets an opportunity for a transition towards more sustainable food systems (i.e., for sustainable farming and food practices and for fair marketing practices to be broadly adopted), and if so, under which conditions?

Method

To answer this question, we analyse three initiatives which aim at introducing local products on supermarket shelves. We chose these initiatives because they are the ones that first emerged in Belgium and they are located in different provinces, thus embedded in distinct agricultural and political backgrounds⁸¹.

In order to assess their impact on the broader food system, we take into account all the actors involved (producers, processors, the main retail corporations in Belgium, alternative retailers, public authorities, CSOs, consumers), and for each one of them, we jointly analyse: the key ethical issues and professed values and their evolution over time; the implementation (or absence) of related practices; the coordination and governance features they participate in and their evolution over time.

For this research, we conducted 32 interviews of actors involved in these initiatives, we realized 6 observations of situations where these actors interact, and we gathered complementary data from a diversity of documents (press articles, annual account of retailers, public authorities and CSOs).

Results

The studied initiatives rely on specific governance arrangements and produce different impacts on the agri-food system.

The introduction of local products in supermarkets was impelled in the early 2010's by Carrefour, in response to increasing criticism of the agro-industrial food system. Initially, Carrefour contacted the officer in charge of agricultural diversification inside the main farmers' union, to propose the project. Together with about 20 producers, they gathered several times to identify the barriers for small producers to supply supermarkets and to work out solutions. At the end of the process, Carrefour elaborated a charter and a simplified contract reflecting the main outcomes, so that local producers don't have to work with Carrefour's central purchasing group and therefore are not submitted to price negotiation (the producer defines the price), back margins, payments for supply disruption, and other practices with disadvantages.

The first two provinces to work with Carrefour were Hainaut and Liège. In both cases, the objective for the Province was to increase producers' income and outlets. Hainaut's Province engaged in an informal partnership with retail companies (other retailers later engaged in similar projects): the Province contacts the producers and markets the local products in the stores - e.g. providing posters with local producers' pictures and addresses and organising promotional events -, as long as the retailers comply with Carrefour's charter and provide monitoring data. The Province helps producers to calculate cost-prices so that they can define an appropriate selling price. In Hainaut, this project now gathers around 130 producers and generates a turnover of several million euros.

In Liège, the Province decided to create a logistic platform via Promogest, one of its semi-public organisation. Promogest offers logistic solutions for producers and supermarkets,

⁸¹ In Belgium, Provinces have jurisdiction in agriculture and provide farmers with extension services.

as it takes in charge deliveries, orders, invoicing, payments, and also marketing (as Hainaut's Province, but it also makes available staff for promotional events). It also searches for new producers and carries out regular monitoring to solve farmers' and stores' problems. Promogest's board is composed of elected officials and mainstream farmers. It works with approximately 75 producers and its annual turnover reaches 2 million euros.

In Hainaut and Liège, these initiatives have allowed the continuity and development of small farms and processing units, with many cases of job creation. As local products represent less than 1% of retailers' sales, the impact on food practices is marginal. However, the fact that these products benefit from a large dedicated shelf contributes to raise consumers' awareness. Indeed, many producers involved in the project observe that customers from supermarkets come to their on-farm store to experience the extensive range of products and therefore notice a growing on-farm activity. Moreover, promotional activities encourage networking and thereby local sourcing for small processors.

The third initiative we studied is located in Brabant-Wallon, and results from the conjunction of two projects. On the one hand, the one of the Province which wished to answer Carrefour's proposition to develop local sourcing in order to help local producers, and on the other hand, the one of one LEADER LAG which had led for 5 years a box-scheme project but, considering that one of its mission was to raise consumers' awareness, wanted to reach supermarkets' consumers and therefore create a logistic platform to supply stores in the whole province. Together the Province and the LAG decided to create a CSO combining their projects. Its board is composed of elected officials from the Province, small producers' representatives, and the LAG. Its objective is to work with supermarkets to reach a broader customer base, whose awareness is not yet raised. It is also to reach economic viability, in order to propose a logistic tool for more emerging and alternative stores. This CSO has commercial relations with a diversity of stores, including a citizens' cooperative supermarket and other emerging breakthrough initiatives. The Province has adapted its training program, which was initially oriented towards mainstream ag. issues, and is now proposing a variety of workshops related to short food chains.

Discussion

Hybrid governance arrangements which bring together producers, large retailers, CSOs and/or local authorities produce hybrid ethical framings. Depending on the ethical framing, actors are stimulated to adopt or develop more or less sustainable farming, processing, marketing and food practices. At first, the coordination between the farmers' union and Carrefour helped combining the retailer's and the farmers' interest and resulted in fairer prices and marketing conditions for small producers. Then, in the cases of Hainaut and Liège, the involvement of the Provinces allowed to extend them to all supermarkets. In the case of Brabant-Wallon, the governance of the initiative is shared among the Province, small farmers and the LAG. This governance feature allows the LAG to uphold its values of regional enhancement and raising consumers' awareness, to enrol the Province's training services and thereby favour the development of ethical values within the local dominant food system and facilitate the emergence and scaling up of alternative subsystems. Although its impact is still extremely limited, it could be a first step in a transition process, as it enables higher diversity within the dominant system.

Acknowledgement

This research is part of the Food4Sustainability project funded by BELSPO.