HealthyGrowth

From niche to volume with integrity and trust

FULL CASE STUDY REPORT

Ekolådan – Sweden

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Contents

Most local organic market chains have inherent problems in moving from niche to volume, and mainstream large-scale market chains have inherent difficulties in securing and advancing organic values. The project "Healthy Growth: from niche to volume with integrity and trust" investigated a range of successful mid-scale organic value chains in order to learn how they are able to combine volume and values, and to use this knowledge to support the further development of organic businesses, networks and initiatives. Research teams from ten European countries contributed with 20 case studies. More information and documentation can be found at: www.healthygrowth.eu

1 Introduction

Ekolådan (EL) is a vegetable and fruit box-scheme run by Stiftelsen Biodynamiska Produkter (SBP) at Järna (40 km southwest of Stockholm), a non-profit foundation aimed at "providing consumers with organic and biodynamic food of high quality, in a way that gives growers the possibility to continue to develop" (Ekolådan, 2014a). EL was started by SBP as a project in 2002 and the first boxes were delivered in autumn 2003. The boxes delivered by EL contain only organic or biodynamic produce, and SBP is a fully organically certified business. In spring 2014 approximately 2,600 boxes were delivered to consumers (including workplaces) every week, and this number was the same in January 2015. The overall value chain is comprised of the farmers delivering fruit and vegetables to EL, EL/SBP, and consumers. EL can be understood as a "division" within SBP (EL1), which is the overarching business and decision making unit.

EL has two aims: to provide organic/biodynamic fruit and vegetables to consumers, and to provide favourable long-term conditions for organic/biodynamic farmers. After buying the fruit and vegetables from farmers, EL alone has control over the rest of the value chain, until the produce boxes are delivered to the doors of consumers. The fruit and vegetables for the boxes are purchased regionally, nationally and from abroad.

Figure 1. Map of Sweden and the county of Södermanland (just south of the Greater Stockholm region). On the county map, Järna is underlined and the Greater Stockholm region (to the top right) is where most of Ekolådan's boxes are delivered.

EL is interesting in the Healthygrowth project for several reasons. First, box-schemes are a relatively new phenomenon in Sweden, it is a small market and organic box-schemes are still rare. Home-delivery of food in boxes or "grocery bags" is dominated by non-organic businesses. Second, EL provides an interesting case since it expanded from zero to 4,500 boxes/week between 2003 and 2009. Then, in connection with the economic crisis, it rapidly declined to approximately half that level, where the number of boxes stabilized, gradually to increase again to around 2,600 boxes (2015). This provides a good case of growth, rapid decline, stabilization and rebound. Third, EL is different from all other actors on the box-scheme market in Sweden in being run by a not-for-profit foundation, aimed at supporting both farmers and consumers. Fourth, in the context of an increasing demand for organic food in the Stockholm metropolitan area, it is interesting to follow the development of EL, as the only mid-scale organic box-scheme initiative in the region run by a foundation. Fifth, the EL box-scheme is an interesting case as it delivers products from several of Sweden's very few biodynamic farmers to consumers.

2 Case-study approach – Materials and methods

The key informant at EL has multiple roles within SBP and EL. He is the chairperson of SBP and also responsible for project development at SBP, as well as for SBP's banana imports. We contacted him first since he has a long background as a key person within SBP and EL and since he has extensive knowledge of both SBP and EL, what people are involved and Sweden's organic market. He was our main source of information (and is referred to as EL1). We conducted two interviews with him and he also gave us names of other relevant people to interview. We chose to interview four other people: the current newsletter writer of EL, formerly quality manager and responsible for box content and weekly recipes (EL2); EL's senior purchaser (EL3); one biodynamic farmer with long-term ties to EL (also interviewed twice) (EL4); and the main responsible for customer service (EL5). Thus, we think that the selection of interviewees gives a fair representation of the case and the value chain EL is involved in.

Out of eight interviews in total, five were done in person and three by phone (two of these due to the distance to the interviewed farmer). Three interviews were done with two researchers and the other five by one researcher. The interviews were recorded and transcribed in full, except for one phone interview (EL1:3), which consisted of brief additional questions. Such brief questions were also answered by e-mail by one person (EL5:2 and EL5:3). EL has not shared any documents with us, and our research material has thus been limited to the interviews we have conducted (and to EL's homepage). Direct quotes in this report are translations from Swedish to English by the authors. Our aim has been to represent original language statements as closely as possible.

Table 1. Interviews and interviewees for the Healthygrowth case study.

Interviewee code	Gender	Age	Function	Date of interview	Duration of interview	Place of interview
EL1:1;EL1:2; EL1:3	male	50s	Project developer; chairperson of SBP; banana trader	2014-03-04; 2014-04-28; 2014-11-27	2 h; 1 h; 1½ h	His office (EL1:1 & EL1:2), by phone (EL1:3)
EL2	female	50s	Newsletter; former operationally responsible, quality manager, box content, recipe writer	2014-03-27	2 h	Our office (KTH)
EL3	male	50s	Senior purchaser,	2014-04-	1 h	His office

			box content	28		
EL4:1; EL4:2	male	40s	Farmer	2014-05-14; 2014-05-21	1 h; 1 h	By phone
EL5:1; EL5:2; EL5:3	female	50s	Box content, customer service	2014-05-16; 2014-11-28, 2014-12-17 & 2015-01-15	1 h	Home of researcher (EL5:1), by e-mail (EL5:2 & EL5:3)

3 Sweden – The national context

As a Nordic and extensively forested country, Sweden's agricultural land makes up a small proportion of the total land area, only around 8%, compared to 3% built-up land and 55% used for industrial forestry. Most agricultural land is used for growing crops, with only a seventh used for grazing (SCB, 2015b). The share of the working population working in the broader agricultural sector is around 2% (Jordbruksverket, 2013). Milk is Sweden's most important agricultural product, accounting for a fifth of the total value of agricultural production. Cattle, pig and poultry production is also important (SCB, 2015a).

Over almost a century, Sweden's agricultural sector has been characterized by state led efforts aimed at rationalisation, homogenisation of farm size, abandonment of small farms and productivity increases (Rytkönen, 2014). While the number of farms has been halved since 1970, production volumes have been sustained. Remaining farms have grown significantly in size, to an average of 37 ha today, a doubling compared to 40 years back in time (SCB, 2015a). However, over the last twenty years, in parallel with continued centralisation of the agro-food industry, a policy shift towards rural and regional development, also linked to Sweden's EU membership, can be discerned, as can the emergence of a "new Swedish rurality" (Rytkönen, 2014).

In 2006, the Swedish government issued a policy stating that at least 20% of Sweden's total agricultural land should be under certified organic production before the end of 2010 (Näringsdepartementet, 2006), a target that was not met. In 2011, when certified organic land was estimated at 15%, the Swedish Board of Agriculture (Jordbruksverket) was commissioned by the government to formulate new goals for organic production. The goal of attaining at least 20% certified organic land was maintained, while the target year was moved forward to 2020 (Jordbruksverket, 2012).

In recent years, the share of fully converted organic land and land under conversion grew from 6.9% of total agricultural land (in 2005), to 16.5% (in 2013) (Jordbruksverket, 2014). Compared to other European Union countries, Sweden has the second highest share of land under organic production, after Austria (Willer & Schaack, 2015).

The market share of organic food products was 4.3% in 2013, which placed Sweden fourth in Europe (Willer & Schaak, 2015). The market share increased from 3.9% in 2012 and 2.0% in 2004 (SCB, 2014). In 2014 sales of organic food increased significantly, by 38%, to attain a total market share of 5.6%. The rapidly growing demand for organic products has led to a shortage of organic eggs, meat and some dairy products (Ekoweb, 2015), which are also among main KRAV certified organic products sold by retailers (KRAV, 2015).

A general trait of the Swedish organic movement is that it has had as a strategy from the very beginning to link up with retailers rather than developing their own systems for processing and marketing. Consumers prefer retail outlets since they are convenient. Alternatives to retailers are rare and small in scale. Thus most organic actors operate within the mainstream food system. Despite the recent emergence of farmers markets and web based alternatives, very few fully organic food value chains exist in Sweden.

In the organic food sector, as in the food market in general, the hegemony of large-scale retail actors is overwhelming, with three major retail chains (ICA, Coop and Axfood) dominating the trade, together accounting for over half of total organic food sales (Ekoweb, 2015).

4 Overview of the case

Product range:	Home-delivered vegetable and fruit boxes (and a range of additional products that can be ordered with the boxes)
Main actor:	Ekolådan
Legal form:	Ekolådan is a division within the foundation Stiftelsen Biodynamiska Produkter (SBP)
Number of Employees:	19 employees (2014)
Distribution channels:	Ekolådan's own vans deliver fruit and vegetable boxes directly to the doors of consumers
Current Turnover:	Approx. 25.5 Mio. SEK (2014)
Facebook Likes:	1,245 (10th March 2015)
Google Hits:	21,300 (10th March 2015)

4.1 Presentation and trajectory

EL is a division within SBP, a fully organic/biodynamic wholesaler based at Järna, 40 km southwest of Stockholm, active since 1966, in the form of a non-profit foundation since 1974[1]. SBP now comprises three main divisions: wholesale, trading (since 2000, based in the Netherlands) and the Ekolådan box-scheme. Additionally SBP runs a market garden since 2006, and a fruit farm since 2007.

EKOLÅDAN

Ekologiskt odlat direkt till din dörr.

Figure 2. Ekolådan's logotype: "Organically grown directly to your door". From www.ekoladan.se (2014-09-12).

[1] www.biodynamiskaprodukter.se

Although we define EL as our case, it is worth noting that SBP is the overarching business and decision making unit. SBP and EL "live under the same roof", they share the same economy, and they have a shared workforce (this is illustrated in figures 3 and 7 below).

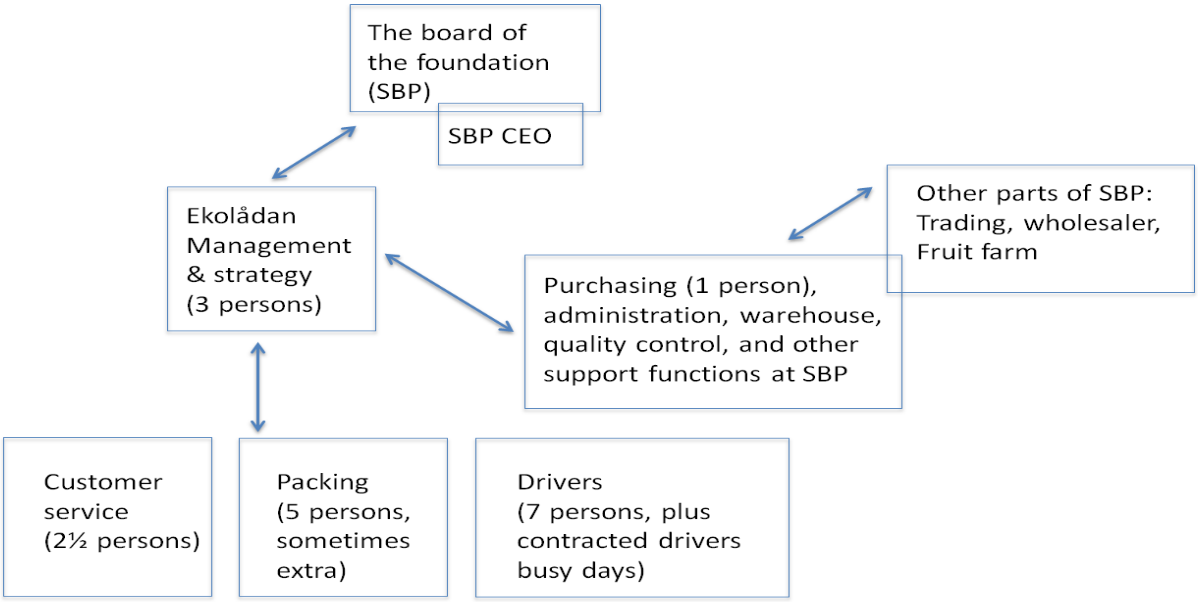

Figure 3. EL's organizational structure.

It is worth emphasizing that SBP is a unique and unusual phenomenon in Sweden, and that it is not representative for the organic movement in Sweden as a whole. Whereas SBP has consistently built its own independent and completely organic chain, from farmer to consumer, the dominant tendency within the organic food sector in Sweden has been to market its products through Sweden's three large retail chains, rather than building its own food chains. The latter strategy has been employed as a means to increase volume, while SBP's approach instead has privileged independent control over a completely organic food chain.

Within SBP, the biodynamic ideology is part of the business culture, especially in the management group and among older employees, whereas it is weaker among younger employees, who have not worked at SBP for long. The wider context in Sweden is that the biodynamic movement is weak and has become even weaker over the past 40 years, due to a lack of producers and products. SBP can be considered the third most important actor within the biodynamic movement in Sweden, after biodynamic associations and producers (EL1:3).

