

Sustainable and Just Rural Transitions: Connections and Complexities



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Assessing the Potential of Values Based Food Chains for Sustainable Agriculture and Rural Livelihoods: Governance & Management Aspects of Values-Based Supply Chains

By World Congress Planning Committee

DATE: FRIDAY, AUGUST 12, 2016

TIME: 11:00AM

LOCATION: TRS 2164

Session Code: IRSA_58B

Session Description: The concept of values-based food chains (VBFC) has been developed as a way to conceptualize an emerging middle-tier of food marketing that lies between direct and commodity marketing approaches. The US research network 'Renewing an Agriculture of the Middle,' for example, has suggested that differentiating, aggregating, and branding agricultural products based on shared values can potentially foster robust rural development, help producers realize marketplace premiums, and offer strategies that would allow for small and mid-sized operations to compete with larger enterprises. In Europe, this analytical approach has proven equally useful for studying the potential for organic farming to increase volume without losing core values within the EU core organic project HealthyGrowth.

VBFCs use a business model emphasizing shared production and product values among supply chain partners and their networks, as well as shared values linked to the fair distribution of benefits along the chain. Such new business alliances offer significant opportunities to expand the volume of sustainably produced foods that can be supplied through alternative market channels. This creates potential new development pathways for agriculture that serve as alternatives to the expansion of undifferentiated commodity production by individual growers.

The main questions we would like to address in this paper session are: What forms of successful VBSCs can be

identified' How are these VBSCs organized, characterized, and what are the differences in strategies and outcomes between the US and the EU' Do they offer opportunities to scale up values-based food sourcing' Do they provide incentives for improving production practices' Which new possibilities do they offer for the development of sustainable farm enterprises and rural livelihoods' This session aims to bring together researchers from both sides of the Atlantic and elsewhere who have studied VBFCs, to evaluate their potential and performance as new pathways for rural and agricultural development.

Session Organizers: Markus Schermer, University of Innsbruck; Kathryn De Master, University of California-Berkeley; Egon Noe, Aarhus University; Marcia Ostrom, Washington State University

Session Chair: Marcia Ostrom, Washington State University

Presentations:

1. Gunn-Turid Kvam, Centre for Rural Research; Anna Maria Häring, Eberswalde University for Sustainable Development; Karlheinz Knickel; Susanne von Muenchhausen, Eberswalde University for Sustainable Development

Management of values-based organic food chains during growth

Food businesses face specific challenges when they are expanding, and when volumes and turnover start growing significantly. Higher value food chains, such as organic food chains, face particular challenges, tending to converge either towards rather narrow market segments and niches or towards conventionalisation and loss in added value. In addition many entrepreneurs in the organic food sector do not possess a formal training in business economics and/or management. However, as businesses grow, increasing management competences are required and this tends to become a constraint.

Aiming to better understand different development pathways with their particular challenges, business strategies and management instruments, this paper presents an analysis of 19 case studies in Europe and Turkey with respect to their expansion pathways and the strategies used to maintain the specific values related to product and process qualities. The key questions asked in this paper concern: (i) the management adjustments needed during growth; (ii) and the contribution of business logic and management to economic performance and efficiency; (iii) limiting and enabling factors for the development of higher value food chains. Recommendations for organic food businesses and local, regional and national level decision makers in policy and administration are derived.

2. Jessica Goldberger, Washington State University

The Establishment of Quinoa Value Chains in the United States, Europe, and Australia

Quinoa is a nutritious pseudocereal in high demand globally. However, the supply of quinoa from Bolivia and Peru (where over 90% of quinoa is grown) cannot meet growing global demand. In response, innovative farmers in the U.S., Europe, and Australia have been conducting quinoa variety trials, experimenting with different production practices, building processing facilities, creating farmer-owned brands, and cultivating new marketing strategies. These "quinoa pioneers" are tapping into consumers' desires for healthy 'superfoods' and locally grown products. This presentation will report on innovative efforts to establish quinoa value chains in the U.S., France, England, the Netherlands, and Australia. Data come from in-person interviews with quinoa pioneers about their production, processing, and marketing practices; a survey of U.S. food cooperative managers about their perceptions of the benefits and barriers to selling U.S.-grown quinoa; and a survey of U.S. certified organic producers about their experiences with and interest in quinoa production. Research findings shed light on the characteristics of quinoa value chain innovators; the opportunities and challenges associated with the production, processing, and marketing of 'local' quinoa; the political-economic and socio-cultural contexts for the emergence of quinoa as a new cash crop; and the contribution of quinoa value chain development to sustainable agriculture and rural development across three continents.

3. Jennifer Sumner, University of Toronto; Cassie Wever, York University

Values in Motion: The Local Organic Food Co-ops Network in Ontario, Canada

Values-based food chains (VBFC) have been gaining recognition in recent years as alternatives to the global industrial food chain and as an opportunity to integrate rural farms, businesses and economies into economic development. One dynamic example involves the Local Organic Food Co-ops (LOFC) Network, a coalition of co-operatives that specialize in locally and sustainably produced food in the province of Ontario. From an initial group of 18 co-ops in 2010, the LOFC Network has increased to over 70 rural and urban co-ops. The purpose of the Network is three-fold: to educate about and advocate for local and organic co-ops; to facilitate and support the growth of existing co-ops; and to connect and scale up for regional food processing and distribution hubs.

The LOFC Network shares information and creates a platform for collaboration and co-operation, all with the aim of establishing a sustainable food system. The Network has built a food chain comprised of producer co-ops, worker co-ops, consumer co-ops and multistakeholder co-ops. As a VBFC, it brings together three complementary sets of values: local, organic and co-operative. Together, they form a value matrix that clearly differentiates the LOFC Network from other food chains, and models an alternative way of doing business. This paper will present the findings of a pilot study of the LOFC Network and argue that this type of VBFC promotes sustainable agriculture and contributes to rural livelihoods.

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