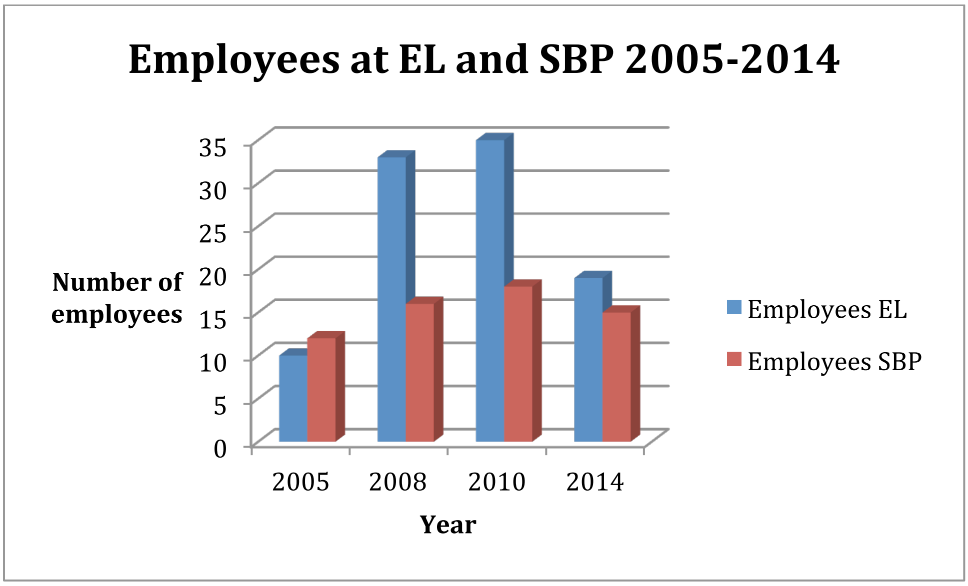

Figure 4. Number of employees (full year positions) at EL and SBP 2005–2014. Numbers from Gerhard (2014).

Foundation of EL

EL was started as a project within SBP (Stiftelsen Biodynamiska Produkter) in 2002 and the first boxes were delivered in autumn 2003 (EL1:1).

Considering SBP's background as an organic wholesaler, historically the main activity of SBP was to buy and sell organic and biodynamic vegetables and processed foods to kitchens and organic shops as well as to retailers (for a period, until retailers had built up their own organic logistics). Another major activity, starting in 2000, is the import of organic bananas from the Dominican Republic to Europe. The third major "standing leg" of SBP is the box scheme, which was started in 2003. The rationale for SBP and its chairperson (EL1) to start the box scheme was to be able to give growers increased certainty by being able to plan for the box contents with them, as well as to be able to sell larger quantities. The direct link to end-consumers was entirely new to SBP. The first EL project leader was a journalist who had lived in the UK for a longer period, getting used to the availability of organic vegetable boxes. She wanted to start something similar in Sweden and contacted SBP since they had a long history in organic wholesale. She in turn got into contact with EL2, who at that time was working freelance as a food writer. These three people started up working with an organic box scheme under the SBP umbrella. Since the initial focus of SBP was on growers, the consumer perspective had to be reinforced in the organisation – which the EL project leader and EL2 fought for every day (in practice: refusing to put too strange-looking vegetables in the boxes, refusing to take anything other than perfect quality, always refunding complaints, answering consumer questions promptly – always taking the consumer perspective).

In addition to the actors mentioned above, i.e. the SBP chairperson/EL project developer (i.e. EL1), the EL project leader and the former operationally responsible (i.e. EL2), SBP's CEO was also part of the board of EL (EL1:1). In 2005 the operational responsibility was handed over to EL2 from the EL project leader, who stopped working at EL (EL2). Due to the substantial growth of EL, the operational responsibility was then passed on from EL2 to the current operationally responsible, who still keeps the position as operationally responsible for EL. The CEO also keeps his position as CEO. Also, a varying number of van drivers (box delivery) and box packers have been involved since the beginning (EL1:1).

Changes in product range, distribution channels and market partners

The initial product range of EL was fruit and vegetable boxes, (EL1:1). With time, the possibility to add on specific processed products and extra vegetables was initiated (ordered through the home page). Distribution of EL's boxes started with one private car (EL1:1) – the first delivery consisted of only 13 boxes (EL2) – then as the number of boxes grew, EL delivery vans took over the distribution (EL1:1). The first consumers were found in a Stockholm inner city district, which houses one of Stockholm's two farmers' markets. Leaflets were handed out at the market and thus the first consumers became interested. It then spread by word of mouth. All interested consumers could not be catered for in the beginning. A decision was then taken only to distribute the boxes in one area until enough consumers in other adjacent areas had joined (for transport efficiency and cost reasons).

EL still mainly delivers fruit and vegetable boxes. However, the content of the boxes has been adapted over the years. A range of additional products, ordered together with the boxes, has also been developed gradually (EL2). In the greater Stockholm region, EL's main market, distribution almost exclusively takes place by means of EL's own delivery trucks. In other parts of Sweden, mainly Gothenburg and Umeå, EL hires freight forwarders and couriers (EL1:1). Lately, EL has also introduced an organic wine box.

The decision to focus on fruit and vegetable boxes came very early, before it was clear where EL was heading. Thus, the choice of product range was independent of the process of growth/decline. Instead it was a decision driven by values (EL1:3). Likewise, EL's will to increase the range of additional products has also been independent of what phase (growth or decline) EL has found itself in. The will to increase the range of additional products has all the time been seen as a way to strengthen the profitability of SBP. When there is already a cost to deliver products home to the customer it is better to deliver as much as possible (EL1:3).

Before the start-up of EL, SBP already had a network of organic and biodynamic farmers, supplying vegetables and fruit to its wholesale business (hereafter referred to as "the wholesaler"), and from the beginning EL used this network for their supplies of produce, bought internally via SBP (EL1). Thus, since EL is part of SBP, the supply network was already in place from start and there was no need for additional organizing: "There the advantage was that we [EL] are part of SBP who have been running for forty years now with this kind of products and they already had growers and delivery channels built up, so then we actually just caught on" (EL1:1). Organisationally, it is the wholesaler that buys all produce for SBP, of which a part goes to EL. Thus, many farmers have a longer term relationship to SBP than since the start of EL.

In addition to farmers, EL/SBP also trade with other wholesalers and suppliers of the products in the additional products range. Of those, EL/SBP see 65% as "friends", 30% as "partners" and 5% as "business acquaintances" (EL1:3). SBP has a very long common history with most suppliers, and it is unusual, but welcome, when a new supplier is taken in. Like SBP, most of them also have a long history within the organic movement, they are old, strong, rooted contacts, who SBP/EL trust (EL1:3).

Thus, EL's supply partners have remained the same since the beginning, since SBP/EL strive for long-term partnerships, some of which have lasted for 25 years: "if we have something going with someone it never ends [laughter] I was about to say" (EL1:1). New suppliers are added, but it takes a lot for EL to end a relationship with a supplier (EL1:1), although some relationships, where suppliers have not fulfilled their promises, have been ended (EL3). In Sweden and in some cases abroad, EL/SBP has direct contact and business relationships with the growers. In other cases abroad, they make deals with other small/mid-scale wholesalers. Quality of products and reliability are major issues. Since SBP has been around for such a long time, they enjoy a good reputation concerning this, they think (EL1).

In terms of differentiating their products from mainstream organics, in the beginning, fresh produce was highlighted as an added value, as opposed to the not so fresh organic produce sold at retailers. This still holds: "freshness, quality and names of farmers, that is actually most important" (EL1:1). Availability was also more important in the beginning than it is now. At that time, retailers did not have a large abundance of organic produce and it was tucked away in a corner of the shops. Today this situation has changed, which also weakens the uniqueness of EL. In addition to this our main respondent also mentions service and recipes. That EL is part of a foundation (and not a profit-driven business) is not something that has been highlighted, although there is a consciousness within EL that many consumers appreciate this. However, EL's "unique selling points", i.e. freshness, quality, names of farmers, service and recipes have been gradually "gnawed away" when almost all other actors include recipes in their boxes/grocery bags as well (EL1:1). However, values that still differentiate EL from mainstream organic, are e.g. "unique products, unique relationships" such as organic fruit from Sweden and independent direct organic banana imports from smallholders, as well as a very high level of trust for EL from box buyers (EL1:1).

Significance for the local community

EL, as part of SBP, has an important role in Järna, mainly in terms of image and to some extent in terms of direct employment (EL1). During EL's expansion phase 2003–2009, EL hired a large number of drivers and packers, a significant part of whom however had to be dismissed when the crisis hit EL. The layoffs had an impact both internally and on the local economy: "We are a small local business here, it was somehow traumatic for this foundation to have to dismiss people and we had to dismiss quite a few people" (EL1:1). More information about the crisis, number of employees and how the layoffs influenced the internal organisation can be found in other parts of the report.

Power relations within EL and the value chain

Several perspectives can be put on power relationships within EL and along the chain. EL is "an extremely flat organization" (EL1:1), however, as expressed by the chairperson of SBP/project developer, "the CEO has huge power notably through the wallet […] but that power is seldom used, it is not experienced in the operational, but it can be experienced at certain difficult steps, absolutely […] then I think I have a kind of, well informal power, quite simply" (EL1:1). During the period when EL2 was operationally responsible her power was substantial, but the power of the operationally responsible has decreased after she left her position: "It is also connected to the decline of Ekolådan. Well, it peaked, then it declined and when we ended up in a phase that was mainly about consolidation/survival, then the opportunities for the operationally responsible to initiate development activities was quite limited" (EL1:1).

In the chain in general, according to EL1, some farmers can have a lot of power vis-à-vis wholesalers: "today mid-scale vegetable growers who are awake and not so old have a lot of power, more than any individual wholesaler has, absolutely, if you know how to use it" (EL1:1). Consumers also wield power, simply by deciding if they want the service EL provides or not (EL2).

On the other hand, the interviewed farmer (EL4) views his position as a biodynamic vegetable grower as "tough" in terms of power: "well, in fact it is an almost impossible situation since we never actually get hardly ever the price that we would need considering the concept we have when we farm biodynamically", which affects his farm's ability to pay their employees reasonable wages (EL4:1). This is confirmed by EL3 who stated that of course he cannot offer the farmers the same prices as they would get on a farmers market or the like. In the same vein EL1 said that he recommends the farmers not to be too dependent on SBP, he thought they should sell to a number of actors so as to be more robust.

It is worth mentioning that the interviewed farmer (EL4) is one of very few biodynamic farmers in Sweden. He is part of the team running an organic farm in south-east Sweden, cultivating according to biodynamic principles since 1976 (Solmarka gård, 2014). The farm has delivered vegetables to SBP since 1982–1983. Thus, the relationship between the farm and SBP is long-term, having been sustained for over 30 years, although the interviewed farmer himself came to the farm in 1986. EL4 and his team have delivered products to EL since the inception of the box-scheme in 2002 (EL4).

The identity of the interviewed farmer's farm builds on keywords such as well-designed crop rotation, healthy food with character and good taste, sustainable agriculture, and a careful and efficient stewardship of the soil for the future (Solmarka gård, 2014). This is coupled with a holistic view of social and ecological sustainability, expressed by the interviewed farmer, including a critique of current consumption patterns, an emphasis of a need for an emergence of a new world view, localized production, rural development, and a network of biodynamic farms taking not only environmental but also social responsibility. Our interviewee stated that in the current context, biodynamic farming involves a constant struggle to survive (EL4).

4.2 Basic facts

Changes in producer and consumer prices

In terms of producer prices, farm gate prices have been stable over several decades: "…it has remained quite stable, I think so. There have not been much dynamics in it whatsoever, I am almost sure […] the prices I got in kronor in 1983 as a Swedish vegetable grower, I think they still apply for many of these vegetables. No, I am usually shocked when I talk to my purchaser, I think "damn, I got this in '83" (EL1:1). In Sweden "some [producers] have even reduced their prices. That is very sad" (EL3). The change in consumer price for EL boxes since 2003 has been limited: "we have actually changed it on very few occasions, maybe you sometimes think *too* few times. So it has been fairly stable" (EL1:1). The price has been changed only once or twice over ten years (EL3). Prices for box content are higher than mainstream organic produce bought in shops. The difference is that some of the box content is not available in organic quality in retail shops, even if retailers have improved their assortment of organic vegetables and fruits over the last years in Sweden.

The value of the box content is always the same throughout the year, EL representatives said (EL1, EL2, EL3). Since vegetables fluctuate somewhat in price over the year the weight of the boxes differs, which some consumers have remarked on. Then EL customer service explains that the value of the box is exactly the same over the whole year. The transport to each consumer's door is included in the price and does not change over the year.

There is no data on changes in price for a large vegetable box since the beginning of EL. However, the price for a large vegetable box in March 2015 was 255 SEK.[2]

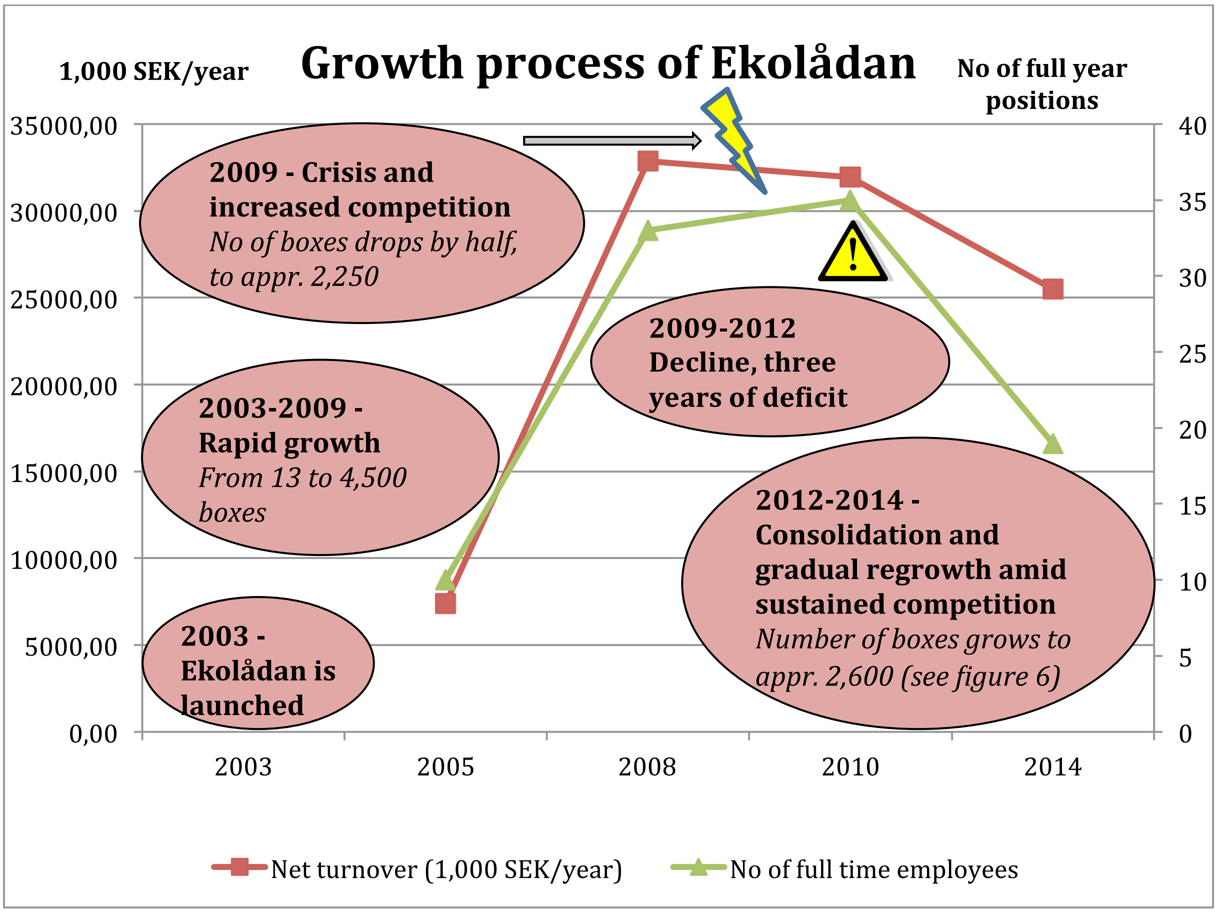

Figure 5. The growth process of EL, turnover for EL 2005, 2008, 2010 and 2014 (available numbers), and number of full year positions the same years. The turnover figure for 2014 is preliminary. Numbers are approximate, from Gerhard (2014). Seemingly, there is a contradiction between the findings in our interviews and the statistics on turnover and number of employees we received from Gerhard (2014). While the interviews pointed to a critical decline phase for EL after the 2009 crisis, with three years of deficits, then followed by a consolidation phase of gradual regrowth with a surplus for EL, the numbers for turnover and full year positions seem to somewhat contradict this, since they continue to point downwards since 2009/2010, with no sign of consolidation. However, the apparent continuation of the decline can partly be explained by the lack of data from 2011–2013, since when, according to the interviews, EL's situation has consolidated. Figure 6 (see below) illustrates the regrowth and consolidation of EL in terms of number of boxes, from a level of around 2,250 boxes per week in 2009 to 2,600 boxes in January 2015. It is also important to separate a declining turnover and number of employees on the one hand, from a recovery in terms of profits – EL no longer runs a deficit – on the other, and also from the regrowth in terms of a gradual increase in the number of delivered boxes since 2009.

Changes in product range, marketing channels and outlets

[2] www.ekoladan.se

Turnover, number of farms involved, product range, marketing channels and outlets have changed as follows from the initiation of EL until now:

Farmers: In the EL homepage, the individual farmers that make regular deliveries to EL are presented. In total, 28 growers are presented there, of which 22 are based in Sweden and the rest either from the Netherlands, Italy or the Dominican Republic. Thus, these are the farmers that EL has a direct link to and that are most deeply involved in the box contents. The rest of the produce is sourced from organic wholesalers. Some of the presented farmers delivered to SBP before the start of EL. During the expansive years until 2009, EL could make a difference to farmers since the volumes were big enough and they attracted new farmers to deliver (EL1). But this development was halted as the decline set in and the current recovery is still weak.

Product range: Today EL has seven different vegetable and fruit boxes to choose from. In addition, they have a wine box, and a range of additional products (fresh and processed) that can be added to the box if the consumer logs in to the homepage and orders them there. The range of additional products is continuously enlarged, but still does not contain meat or dairy products for example. In competition with conventional wholesalers selling online as well as online organic shops, the range of additional products is unique but not outstanding or very competitive (in terms of prices and product range). This is a part of the business that EL wants to develop (EL1, EL2).

In comparison with other box schemes in Sweden, EL has a "conservative" range of boxes that has not changed much since the start. They have two sizes of mixed vegetable and fruit boxes, a fruit box, two sizes of vegetable boxes, a "basic" vegetable box and a box with vegetables only from Sweden (this box is only available parts of the year). While another mid-scale box scheme in Sweden has more focus on boxes for making specific dishes and fruits, EL has a bigger focus on vegetables and the idea that the consumers should decide themselves what to do with the produce (with inspiration from the recipes that always accompany the boxes in the newsletter). EL2 said that they often thought about going with the trends (selling juice boxes, juice extractors, dinner boxes etc.), but that they decided their focus should be on making consumers think themselves and delivering what they are best at: organic vegetables and fruits.

Marketing channels and outlets: EL concentrates most of its selling activity to the internet (own homepage). This is where consumers can buy boxes, order additional products, get in touch with customer services, read newsletters, get recipes and follow the blog from the project developer (EL1). New consumers are mainly found through word of mouth, but EL also participates in food fairs and the like. Examples of food fairs etc. they have participated in include Nordic Organic food fair (in Malmö, south Sweden), BioFach (however not for the past two years, not EL itself but SBP's trading arm, and not alone but jointly with others), Fruit logistica and BioNord. EL/SBP has also participated in smaller events such as local urban farming events (e.g. harvest festivals). Fairs were important for EL, to reach out, during its first 5 years, however not any more (EL1:3).

Number of boxes: The number of Ekolådan boxes delivered to consumers (households and offices) grew from 13 boxes (first delivery, autumn 2003) (EL2) to a peak level of around 4,500 boxes in 2008/2009 (EL1:1), and down to half that level during the crisis of 2009 (EL2). During the years after the crisis, the number of boxes was consolidated at about half the pre-crisis level, then grew slowly to around 2,600 boxes in spring 2014 (EL1:1), a number that was about the same in January 2015 (EL5:3).

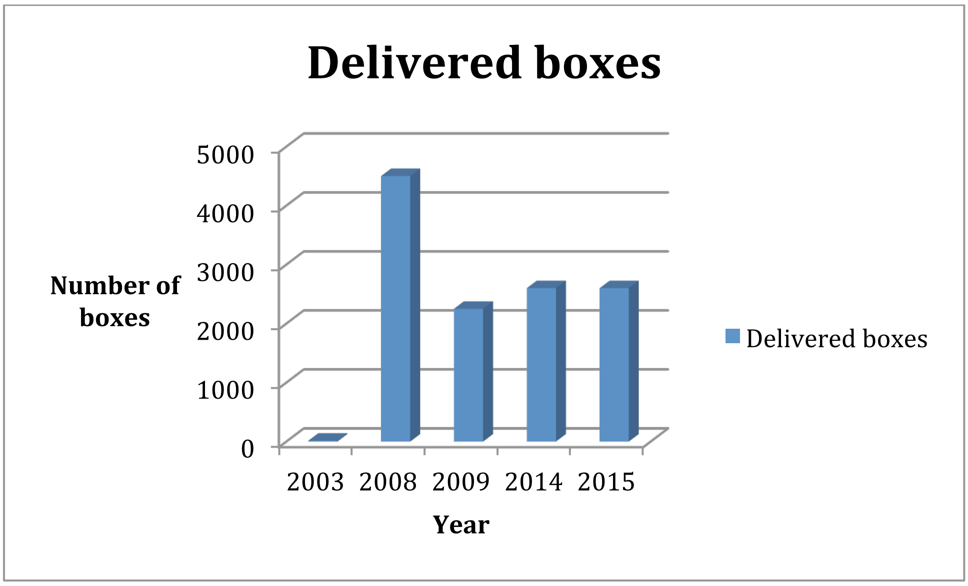

Figure 6. Development of the number of delivered boxes. From 13 boxes in autumn 2003 to around 2,600 boxes today (January 2015). Sources: EL2 (2003 and 2009), EL1:1 (2008 and 2014), EL5:3 (2015).

4.3 Value chain organization

Since the start of EL in 2002/2003, the chain actors between the producers (farmers), via the foundation (SBP) and EL, to end consumers, have been fairly stable. The role of EL within SBP has remained the same. EL is considered especially important for the image of SBP, and for contacts with consumers and other external communication (EL1:3). However, some producers have been added over time, and the number of consumers has varied, as described above. Consumers include individuals/households, as well as offices.

As mentioned above, EL is a part of SBP and does not run as a business of its own. The main parts of SBP are EL, the organic wholesaler and trading. The trading part of SBP is a cooperation with other similar organic mid-scale initiatives in Europe that together source items such as coffee, bananas, exotic fruits from overseas (i.e. not in the conventional retail network). Since these products come to ports in the Netherlands, SBP has one employee there as well. In addition, SBP also owns an organic fruit farm in Sweden (it was about to go bankrupt and SBP thought it so valuable that they paid for it to keep running). All produce and processed products from Sweden and Europe are bought by the wholesaler, which in turn caters restaurants, kitchens, organic shops and EL.

Due to its long time in business and its deep involvement in the organic history of Järna and Sweden, SBP (and EL by association) has a large network both inside Sweden and abroad.

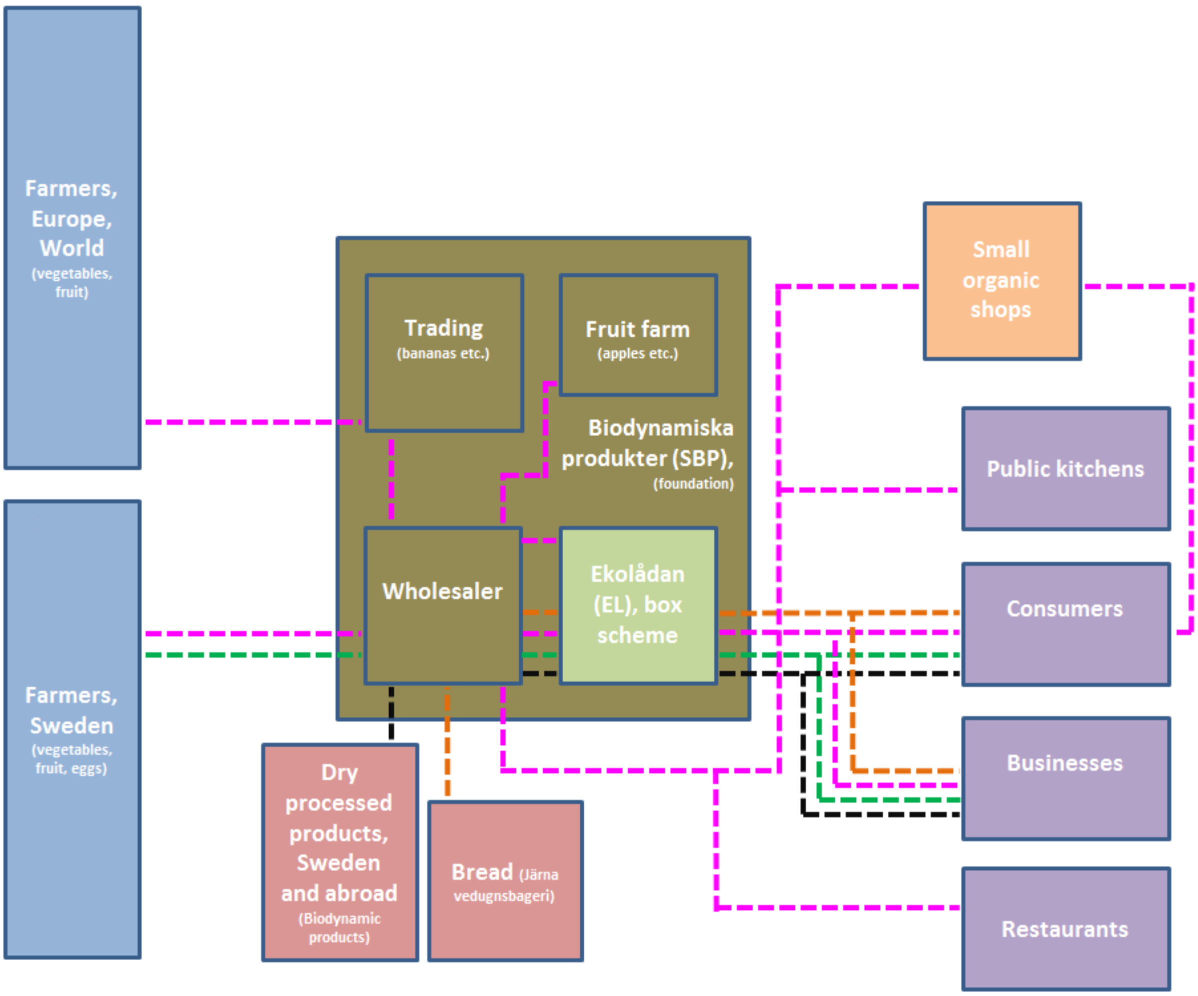

Figure 7. Ekolådan stakeholder network.

5. Analytical perspectives

5.1 Organization and governance

Controversies over values within the value chain

In the network there have been discussions about the role of biodynamic production, as well as about quality. The interviewed farmer thought that EL should focus more on biodynamic (not only organic) production, and on qualities other than visual/optical quality (EL4). This stands in contrast to the focus on optic and taste quality that the founders of EL had from the very beginning. They wanted to make sure consumers only got the very best, in order to be able to stick out from the organic vegetables found at the retailers that were looking “rather sad” in those days (EL2). Since the original focus at SBP had always been (and still is) the producers and their welfare, the newcomers, i.e. the EL project leader and the former operationally responsible (EL2) were explicitly told to make uncomfortable decisions regarding quality and always take the side of the consumer (EL1). This led to in-house controversies about the refusal from the EL representatives to take too large or too small vegetables for example. This partly upset the “old” SBP employees (like EL3). With time this controversy has been solved since the wholesaler gradually learned what EL wants to have, and the EL responsible better understood the conditions under which producers work and what is possible and not. Because the wholesaler has different kinds of customers, it is also possible to use vegetables of different sizes for different customers. For example, a very large and heavy head of cabbage is not useful for the vegetable box, but can be desirable for a large kitchen. Over time, EL has aimed at increasing calibration within the organisation. This process is on-going.

At the same time, the former operationally responsible said in the interview (EL2) that she now wonders if they did not spoil their EL consumers. Since they always want to offer the very best, consumers are very quick to complain when the vegetables are not 100% perfect. So at the same time as they wanted to give consumers the very best and good-looking vegetables, they also tried/try to communicate to consumers about the conditions for farmers, such as weather-related problems (like hail). This communication is primarily done indirectly, through the newsletter that accompanies each box, or directly when a consumer calls or e-mails EL. As discussed above, there have been discussions and conflicts among the stakeholders over values. Discussions on values, notably in relation to biodynamic agriculture, remain. The interviewed farmer explained that: "we have our controversies". However, "fundamentally" values are shared (EL4:1).

Governance and values in EL/SBP

As EL is part of SBP, which is a foundation, the management and governance of EL has been tightly connected to the management and governance of SBP, from the very beginning. The chairperson of SBP and project developer initiated EL as a project within SBP and has remained involved since then on a strategic level, guiding strategic decisions together with the board, initially consisting of the EL project leader, the former operationally responsible and the CEO of SBP.

The chairperson of SBP and EL project developer (EL1) recruited the EL project leader to start up the project. As project leader, she was given the operational responsibility. She then got the project started and recruited the former operationally responsible, who joined in starting up EL (EL1:1). In addition to the EL project developer, the EL project leader, and the former operationally responsible, SBP's CEO was also part of the board of EL (EL1:1). In 2005 (EL2) the operational responsibility was handed over to the former operationally responsible from the EL project leader, who stopped working at EL. Due to the substantial growth of EL, the operational responsibility was then passed on from the former operationally responsible to the current operationally responsible, who still keeps the position as operationally responsible for EL. The CEO has also kept his position as CEO since 2002 (EL1:1).

With the decline in the number of boxes sold in 2009 and the crisis this implied for EL (both in terms of a surprise effect, the need to decrease the number of employees, and to reorganise how things were done), the role of the operationally responsible shifted somewhat. The former operationally responsible (EL2) described this process as draining and not the kind of job she would like to do. Developing and thinking about new projects is more interesting than consolidating and shrinking an organisation, she thought. Both EL1 and EL2 described the difficult years as an awakening and as a shift of roles for the management people. In the early days and during the expansion, it had felt like a family, or an organisation where all involved took responsibility for the whole. When EL had to shrink and lay off employees, the managers had to be the ones telling employees that they had to go, they had to engage in negotiations with the unions, all of a sudden there was a "we" and "them" in the organisation. This was partly good (professionalization, like growing up (EL1)), but partly sad and took some of the heart of out the organisation (EL2). And since EL had to shrink, there was no space to develop new products or services, but only room to focus on survival. This is a whole other kind of job to do and was new to the ones involved in EL (but not to SBP as an organisation, through its history it has been through many phases of expansion of certain projects and contraction of the same a few years later).

Adjustment in terms of maintaining shared values for management and governance can be analyzed as having been dealt with by one leading figure "exiting" from EL. The main critical episode surrounding the management and governance of EL involves when the first operationally responsible project leader stopped working at EL in 2005: "Well she hit the wall, you can say. Järna is a special environment and she came from totally another environment. Decision-making took time. She maybe did not feel that she got that freedom in some cases. Or they had different opinions […] That was difficult for her to deal with." (EL2). The EL project leader "among other things wanted to make it [EL] independent and so to speak take it out and make Ekolådan an extra, independent, company […] so this, well that clashed a little [with the values of SBP]" (EL1:1). Being a foundation and having the decision-making structure it has, decisions are a bit slow. This is since the "boss" is not a person but the statutes of the foundation, which has a conservative influence (EL1). This stands in contrast to an expanding business that needs more employees, new projects and investments. According to EL1, the decision-making processes, including their slow speed, together with different views on how EL should develop, and the project leader's personal wish for professional development, were the main reasons that she left EL (EL1:3).

Looking back, EL1 said that it was a mistake from his side to employ her without time limits. He thought that it would have been much better to employ here for a specific project (say three years) so that she would develop her thing and then be done, so to speak. In this way, EL1 thought, her expectations would have been more realistic.

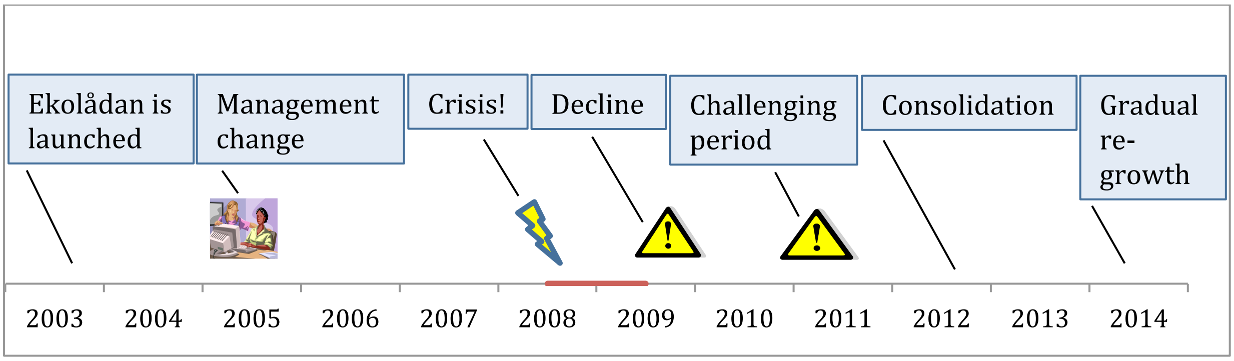

Figure 8. Ekolådan timeline.

Contracts

When it comes to contracts, farmers/producers, both in Sweden and abroad, and the SBP wholesaler (who purchases all products for EL) very seldom have written contracts. Instead their relationship is based on oral agreements, e-mails and long-term trust (EL1:1; EL3). However, when EL pre-finances supplies a written contract is set up (EL1:1). EL's senior purchaser explained how coordination works: "And I always say 'we can have contracts if you want', but I have never had contracts as long as I have been here. But I am fairly reliable, so if I say something I will do it […] So they feel secure." (EL3). Agreements are based on e-mail conversations as well as phone calls (EL1:1; EL3): "And a lot is about this – I like you, you like me, and then we find solutions" (EL3). Conflicts over agreements between suppliers and SBP occur. In some cases, "every year there is a crisis since we think the quality [of the produce] is bad", but "then we continue anyway and that is like…" (EL3). Thus, coordination and agreements in the chain are based on mutual long-term trust and personal relationships developed over a long time, sometimes over several decades.

End-consumers do not have contracts but subscribe to a box as long as they do not cancel it. Occasional boxes can also be ordered through the webpage. Cancellation can be done with a mouse click and does not have to include any personal contact to anyone at EL (thus EL does not usually know why consumers cancel their subscriptions). Consumers and farmers do not have any direct contact, unless a consumer takes deliberate contact or participates in a study tour that EL used to arrange. However, customer service forwards all feedback from consumers (good and bad) about the produce to the senior purchaser who has direct contact with farmers on a continual basis (EL5:2).

Government support

The project start-up of EL received substantial government support: "that we could create Ekolådan from the beginning built on something quite historic", namely receiving half the project budget – 650,000 SEK – from the Swedish Board of Agriculture, which was the first time anyone received such support for a new marketing initiative (EL1:1). The government's project support money was a precondition for starting the project and it was also an important reason for EL's quick initial growth, since it ensured that SBP could "invest" in the project (EL1:3): it was even seen as "decisive" since otherwise EL could only have grown slowly, "creeping ahead" (EL1:3). Thus, initiating EL depended on direct government support. This money made it possible to hire the EL project leader in the first place.

Relationship with local community and civil society

Historically, the biodynamic movement has been significant, while today it is quite weak (EL1:1). SBP was developed in the 1960's in a place, Järna, which is the anthroposophic centre of Sweden – biodynamic agriculture being their chosen way of doing farming and gardening. Thus, SBP is deeply involved with the biodynamic development in Järna and Sweden. Within the anthroposophic movement SBP is important, as are other institutions and businesses in and around Järna. It is a society in miniature, where all important functions are represented (schools, hospital, farms, kitchens, higher education, culture). Within this community, SBP is an important actor, but at the same time its significance has not increased with time.

For purposes of comparison, another example can be highlighted: at the same time as SBP developed in Järna, a mill in the same area was developed and converted to only milling biodynamic flour. In the beginning it was also organised as a foundation, which is a preferred organisational form within anthroposophic enterprises (for example, land is also owned by foundations in Järna, the farmers renting the land from the foundation). This mill, however, was transformed into a regular business in the 1990's, which made it possible for the CEO there to expand activities remarkably. It is now a national player in products such as müsli, flakes, flour, dry beans/fruits/nuts etc. It does no longer keep only to biodynamic products but offers organic products. Thus, the expansion was possible after abandoning the foundation as an organisational form, and after stepping away from exclusively producing biodynamically. SBP is an affiliated member of KRAV, the Swedish organic standards organisation. Since SBP has existed for a long time compared to many other organic organisations, they are known and the key people have a large network.

EL1 also pointed to the significance of the Swedish Society for Nature Conservation (SSNC) in campaigning on pesticides and helping the organic market to grow, although there are no formal ties between them and EL (EL1:1). Thus, their campaigning helps consumers find their way to EL and ask for more organic products in their stores.

Implications for EL of being part of a foundation

We did not interview any of EL's consumers in this study. However, EL1 believed that consumers notice that EL is part of a non-profit foundation, although he does not think this is the reason consumers choose to buy boxes from Ekolådan. However, he believed it is apparent from the way EL communicates with consumers, from the importance EL attaches to customer service, what they write about in the newsletter, how they deal with problems and how they answer questions (EL1:3), i.e. probably that EL show that they give space for something beyond profits.

EL2 said that being a foundation is something that they did not market EL with in the beginning, but with time, she has come to think that this is a valuable thing and should be marketed to consumers. Having a "higher purpose", having been around for a long time (SBP) and not being run for profit are all issues that may come out well in communication with consumers. Being biodynamic is not communicated to consumers – since all products are not biodynamic in the boxes. It is interesting that being one of the first organic box schemes, "ekolådan" has become a generic concept in Swedish (EL1).

EL does not at all offer only seasonal products, on the contrary: an important goal is to provide a large range of high quality organic produce over the whole year. When products from Sweden are available, these are preferred by the purchaser, but the largest part of the year, this is not the case. When Swedish products are available, consumers can choose a "Swedish box". The focus on products from Sweden has been equally strong since the inception of the box-scheme, and the overall aim and ambition has also remained the same, i.e. to strengthen Swedish organic vegetable production. The proportion of Swedish products in the boxes has remained the same over time (EL1:3). Consumers seem to be used to the large range of produce in the shops and do not want to step down from this abundance.

Since SBP is a foundation with statutes saying that they should support growers, they have the possibility to pre-finance harvest (which they have practiced with one grower). Since there are no written contracts, there cannot be any guarantees for a grower to sell a certain amount, but the long term relationships and the frequent contact between growers and the purchaser seems to make it possible for both parties to plan ahead and feel security.

5.2 Business and management logic

EL's legal form

EL is a division within SBP, which is a foundation (EL1:1). Being a foundation means that the guiding principle for all decisions are the head clause in the statutes of the foundation.

Budgetary balance

Total sales revenues cover all (monetary) costs. For 2013 revenues covered the costs, partly depending on how internal costs between SBP and EL are counted: "and it is in fact kind of historic that we are there again [being viable], you can say" (EL1:1). The foundation stands on three main legs: the organic wholesaler, the box scheme and the trading. These are three parts of the whole, which means that as long as the whole is going well, money can be spent/invested elsewhere within SBP as well. There have also been many occasions where the foundation – acting on its statutes – has supported projects in organic agriculture, or has invested for the good of organic development rather than based on a sound financial analysis. An example of the latter is when SBP bought one of the largest organic fruit farms in Sweden to save it from bankruptcy. It does not give any profits, but it was considered an important thing to do.

Key business objectives

EL defines its main aim as being good at what they are doing and doing it as efficiently as possible (EL1:3). Its key business objectives can be described as follows:

- Profitability: EL1 argued that "profitability [is] important" but that profit is not "an end in itself" (EL1:3). Projects run by SBP do not necessarily have to be profitable to be continued. SBP's chairperson illustrates this with SBP's fruit farm, which he defines as "commercially crazy" but extremely important culturally and organically and to fulfil the statutes of the foundation (EL1:1). Another illustration of EL not having to be profitable for several years is the statement that "it is in fact kind of historic that we are there again [being viable], you can say" (EL1:1).
- Employee retention: SBP wants to retain its employees, and dismissals are perceived as problematic: "We are a small local business here, it was somehow traumatic for this foundation to have to dismiss people and we had to dismiss quite a few people [due to the crisis of 2009]" (EL1:1). The crisis was "a very difficult time when we had to dismiss people" (EL2).
- Growth: EL aims at reaching 4,000 boxes per week again, especially since that could have a positive effect on farmers. Inversely, fewer boxes means less positive influence on the situation of farmers (EL1:3). It would be preferable if EL could double in size, in terms of number of boxes: "4,000 [boxes per week] would be good for the business I think" (EL2); "I thought 4,000 boxes per week was a quite reasonable number. It is approximately where we were in 2009 [before the crisis]. Those volumes made it possible to work well. And to earn a little so we could reinvest and develop it. I think it would be nice if we could reach that far and survive with it." (EL1:2). The minimum number of boxes needed per week to ensure EL's long-term survival is around 2,000 (EL1:3). Whereas the growth aim of EL is to reach 4,000 boxes per week again, for other parts of SBP the aims are "healthy growth" [sic] and "solid results, good results" in all areas. The SBP wholesaler aims to grow in volume, and reach profitability (EL1:3). Over the past 10 years, the SBP wholesaler has grown most of the time, but growth has been more or less rapid. The growth of both the wholesaler and EL has been intimately linked to the situation for organic vegetable farmers in Sweden. In the 1990's the volumes handled by SBP were much bigger, but now (2014) the big retail chains have taken over. For a long time, the death of small-scale retail in Sweden has been predicted, but it is still surviving and it is mostly to them the wholesaler delivers (EL1:3). Growth of the SBP trading division is mostly related to bananas and thus determined by the banana business where fluctuations are considerable. In any case, recent years volumes and growth have increased, however with "big dips" in between (EL1:3).
- Altruistic objectives include:

- Avoiding speculation: The foundation structure was chosen to avoid speculation (EL1:1). This is in line with many other anthroposophic businesses.
- Realising the "organic idea", including the "biodynamic idea": EL's aim is to "Support biodynamic/organic farmers by making their products easily available to all consumers, so

that the farmers get a market and a serious and long-term partner" (Stiftelsen Biodynamiska Produkter, 2014a)
- Local production: EL's vegetable and fruit boxes contain both local produce and imported products (EL1; EL3), but local production is preferred when possible. The direct link to the producer – whether in Sicily or in Sweden – is the main thing.
- Animal welfare: the only animal product in EL's boxes is eggs, if possible biodynamic eggs.
- Ensuring family/small farmers' existence: SBP is an organisation that sees itself working for the benefit of small organic farmers.
- Protection of natural environment: is included among the "cornerstones" of SBP, in terms of preventing eutrophication of seas and lakes, water protection, and freedom from pesticides and GMOs (Stiftelsen Biodynamiska Produkter, 2014a).
- Social care: is also included among the "cornerstones" of SBP, in terms of reliability, credibility and social responsibility (Stiftelsen Biodynamiska Produkter, 2014a).

Strategy process and core philosophy

Neither EL nor SBP has a written strategy, our interviewee said: "It is quite thin in that case [laughter] […] We don't do much of those things." (EL1:1). However, there is a strategy process within SBP/EL mainly taking the form of discussions within the SBP board. The main strategic issue discussed at present is the future in terms of how to find new people to "pull" the organization forward in the future. The current board members are getting old (EL1:3). Although it is not explicitly put down in a written strategy, integration is an important aim for SBP. The foundation of EL follows the idea of integrating everything from wholesale (and to some extent SBP's fruit farm) to distribution directly to the customer into a single food chain. This is almost unique for organic food initiatives in Sweden.

EL's core philosophy is: "The aim of Ekolådan is simple. We want to give people access to good vegetables and fruits and at the same time support organic growers in their work" (Ekolådan, 2014b). The motto integrated in the logo states "organically grown directly to your door" (see figure 2).

Core management instruments

Core management instruments of EL include: regular negotiation of "fair" prices, preference for local chain partners, open communication within the organisation, clear responsibilities on each level (this has changed over time), informative attitude (weekly newsletter, blog). The customer service is a key link between consumers and the rest of the employees at EL. They forward both good and bad judgements to the relevant people at EL, which in turn take it on to relevant farmers.

Initially, EL was an informal-horizontal and "familial" workplace. During the growth phase it moved towards more structure, organization and clearer responsibilities. After the crisis, again it has become more informal – "the pendulum has swung back" during the decline (EL1:3). Thus, according to the EL project developer (EL1), the development towards a precision of responsibilities, including clear task descriptions, mid-level managers and organizational structure (organigrammes) and management responsibilities for different areas to a great extent became superfluous due to the decline. To some extent, management responsibilities have been removed as employees have become fewer. In short, whereas the growth process made a precision of responsibilities and a clarification of management structure and responsibilities necessary, the need was reduced as EL shrank in size (EL1:3).

The growth process involved a professionalization of EL (with collective bargaining, clear areas of expertise and responsibility). As an example of mid-level managers, a person responsible for packing was hired. This employment no longer exists (EL1:3). However, EL still strives towards becoming a more efficient organization, in terms of logistics, management systems, controlling, and communication (EL1:3). EL's project developer to some extent discerned a conflict between a more informal values-based "old style organic ideology" and "modern management style". He argued that EL needs to find a balance between on the one hand seeing the whole picture, and everyone taking responsibility for it, and on the other hand a professionalization where different people have different competencies and areas of responsibility.

Within SBP, values-based issues are somewhat emphasized, at the expense of management issues, however not operationally or logistically. As described above, the pendulum has swung from a more values-based and informal organization in the beginning to more organization/management during the growth phase, and then post-crisis and currently (2014/2015) it has swung back again (EL1:3). One practical example of when values-based considerations outweigh professional considerations is that although it would be easier for SBP to trade in organic bananas with e.g. Chiquita, in terms of appearance, professionally, and also in terms of convenience, SBP has still chosen to trade bananas with smaller suppliers, because of the values guiding the foundation's work (EL1:3).

Transparency, communication, fairness, and trust

The importance of transparency, communication, fairness, trust, responsibilities, contracts/formal agreements and participation for the internal organisation of EL can be described as follows:

Communication – when EL was bigger, before the decline, they had weekly meetings with packers and drivers, but not anymore (EL1:1). However, the purchaser and box responsible meet weekly. Divisions (EL, SBP wholesaler) also have internal meetings, but not joint meetings (EL1:3). During the decline process (2009–2013) they focused on getting the procedures right for the new (smaller) size and there was less need and time for development of new things. Now, when there is a feeling that they have survived the hard times, they want to straighten up again. There have always been weekly meetings with the core management group – planning next week's box content.

Fairness – during the expansion phase, when EL grew in number of employees, a need for rules appeared since employees started to compare each other's efforts (EL2). This means that employees were members of the union and that EL complied with the agreements unions and employers' organisations have in Sweden. At first this felt a bit strange for the management group because this took away the feeling of being one family, one group working towards the same end. But as the decline process set it, they were happy to have rules to stick to that helped them formalise the process of lay-offs (and make it less personal).

Contracts/formal agreements – All employees have written contracts. People working in the customer service, in the packing hall and some of the drivers, as well as the management (purchaser, developer, box content manager) are employed at SBP, working for the EL part of the foundation. Some of the drivers have their own cars and are hired as external workers. Farmers normally do not have written contracts. Their security is based on regular and close contact to the senior purchaser and the deals they agree on over e-mails/telephone. This also goes for other organic wholesalers.

Trust and responsibilities: Trust is a major issue at SBP, and is what they live off. Through all the years of being in the market, SBP has tried to show that it is a reliable partner (to customers, to farmers, to processors). The consumers should trust that they are listened to and that they get refunds when they discover faulty produce among the box content, the farmers should trust they are paid promptly but also that they get feedback if something in their deliveries is not good enough. The customers should trust that EL delivers what they order. At the same time, since SBP is a wholly organic enterprise and some items are not available in abundance, and since deliveries from the rest of Europe take some time, at times there are problems with quality and deliveries etc. When this happens, SBP takes care to be very open with the problems and try to solve them by offering other produce, and by trying to increase flexibility among their customers as well. EL1 felt that SBP is highly trusted and keep what they agree to do.

Participation: SBP is a small working place in terms of employees (the total combined number of employees at SBP and EL has fluctuated between 22 and 53 since 2005, and developed as follows: 22 (2005), 49 (2008), 53 (2010), 34 (2014) (Gerhard, 2014), also see figure 4). In addition, SBP is a value driven foundation, which shows in the kind of management decisions that can be taken. For example, if deemed to be of long term importance, an activity can be allowed to be unprofitable for some time. Profits never overshadow the overall goals in the foundation statutes. This has probably hampered growth of SBP, but has also kept it a working place with a high degree of participation by all employees. One example are the regular meetings held with the different professions, and being a small office, all doors are open and you can go and talk to whoever you want at all times. The packers and the drivers are less involved in the everyday issues in the office, but at the same time, two of the interviewees (EL1, EL2) stated that the drivers are EL's faces and ambassadors. They are the ones who actually meet the end-consumers. Their knowledge, attitude and behaviour is thus of major importance.

There are no introductory courses for new employees, nor further training. It is a long time since SBP/EL organized internal education/courses for employees. However, customer service introduces new employees in a structured way. Management holds yearly salary and employee talks. There is also a Christmas dinner when all employees are invited, and sometimes there is one other occasion per year when all employees are gathered (EL1:3).

There is no clearly formulated strategy towards "professionalization" within SBP. During the growth phase professionalization increased, as informal arrangements were formalized, while professionalization decreased again during EL's decline, when informal arrangements returned to the shrinking organization. A substantial part of management is concentrated to a few persons within SBP, i.e. the management group, and management is to a large extent informal.

Management changes during the growth process

Both during the growth process 2003–2009 and during the main crisis in 2009, management of EL changed to a limited extent, mainly in terms of changing operational responsibility. Business strategy and management adaptations within EL have been limited both in times of growth and decline. In hindsight, it can be said that keeping EL within SBP was good since this secured the economic survival of EL during the decline. Main management adaptations during challenging periods were layoffs, and increased efficiency, e.g. through improved route planning of deliveries (EL1:2).

In the first phase, when EL grew more than the involved people had dreamed of, the main management action was to hire more people to the customer service, to the packing hall and to increase the number of vans delivering the boxes. When EL peaked in terms of box numbers, they had to actively seek out new growers and could at the same time promise to buy large amounts – which they felt was very satisfying since they thought this made a difference to the growers (EL1).

Also, the route planning had to become more and more efficient. Starting off with a hand-made system by one of the drivers, this soon proved too complex to be able to handle manually. So they had to look for suitable computer programmes (EL2). In the growth phase, there was often a feeling and realization that they had to invent new systems and new solutions at a high pace. At the same time, they thought that growth would continue and made plans for further expansion. For example, EL1 had the idea to organize EL in a number of "nodes" in Sweden. Järna was the first node (packing, services, drivers) and a second node could be another town further south (i.e. scaling out). This would mean building a parallel EL in this town, catering for that part of Sweden. However, the size of EL was still too small for this expansion, and when the crisis came, this idea was abandoned.

The additional products that can be ordered with the box have been continuously developed. Also, the home page has been renewed at least once in a major fashion since the start. However, home pages soon get "old". In November 2014 there was a decision that EL's homepage will be renewed and to invest in a webpage that fulfills current demands, and that is more "user friendly" and up to date. This is the biggest decided investment for EL for 2015 (EL1:3).

Instruments supporting cooperation with chain partners

A number of instruments supporting the cooperation between chain partners are especially important for EL. Supplying a particularly high product/service quality is a very high priority (EL1:1), as is good customer service (EL1; EL2; EL5:1), and maintaining good and trust-based long-term business relationships (EL1; EL3). Product differentiation on the other hand, is something they want to work with and develop, mainly in the additional products that can be selected in addition to the boxes. During the decline, there was a principal decision by the management group at EL not to change anything about the boxes themselves: they wanted to stick to doing what they are best at, namely filling vegetable and fruit boxes with the highest quality organic produce. EL wanted to keep the idea of a box that triggers the imagination of consumers (and does not limit their imagination by filling them with exactly what is needed for pre-decided dinners). EL has deliberately chosen not to be trendy. This is part of the SBP ideological basis, where the main focus is on being "the friend of farmers", and on establishing long-term and predictable relationships with farmers. This leaves less room for adaptation to shifting demands from consumers, and is also more important for EL than e.g. maintaining a local/regional production base (EL1) or reducing transports. Although EL has a transport-intensive system (buying from the whole world and delivering with vans to the doors of the consumers), they take pains to reduce transports as much as possible and to have up to date vans. However, there are no plans to invest e.g. in biogas-driven vans (EL1).

EL believes it has created a dynamic organization that is prepared to meet challenges. While EL has a shorter history, SBP has a long history of ups and downs. This has left them with the realisation that whatever they come up with, others will copy, and then they have to come up with new ideas again. That is the normal course of events and nothing that they are afraid of. Since they have been through both growth and decline once now, they feel prepared to face a growth process again, being wiser and smarter than last time.

Competitiveness and strategic orientation

Competitiveness is important for the continuity of EL. EL has been exposed to increasing competition from other forms of home delivery of food ("food baskets") as well as from retail (EL2). It has been a tough time, with "enormous competition" from conventional businesses (EL1:3). However, when EL makes a deficit, SBP "takes care of it" and saves EL (EL1:3). EL experienced deficits for three years

(2009–2012) and during the years when EL was making losses, there was a feeling in the house that decisions could be taken that would put an end to EL. These feelings were never really outspoken and the situation turned around before they materialised. This means that there was never a concrete discussion about shutting down EL, even if it was "in the air" (EL1:3). As long as EL could keep up its quality it could go on, and SBP had to "tug along as best it could" (EL1:3). Here it is important to point to SBP's strategy to "spread risks". The idea is that different parts of SBP (such as EL) help each other in difficult times. The argument is also that it is important to save EL for the sake of the trademark and as a communication tool (EL1:3). During difficult times economic losses are filled "within certain limits" (EL1:3), but during long periods of deficit there is also a strong pressure to return to profitability (EL1:3).

As EL started, the competition was mainly another organic box scheme (an export from Denmark). As the food baskets started coming (pre-decided dinner baskets), other box schemes were more seen as friends and less as competitors. Simultaneously, competition is felt from the retailers, who have become much better at offering good quality organic products. Thus, EL has to find other unique selling points than those retailers have.

Strategic partnerships with producers (organic farmers) are crucial to EL, who builds its business model on long-term relationships of trust (EL1). The only strategic partnership is with growers, since EL takes care of its own box deliveries.

Securing product properties and qualities through the chain

When a delivery of vegetables arrives at SBP, a person takes a look at it and decides if this is what they ordered, in the right quality and amount. Then the produce is taken to EL's packing hall. They also take a look and decide if this is what they plan to put in their boxes (right amount, right quality, right optical qualities). If something is faulty, this is immediately communicated to the farmer/wholesaler who delivered the produce. This is mainly done by the senior purchaser. Sometimes faulty produce is still put into boxes, which consumers then complain about. They are then refunded by the customer service.

Pricing strategy between chain partners

SBP negotiates prices with farmers (EL1; EL3), departing from reference prices (EL1:1). The prices SBP pays farmers are often slightly higher than the minimum reference price (EL1:1). Sometimes EL/SBP pre-finances farmers' production (EL1:1). In recent years, such prepayment to farmers has occurred once per year (EL1:3). However, EL1 stated himself that it is not wise of a farmer to sell to EL if he/she can find consumers at farmers markets or the like, since they will get better paid there than by EL. EL is a middle man, which means they cannot pay as much as the end-consumer. When the season starts, the point of departure is last year's prices when negotiations start with the farmers. If they argue for higher prices, the senior purchaser will listen and negotiate. He negotiates separately with all farmers. When dealing with international wholesalers (the likes of SBP in other countries), SBP has to adjust to the prices they have.

Handling margins within EL/SBP

SBP is a not-for-profit foundation and "any surplus after investments [into the foundation], goes to supporting those who develop organic and biodynamic agriculture, research and education" (Stiftelsen Biodynamiska Produkter, 2014a). Although SBP often pay farmers slightly higher than minimum reference prices (EL1:1), the interviewed biodynamic farmer argued that "in fact it is an almost impossible situation since we never actually get hardly ever the price that we would need considering the concept we have when we farm biodynamically" (EL4:1).

Dependence between partners

After the 2009 crisis, when demand from EL decreased, the interviewed farmer has diversified and localized his production, thus decreasing dependency on EL (EL4). For its supply of domestic biodynamic produce, EL is very dependent on a few biodynamic farmers in Sweden, since there are not many. Since EL is a part of SBP, and SBP has well developed business relationships with many actors in Europe and overseas, they are not dependent on Swedish growers for produce. However, it would be a severe break of their image and self-esteem to lose Swedish growers. So they more or less actively seek out new farmers and make pains to keep the ones they have. EL1 thought Swedish organic growers ("the good ones") have much more power in the chain than they realise. At the same time, the interviewed farmer said that it was hard to get the price he would need from SBP even to make ends meet.

Strategic vs. business partnerships

EL considers growers strategic partners, and "preferably" consumers too (EL1:1). EL/SBP also considers other European organic trading companies potential strategic partners, in terms of a potential future merger or a joint retail development (EL1:1). Producers of packaging and to some extent consumers are considered mere business partners by EL (EL1:1). Farmers, organic wholesalers and other actors with a similar value system as SBP are considered strategic partners (or "friends"). When dealing with business partners, SBP/EL acts as any business (that needs to make a profit) albeit with high environmental and social standards.

Overarching business logic

An overarching business logic encompassing the whole values-based chain can be discerned to a large extent. Although EL does not share the exclusive commitment to biodynamic farming that is represented by the interviewed biodynamic farmer (EL4), a similar commitment to the promotion of quality, not-for-profit business and "deep" organic values as fundamental business goals is shared between EL and the interviewed farmer. Many of the actions taken by SBP/EL depend on the fact that it is a foundation with statutes that keeps the management in a tight rope (which they are content with). The foundation structure gives the enterprise some freedom (all parts of the organisation do not have to be profitable at the same time, they can invest in and fund important projects of questionable economic benefit) at the same time as it probably hampers growth (decisions are not taken fast, changes are slow, the statues conserves the organisation to some extent). Another issue that seems to structure how things work in SBP/EL is the small size of the organisation. Employees liked the feeling of being like a big family and they seemed to see somewhat of a trade-off between professionalization and this family feeling.

5.3 Trade-offs between quality differentiation and volume and economic performance

Differentiation from mainstream organic value chains

The most important values differentiating the EL value chain from mainstream organic chains today are: "freshness, quality and names of farmers, that is actually most important" (EL1:1), together with service and recipes (EL1:1). To some extent biodynamic production is also a value differentiating EL from mainstream organics, although EL buys biodynamic fruit and vegetables only from a limited number of farms, such as that of the interviewed farmer (EL4). Also, SBP is special since it is a fully organically certified value chain. Most other market actors in Sweden are conventional wholesalers and retailers with an organic niche.

In the beginning of EL's existence, differentiation consisted of EL being the first organic box scheme in the Stockholm area delivering fruit and vegetables boxes to consumers' doors. It was also a matter of availability: in the early days of EL, the range of produce offered by retailers was bleak and consumers wanting more and better had to go elsewhere. However, this differentiation has become less unique as a number of other home delivery outfits have emerged in Sweden and as retailers have greatly improved their range of organic produce. However, EL remains the only organic not-for-profit box scheme in Sweden.

Further differentiation consists of recipes and superior quality of the produce supplied to consumers (EL1). Another important differentiation is the "face of the farmer" meaning that EL/SBP (almost) always has direct contact with the supplying farmers (whether in Sweden or elsewhere) and that the consumers always know (via the newsletter) what vegetables are sourced from what farmer. Since SBP has its own supply chain, they can minimise the time it takes for a head of cabbage to reach the packing hall by sourcing it directly from the farmer. This contributes to the freshness differentiation.

Influence of growth on quality differentiation strategies

Growth has not significantly influenced differentiation strategies. It has never been the case that growth or decline of EL has been felt by the consumers subscribing to the box: they have always received their deliveries, and EL has always had an ambitious customer service at their service.

A sort of quality of EL that was possible during the expansive phase but that was lost during the decline after 2009, was the fact that EL wants to make a difference to farmers. During the growth phase, EL was a major factor and farmers could rely on them for selling large quantities. Some even had the courage to expand their businesses. But since the decline, EL has not been able to buy the same quantities, which has forced farmers to find alternatives.

From the beginning of EL it has been a "vision" to find the right vegetables to put in the boxes (right size etc.), and to send the right vegetables to public kitchens. However, still this does not work, due to too high demands on visual quality. There is a massive pressure on EL to deliver perfect produce, this is seen as a "huge challenge" (EL1:3). At least once a month there is talk within EL that more of the produce supplied by farmers should be taken care of and reach consumers (EL1:3).

The balance between quality differentiation and growth

EL has not kept to its start-up-period focus on produce from Sweden (although the ambition and the proportion of Swedish products has remained fairly the same according to EL1:3), and despite the name "SBP" containing the word "biodynamic" it has chosen to call its box "Ekolådan", i.e. the organic box, not the biodynamic box. This testifies to the inability of EL to create a box scheme based exclusively on biodynamic produce or produce from Sweden. There is a "definite" limit to the volume SBP can purchase from growers in Sweden, but not if products are purchased from other EU countries or beyond (EL1:3).

During its existence as a box scheme, the balance between quality differentiation and growth has not notably changed. One example of how EL has handled this balance, given by EL5, is that when there is a lack of biodynamic eggs (such as in spring 2014), organic eggs are imported from Denmark. Thus, it is more important to EL/SBP that the products they source are of best quality, and from farmers with whom they have a relationship.

SBP/EL does not engage in convincing local farmers to change to organic or biodynamic production. Since they are not in a position to buy everything that is available on the market they do not see the point in convincing more farmers to convert (and sell to EL). The situation was slightly different during the peak years when EL actively looked for new growers. However, there are no examples of farmers having converted to organic agriculture due to EL.

SBP's investment in a fruit farm, through an "organic apple account", is an example of SBP striving to develop new qualities, which can be added to the EL boxes (EL1). Growth of SBP and EL makes possible investments into such ventures that can add qualities to EL. Basically, SBP bought this farm on the verge of bankruptcy and then rented it to the managers of the farm. They still produce organic apples and fruits. To fund part of the purchase, SBP decided to sell apple accounts, meaning that you can buy shares, giving you parts of the harvest as dividend. Through this arrangement, consumers and farmers are put closer to each other, consumers get more information about growers' conditions, SBP does not have to take the full economic risk, consumers get high quality apples that are not available in retail shops and SBP improves its image. This venture was only possible when SBP's economic circumstances were favourable, since it is far from a profitable business.

Influence of growth on economic performance

From our interviews (EL1) it can be inferred that growth or at least maintained stability is necessary for a good economic performance for EL, since EL's current stability and slight growth has been necessary to return EL to profitability (EL1:1). During its peak, when more than 4,000 boxes per week were sold, EL was doing very well economically even if the fast growth was challenging for the organisation.

Growth could positively impact the economic performance of farmers (EL4), however the interviewed farmer has diversified his market and increasingly localized it to deal with lack of growth of EL, thus becoming more resilient to EL decline (EL4). The positive impact for farmers is mainly on the general scale, that more farmers can be enrolled as suppliers (not that they are paid more in the growth phase). Since the SBP chain is fairly short (farmers – SBP/EL – consumers), growth mainly influences farmers and SBP/EL itself. With growth, more people can be employed at SBP and they can make a bigger difference locally in Järna as an employer and nationally as an organic trend setter.

Influence of the growth process on economic performance and distribution along the chain

The interviewed farmer argued that regardless of growth, the distribution of economic performance along the chain is not satisfactory (EL4:1). This is somewhat contradictory to what EL1 said, namely that the mid-sized organic vegetable growers in Sweden (to which the above farmer should be grouped) actually have more power than they think, since there are so few of them (and thus their products are very desirable). However, in the negotiations with the senior purchaser the farmer obviously does not experience this power. The senior purchaser (EL3) also said that he was surprised when he started working for SBP in 2004 (EL3) that the Swedish farmers were so bad at negotiating. He is from the Netherlands and used to a much harsher buy-and-sell climate. Some of the SBP suppliers first thought that he was rude when he offered the prices he offered, while he thought that this was the first part of a negotiation. On a personal level, there are no such resentments any longer. Also, the purchaser sees himself on the side of the farmers. He visits farms as often as he can to get to know them and their production better.

Through its whole history, SBP has developed slowly, and always in accordance with its statutes saying why they should be in business in the first place. Thus, cooperation with producers was there before EL came into life. The product development was done as EL was developed, but has not changed much since. Being a foundation has a conservative effect, which does not favour fast decisions or changes. The market channels have not changed either, more than that the geographical range of EL has grown. First, they only delivered to a small inner-city area in Stockholm. As soon as enough consumers had signed up for a box, the areas were expanded. This has continued. The centre of attention is still the Stockholm metropolitan area, as well as other larger towns in Sweden. However, EL will deliver to any place in Sweden if at least ten boxes/week are ordered in the same place. This is not necessarily very profitable for EL, but part of the service they want to offer consumers.

To reach a good economic performance, EL has to grow from its current size. Both EL1 and EL2 said that the former peak of around 4,000 boxes/week was a good level that was manageable (with the same premises and working methods as today) and that was large enough to make a difference to farmers and where there was room for development and new projects. More than 4,000 boxes would probably need more space for packing and finding new farmer suppliers. But this would be possible as well. In the current situation (2,600 boxes in spring 2014 (EL1:1) and the same number in January 2015 (EL5:3)), EL is just about breaking even. Thus, any level above the current level would be preferable.

Combining differentiation, growth and economic performance

While EL does not currently experience challenges in combining quality differentiation, growth and economic performance, the interviewed farmer does (EL4). The view within SBP seems to be that SBP has a good model at the moment, building on three important legs, where farmers and consumers can be linked through EL. Economic performance and growth would probably be easier to realise if SBP moved away from the foundation structure and turned itself into a "real" business (EL1). The comparative example of the mill at Järna (mentioned above) also suggests that this is the case. At the same time, the success of this mill is not given but based on skilled management decisions and good marketing. If unsuccessful, a business would go down much faster than a foundation, which has an inherent stability. Abandoning the foundation structure is a decision SBP will not take with the current set of board and management members. They think the value of a foundation is higher than the possibility to grow faster and make larger profits. Since all (three) major retailers in Sweden are continuously improving their range of organic products, SBP has to get new ideas, find their unique selling points and always be ahead of the development. In this sense, the foundation structure does not hamper SBP's development as a player in organics. However, they have problems getting into a very powerful position (due to small economic muscles).

The same values for differentiation as currently will be important for EL in the future. Increased regionality/localization and transition to biodynamic production are proposed by the farmer (EL4), but not by EL themselves. They see an improved home page as an important need, in order to be at the forefront of web based buying. They also want to develop the range of additional products that can be ordered with the boxes, as well as developing the procedure for how this ordering is done.

5.4 Communication of values and qualities

Structure of communication between supply chain actors

In terms of communication between supply chain actors, the EL supply chain is fairly short and simple since it is only comprised of growers (in Sweden and other countries), SBP/EL and its end-consumers (either box subscribers or in the case of SBP also health shops, public kitchens and restaurants). The communication between growers and SBP is continuous over the parts of the year the supplier has produce to offer to SBP. Growers hardly have any communication with customer service at EL but rather with the senior purchaser at SBP who is the person who buys all produce for SBP as a whole. It is then an in-house decision what products will end up in the boxes of EL and what products are sold in other of SBP's channels. Consumers communicate with EL directly by phone to the customer service or by e-mail via the home page. To consumers EL is an entity of its own and most of them will probably not know that EL is part of SBP. If customer service cannot answer the questions consumers have, they forward the queries to relevant people in the organisation. All parts of SBP (except one person dealing with overseas trading) are gathered in one building. Thus, in-house communication is possible (also with drivers and packers).

EL communicates with its partners by phone and e-mail, which it considers most suitable for communication (EL1; EL3; EL4). The purchaser prefers e-mail "since then you see what you have written […] if I talk on the phone with someone I e-mail afterwards" (EL3). E-mails are as close they get to written contracts. In terms of topics, communication between EL and farmers include price negotiations (EL1; EL3), discussions on values (EL4), product quantities, qualities, size, volume, price (EL1; EL3; EL4). The farmer talks to EL's purchaser 3–4–5 times per week (EL4). The purchaser has contact with the farmers every week (EL2). When farmers are at SBP to deliver products there are also opportunities for informal meetings and conversations. The same goes for fairs such as the Nordic Organic food fair (held in Malmö). These discussions also go beyond prices, deliveries etc. (EL1:3).

Figure 9. Screenshot of Ekolådan's homepage, www.ekoladan.se (2014-09-12). In 2015, the biggest investment for EL will be the renewal of the homepage, to fulfill current demands, and make it more user friendly and up to date (EL1:3).

Communication with consumers

Consumers get a newsletter with every box, listing all products and from what country and farmer the products originate. The newsletter is a one A4-double printed black-and-white page that comes with every box. One page is filled with recipes related to the box content and contains a list of all products and who has produced them. The other page consists of general information from EL (such as time limits when to order from the additional products list or that consumers should not forget to tell customer service if they change addresses or the like), sometimes an editorial by the EL project developer. The major part is a short article written by a journalist (different every week). This article can deal with the development of organic food in China, be an interview with well-known chef, be an account of the history of a specific vegetable, or something else broadly connected to food, environment and animal welfare. Thus, the article is not used to market EL but more to "educate" consumers about issues important to EL.

A blog is posted on the EL home page and is the equivalent of the EL project developer's editorials. He writes about news in the organic movement, about new laws influencing organic production, about research results he has heard of, etc. The blog is thus more a page for his personal reflections and used both to educate and to influence. The blog is more political and shows the values held by SBP and EL to consumers.

In the home page of EL, consumers can also read more about the most important farms delivering to EL. At times, EL has organised study trips to some of the farms, but in the decline period the last few years, these events have not been prioritised. Generally, however, it can be assumed that individual farmers are not well known to consumers unless they have a deep interest in getting to know more. Consumers can articulate their concerns by airing views and wishes through the customer service or getting in contact directly with farmers or employees at EL. EL uses Facebook[3], however no other social media (EL1:3).

Consumers can contact EL through the home page, where they can send messages directly to EL customer service. Consumers call or e-mail the customer service when they want to complain (to get refunds), when they want to change something in their order (and did not manage this themselves via the home page), when there are immediate issues like change of entry codes to buildings, when they have queries about anything connected to EL, or to give positive feedback. EL's customer service has two employees answering phone calls 12 hours per week (i.e. in total 24 hours of direct customer support work/week) (EL5:1). In the cases the customer services cannot answer, they forward the questions to the responsible people at SBP/EL. They then contact the consumer in question directly. When consumers have good/bad things to say about a specific product, this information is forwarded to the producer in question as well – mostly by the senior purchaser. EL customer service receives approximately 150 calls and 350 e-mails per week from consumers (EL5:2).

EL's customer service cannot estimate the proportion of complaints in relation to the total amount of feedback – some weeks there are few complaints and some weeks complaints can be very numerous (EL5:2). Complaints can sometimes be related to the "almost explosive trajectory" of some fruits/vegetables. While they look good when packed, the next day they begin to rot. Thus, weeks when there are many customer complaints they often relate to one or a couple of fruits/vegetables of the total of 25–30 that are included in the different boxes every week (EL5:2).

Negative feedback from consumers is more common than positive, since consumers contact customer service when something has happened or when they have not received an expected product. However, the e-mails customer service receives from consumers with negative feedback and complaints are often formulated in a very nice way, so even complaints include aspects of "positive feedback" and appreciation. This can be exemplified by e-mails such as this: "We have been customers with you for many years and never had a reason to complain, but in the box we received yesterday there was a red onion that was soft, what do we do now?". Customer service believed the positive feedback they receive from their customers is quite unique (EL5:2).

[3] https://sv-se.facebook.com/ekoladan

Marketing and promotion

Marketing and promotion of EL has almost exclusively been done without advertisements: "no advertisements whatsoever" (EL1:1). Instead EL has almost only relied on word-of-mouth marketing, coupled with exposure from EL's delivery vans (EL1), with van drivers working as "ambassadors" for the product (EL2). EL has also been present at farmers' markets in Stockholm (EL1:1). Additionally, in the newsletter EL works together with journalists, guest chefs, guest writers and others, who give input to the newsletter. In turn, they become ambassadors for EL since they get a deeper knowledge about EL and spread the message about it. However, this is something that "happens", without a plan or strategy (EL1:3).

An important marketing instrument is the service provided by EL in the form of weekly newsletters and recipes provided to consumers every week: "The recipes have been enormously important" (EL1:1). These have recently been put together in a cookery book, and are also available on the home page.

Downstream →

Upstream ↑	Farmers	Ekolådan/SBP	Consumers
Farmers	Rarely, except at yearly growers' meetings organized by Ekolådan/SBP. ()	Weekly, via SBP's purchaser (growing season).	No communication, unless via farm shop or farmers' markets. ()
Ekolådan/SBP	Weekly, via SBP's purchaser (growing season).	Daily, between project developer, purchaser, customer service.	Weekly newsletter.
Consumers	No communication, unless via farm shop or farmers' markets. ()	Daily with Ekolådan's customer service.	Existing customers talk to others – knowledge about Ekolådan spreads by word of mouth.

i.e.: Yearly Weekly Daily

= physical/direct interaction

= per e-mail/letter

= per phone

Figure 10. Ekolådan communications cross table.

Influence of growth on communication

EL's choice to market an organic box, not exclusively biodynamic, has an influence on communication as this leads to discussions on fundamental values with the farmer (EL4). The interviewed farmer produces biodynamically and thought that EL should focus on biodynamic products.

Opportunities for exchange beyond usual structures

There are full-day growers' meetings (EL1:1), once a year (EL2). During the growers' meetings, growers are given feedback from EL concerning what consumers have said over the year (about quality, varieties, crops etc.) (EL5:2). The meetings are also used to hear what the growers think of the logistics, the procedures etc. regarding EL. EL representatives also brief farmers on the economics of EL. SBP/EL also reports about trends they see in what vegetables are demanded (EL5:2). During the yearly growers' meetings actors also talk about e.g. size of vegetables, and growers' reality (EL2). The meetings include lectures as well as occasions for informal meetings. The aim of the meetings is to lift the discussions above operational issues, and to provide an opportunity for farmers to talk to each other (EL1:3).

Previously, EL offered visits to farms, including the fruit farm, theme nights, and they cooperated with Kulturhuset (the City of Stockholm's "Culture House") to arrange root vegetable seminars, courses and lectures. These activities are now discontinued due to lacking interest from consumers. However, provided there is more interest from consumers, SBP would "absolutely" like to take up such activities again (EL1:3). If SBP could "fill a bus" they would do it again "tomorrow" (EL1:3). Thus it is not economic reasons but lacking interest that has been decisive.

5.5 Quality mediation through the chain

Farmers' views on superior production qualities

The interviewed farmer produces food biodynamically, which is a superior quality in itself, he thought: "I also feel that I stand for more, and more than defending the diversity we have […] It is important with the diversity and it is important that there is Swedish biodynamic farming, and it is important that it is broad. That is tough. For me it is important that celery and celeriac are grown in Sweden even if we can import organic produce from Denmark or Holland or Germany or other countries, it is an enormously important cultural act when it is grown in Sweden." (EL4:1).

The farmer also argued that his way of production is characterized by the following: "that we farm in a way that is truly sustainable in the long term, and that our farm is self-sufficient in plant nutrition. We have the number of animals on the farm that is adapted to the land […] When a new farmer comes in maybe ten-twenty years the farm should be at least in the same condition as when we took over […] We take responsibility for the whole, and there are not so many farms that take the full responsibility […] To stand up for this holistic perspective when you farm, that is not so common, and therefore I am totally convinced that we stand for very special values. If you buy [in to] those values and think they are good […] then it is definitely an added value to buy our products" (EL4:1).

The interviewed farmer grows many varieties of vegetables (EL4:1). He only produces along the regulation of biodynamic farming. He has his own animals to support vegetable production with the right amount of nutrients. He also felt a responsibility to offer consumers in his region high quality food. Thus, he tries to develop direct links with local consumers and customers (such as shops, restaurants, schools). In this way he becomes more closely linked to the local community and less dependent on a wholesaler such as SBP.

There is not much contact farmer to farmer in EL (EL4:1). The farmer does have contact with other organic (biodynamic) farmers, but not in the sense of being suppliers to EL.

Differentiation between organic and organic plus

All suppliers to SBP in Sweden are KRAV certified. SBP (and EL) are also KRAV certified. KRAV is the Swedish set of organic standards that are slightly different from the EU regulation on organic agriculture. The main difference between KRAV and EU regulation is that KRAV has standards not included in the EU regulations (such as organic standards for restaurants, fisheries), that the standards concerning animal husbandry are harsher in KRAV and that KRAV includes social standards. While EL is KRAV certified, it does not differentiate between organic and biodynamic products in their boxes. Also, EL only adds its own label "Ekolådan" to the boxes, but no other certification is displayed, and there is no price differentiation between organic and biodynamic production awarded by EL (EL4). Such a price premium can only be realised if the farmer can sell directly to consumers and convince them of the superiority of biodynamic products.

The consumers have to pay a higher price for the qualities represented by EL than for a corresponding volume of vegetables and fruits at a mainstream retailer. At the same time, the EL representative (EL1) argued that the quality of the EL vegetables is higher than that of the retailer, and that value-for-money is better in EL than at the retailer. EL adds additional qualities to the products by adding narratives of origin, localities and production methods in the attached newsletter. The conditions of being an organic grower in Sweden are often mentioned in the newsletter and/or in the blog/editorial.

The major strengths of the way the value based food chain mediates qualities from soil to table are first and foremost the quality of the product itself, in addition to the EL customer service, the homepage and the newsletter: "number one is through the product [this] is probably the most important carrier of our message, number two is probably our customer service, yes the homepage and the newsletter" (EL1:1). The recipes included in the boxes are also held forth as very important (EL1), they bring out the qualities of the products, and make them useful for consumers.

5.6 Resilience

Major external changes, stresses and shocks

Major critical stages (changes, gradual stresses and sudden shocks) in EL's external operational environment can be summarized as follows: 1) EL's "rise and decline" (EL1:2) (see shocks below). 2) Other than that, EL's development has been stable: "I cannot see big dramatic changes" (EL1:2), except for, operationally, the introduction of a collective bargaining agreement with a trade union (EL1:2).

Important shocks: 1) The 2008/2009 financial crisis, when sales of EL boxes dropped from almost 4,500 boxes per week (EL1:1) to approximately half that number (EL2). The number of employees at EL rose from 10 (2005), to 33 just before the crisis (2008), briefly continued up, to 35 employees (2010), before layoffs following the crisis reduced the number to 19 (2014). The total combined number of employees at SBP and EL has fluctuated between 22 and 53 since 2005, and developed as follows: 22 (2005), 49 (2008), 53 (2010), 34 (2014) (Gerhard, 2014). Also see figure 4. In connection with the crisis, many customers who had subscribed to EL boxes stopped subscribing (EL2). This was both an effect of some people having less money to spend every month, and an effect of the increased competition from other food delivery schemes emerging at that time in Sweden, and the larger/better range of organic foods in the retailer shops.

Important stresses: 1) Gradually increased competition from other box schemes and home delivery schemes (EL2), with the result that EL was no longer unique in delivering (organic) food directly to the doors of consumers in the Stockholm region. Also increased competition from retail (EL1:2). This "stress factor" can also be classified as a "shock" since the other delivery schemes "flooded the market" (EL1:2) at approximately the same time as the financial crisis. EL's project leader argued that "for Ekolådan it was […] probably rather the competition than the financial crisis" that was most problematic (EL1:2). Competition was also linked to higher quality of organic products sold by retailers (EL2) and consumers demanding individual choice of box content, as well as emphasis on how vegetables and fruit look.

2) Another stress is that many organic growers leave farming: "something that has been a great change is that so many farmers quit" (EL1:2), there is an increasing lack of small certified organic farmers, and very few biodynamic farmers are left in Sweden (EL1:1).

3) Market domination/hegemony by multinational agrifood businesses in the organic food sector, resulting in tough competition for SBP and EL. SBP's chairperson describes one aspect of this process: "The commercial companies enter more and more forcibly and that can be seen in the whole organic sector of course. Now there is a super boom again. And then you see that all the multinational corporations operate very actively to secure a flow of goods too. This we are very exposed to, since we are involved in imports and such and I think about the banana industry. Chiquita and company, they are active. They go to the growers and offer higher prices and then they buy everything and then they can sell to a much lower price to consumers and through this they take power. So this is of course something that hovers as a problem for us" (EL1:2).

Major internal changes, stresses and shocks

Important changes in EL's internal operational environment can be summarized as follows: 1) The main changes have been in relation to operational responsibility within EL. Whereas the SBP chairperson/EL project developer has kept a strategic role and the CEO has remained, the main operational responsibility has been held first by the EL project leader, then by the former operationally responsible, and then by the current operationally responsible (EL1:1). In 2005 the EL project leader stopped working for EL (EL2), and this can be considered a main change since it involved differences in perspective between key persons within EL that led to one key person exiting EL.

Important shocks: 1) The sharp decline in the number of sold boxes in 2009 that resulted in substantial layoffs of workers (EL1; EL2). The layoffs can also be analysed as an important stress factor over a longer period of decline, since the layoffs resulted in a negotiation process around collective bargaining agreements, which SBP started using in 2009 (EL1:3). The layoffs felt difficult or even traumatic (EL1:1) for several employees, and created an antagonistic atmosphere from what had previously been something of a community: "it was a big change, since then it was suddenly "we and them". We in the management and they out there. It was not we together anymore. That was a huge change." (EL2). In other words: "the dream of the big organic-box-family that then suddenly turns into the boss sitting there firing people" (EL1:1).

Important stresses: 1) Lack of profitability 2009–2013, leading to lack of possibilities to invest (EL1). 2) Differences in perspectives and values between key persons in management between 2003 and 2005.

Managing changes, stresses and shocks

The sharp decline in the number of sold boxes in 2009 was managed by attempting to consolidate EL on a lower level (with about half the peak amount of boxes). This consolidation process involved adapting the size of EL's workforce to the number of boxes sold, which entailed substantial layoffs. As shown by figures 4 and 5, the reduction of EL's and SBP's workforce was not implemented immediately after the crisis (that would not be possible even if SBP/EL wished so, due to the legislation regulating dismissals). Instead dismissals happened with some time-lag, reasonably contributing to continuing deficits, when employees remained in a down-sized organisation with lower profitability.

The increasing competition from other box scheme/home delivery actors has not been met by changing the profile of EL, although some key persons argue that individual choice in box content should increase (EL3): "I think so, but everyone in the house does not. But I would like more that customers could decide themselves what they want to buy, not that we decide, or me for them. More free." (EL3). There are thus different opinions internally within EL on how to deal with competition from box schemes built on more individual choice and ready meals.

Concerning the low number of organic/biodynamic farmers, and the lack of regrowth, EL strives for long-term and supportive relationships with organic farmers to facilitate their situation (EL1). However, SBP/EL have not tried to convince farmers to convert to organic farming. The reason for this is that SBP/EL cannot buy all the produce from existing suppliers (EL1:3). In terms of market domination/hegemony by multinational agrifood businesses, SBP runs an independent banana import (EL1) and negotiates directly with farmers, whenever possible (EL3). When it comes to media coverage, EL puts emphasis on informing its customers through its newsletter and uses alternative channels to reach out with its message, notably through word-of-mouth (EL1).

In terms of managing changes, shocks and stresses in the value chain, EL's decline in 2009 meant lower demand for organic/biodynamic produce from its partner farmers. The interviewed farmer met this decline in demand from EL by localizing production (i.e. finding consumers and shops/restaurants/school kitchens in the region where the farm is situated) and reducing risk by limiting the proportion of his total production sold to EL from 60 percent to around 35 percent (EL4:1). The board of EL handled the decline. The chairperson of SBP took on the difficult task to dismiss personnel during the crisis (EL1).

Feedback loops in the value chain

Means of feedback between farmers and SBP/EL exist in the form of frequent e-mails, and phone conversations (EL4). Farmers are informed about consumer views at growers' meetings and/or directly when a consumer has direct feedback about the quality of the products of a specific farm (through the senior purchaser). This may lead the farmer to change production, e.g. change crops or varieties. Farmers can communicate with SBP if they have more or less produce than normal. Then EL can adapt the box content (EL1). Farmers get feedback when their produce is of inferior quality so that they can adjust their own procedures on the farm in order to deal with this problem.

The aim of the activities of SBP is to support organic and biodynamic growers and to give them a predictable market environment. Thus, they would like to make a difference to farmers, and give them a market channel they can trust so that they can stay in business and preferably develop their businesses. If these aims are fulfilled, SBP is a driver for production systems that are environmentally benign and that represent a (partly) different system that the conventional food industry.

Long-term sustainability and vulnerabilities

The chairperson of SBP argued that viewed alone EL is not efficient enough, but viewed as part of SBP as a whole, EL can be seen as sustainable (EL1:2). Another interviewee at EL stated that a major aspect of sustainability is linked to the growers: "Well, I think the backbone is our growers. That we find good and skilled growers who want to deliver to us. If we have something good to deliver, then we can continue" (EL5:1).

The interviewed farmer argued that a dialogue about fundamental biodynamic values and what EL stands for is crucial for the sustainability of the relationship between EL/SBP and his farm: "These values are absolutely crucial for the sustainability of our relationship." (EL4:2). Internally, on his farm, sustainability also depends on social relationships working among all people working there. He argued that sustainability on his farm is "incredibly strong" (EL4:2), thanks to the cyclic perspective: "these self-evident things that become more and more rare, with animals and the integrated farming and such, well this makes it incredibly sustainable" (EL4:2).

The chairperson of SBP thought EL will remain in five years' time and he would like EL to expand in volume to around 4,000 boxes per week, i.e. approximately the level before the crisis in 2009: "Those volumes made it possible to work well, and earn a little from it so we could reinvest and develop it."(EL1:2). This level will hardly be exceeded. Standing on three legs – EL, the wholesaler, and imports – "is in fact still a key to survival" (EL1:2). EL could become smaller: "But somewhere we have said that we think that in the first place we aimed at becoming a little bigger […] we felt that there is such a need for some companies who have this with ecology and biodynamics fully in their company soul" (EL1:2). He argued that "in five years Ekolådan will be one of our [SBP's] most important parts, but not dominating" (EL1:2) and that EL as a trademark will become more and more important. Striving for a development of EL and SBP is important, to make consumers and producers come closer to each other (EL1).

Another important thing for EL is the home page. At the time of the interviews at EL, they were just in the process of deciding to spend hundreds of thousands SEK on a new and more efficient home page. In November 2014 a decision was taken that EL's homepage should be renewed and that there should be investment in a webpage that fulfills current demands, is more user friendly and up to date. This is the biggest decided investment for EL for 2015 (EL1:3). Since the home page is the view to the world for EL, it is crucial that it works well (EL1, EL2).

Another interviewee at EL argued that home delivery through box schemes will continue, and that EL should be developed, to make people feel it is easy to order, through an easy tool and improved technology, with short delivery times, and increased choice of added products. This would attract more customers (EL2).

EL's main purchaser explained that a generational shift is underway at EL/SBP and he thought that in around seven years there will be changes in the "house" (all people in the board of the foundation belong to the same generation, the generation that set things off at the end of the 1960's): "Sometimes you feel that it is somewhat conservative, that it is time for something new to begin. This I think will be the biggest change. And what it will give I don't know. What is good is the Foundation as the basis, so you cannot just do whatever, the basic idea should stay." (EL3).

The interviewed farmer would like EL to remain, but would like SBP to actively take a stand in favour of biodynamic agriculture (EL4).

Two large obstacles to growth can be discerned, linked to the shocks and stresses described above. The financial crisis in 2008/2009, in conjunction with competition from other box schemes, substantially reduced the volume of the EL box scheme. The lack of significant growth since 2009 can be ascribed to continued competition both from other box schemes and also from an improved organic offer from retail. Arguably, EL has also not been able to fully handle demand for individual consumer choice, or explain the assets of EL's basic idea to a growing group of consumers.

When it comes to vulnerability, economic weaknesses is a major concern– since the 2009 downturn it has taken EL five years to return to profitability (with three years of deficits), and several times it was close that EL was dismantled altogether (EL1). EL can still be seen as vulnerable to reduced box volume, although at present box sales are stable: "Low volumes is a weak point in relation to the competition we are subject to, I absolutely think so" (EL1:2). Another vulnerability is found in changing demand from consumers (EL2), and a difficulty to explain and communicate EL's main idea to consumers (EL3). Their unique selling point is diminishing as retailers develop their own range of organic products all the time and at a high pace.

The near-retirement age of people in key strategic positions within EL amounts to a further vulnerability. A substantial part of knowledge and experience is concentrated in a few persons, or even in some respects in one person (EL1). Aging is a problem also for the value chain as a whole, as the regrowth of younger organic and biodynamic farmers is weak (EL1:2). Another vulnerability, linked to this, is a general lack of biodynamic farms in Sweden, making it difficult to develop the biodynamic mission of SBP. Potential organisational problems amounting to vulnerabilities, in addition to a concentration of knowledge and experience in a few persons, is a lack of transparency and communication, and a certain lack of professionalism. The chairperson of SBP concludes: "The homepage […] Our communication with the world around. Communication and marketing is our weakest spot, absolutely." (EL1:2). Logistics within EL share a vulnerability with society at large and all farms in being totally fossil-fuel dependent for transports.

6 Future orientation

Actors' views on the development of the organic sector in general

According to EL's project developer, EL is situated in a context of an organic sector that is growing, both in terms of retail and also in terms of multinational corporations, who aim to expand and take control also over the organic sector. He considered small-scale organic agriculture and the biodynamic sector in Sweden as weak (EL1), noting that there are few biodynamic farms in Sweden, and that the same kind of people who previously joined biodynamic ventures are now engaged in other projects, e.g. within urban gardening and permaculture: "But they do not have the knowledge and experience to feed a bigger number of people around themselves. So that is a problem" (EL1:2). He argued that an emerging threat can be identified in "modern thinking" about organic agriculture, based on the idea that organic agriculture must "let go of these ideological barriers and now […] must sit down together with knowledgeable people in biotechnology and the chemical industry, to find the good solutions for all of us in the future […] In this way enlightened people in today's media discuss and this is an acute threat, without any doubt" (EL1:2).

The interviewed farmer argued that the development of the organic, and in particular the biodynamic, sector can be seen both in a pessimistic and optimistic light. For development to continue, biodynamic farmers have to continue farming. Now the interest for local and organic production, quality and animal welfare is increasing, giving biodynamic farming its chance to develop. If such issues are discussed in society, this will facilitate the development of biodynamic agriculture (EL4:2). For biodynamic farming to develop, the farmer argued that engagement is needed, as well as societal debate. For local rural development to take place, he emphasized that “All society has to change”, environmental costs of transports should be taken into account, and products should not be sent around to the current extent. The farmer advocated more local production instead of free trade, and a holistic biodynamic or anthroposophic view, where biodynamic farms could become nodes in rural development, not only farming, but also taking social responsibility, e.g. for persons with special needs (EL4:2). The interviewed farmer positioned himself beyond “mainstream organic”, as a biodynamic farmer. For him biodynamic values were central, and he encouraged EL/SBP to move from organic towards biodynamic, to a greater extent than today, a values-based move the farmer argued is very important (EL4).

Chain actors’ orientation towards future growth

All the interviewees from within EL (EL1; EL2; EL3 and EL5) agreed that growth from the present level would be an advantage. A suitable volume for EL would be around the peak level, i.e. around 4,000 to 4,500 boxes per week, although the purchaser would ideally like to see a higher level: “I would like to have 10,000 [boxes per week], but that is unreasonable. But I like when there is some volume.” (EL3). The interviewed farmer did not want to grow more himself, or deliver much more to EL, but agreed that a suitable level for EL would be around 4,000 boxes per week (EL4). The interviewed farmer also emphasized growth in terms of growth of biodynamic values (rather than growth in volumes) to a higher degree than EL (EL4).

Main current challenges

Two main current challenges were held forth by one of our EL interviewees: 1) Whether farmers will continue to farm organically, dare to convert to organic farming, also in terms of a generational shift, i.e. if there will be young growers who want and dare to farm organically, 2) What will happen to EL when retailers increases their offer of organic food, and simultaneously presses prices to farmers downward. In this environment EL should continue to protect its trademark and stand for its values (EL5:1). Another interviewee argued that EL also has to develop technically in terms of its website (EL2). Regarding internal organization, EL wants to improve communication with consumers, one of its current weak points (EL1), e.g. through an improved web page. Since EL has not managed to get enough interested consumers to join their activities when offered (seminars, study tours) they thought they need to improve their work on this. The greatest challenge, according to the interviewed farmer, is linked to values – to explain to customers why EL is more sustainable, more ethically sound, has better taste, and why the customer makes a good decision when specifically choosing EL (EL4:2).

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