

# PATHWAYS IN SHORT FOOD SUPPLY CHAINS ECOSYSTEM DEVELOPMENT

DESK RESEARCH REPORT



**Rural Facilitator**

Rural Facilitator Training in Agricultural  
Short Food Supply Chains

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*Developed by the Rural Facilitator Erasmus+ project consortium:*

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## CONTENTS

1.	ABSTRACT.....	4
2.	COMPARATIVE ANALYSES OF THE RESEARCH FINDINGS.....	6
2.1.	The purpose of the research.....	6
2.2.	Research methodology.....	6
2.3.	Definitions and interpretations of “SFSC” and “SFSC facilitators”.....	7
2.4.	SFSC practices: intermediaries, SFSC animation services.....	10
2.4.1.	Who can be SFSC animator/intermediary?.....	11
2.4.2.	Organisations enhancing farmers cooperation in SFSCs.....	12
2.4.3.	Services available for farmers to launch SFSCs.....	13
2.5.	Human resource aspects of SFSC and training.....	16
3.	REPORTS ON DESK RESEARCH RESULTS BY PARTNERS.....	20
3.1.	Report on SFSCs in the Czech Republic.....	20
3.1.1.	SFSCs in the Czech Republic.....	20
3.1.2.	Definition of “intermediaries”.....	21
3.1.3.	Support of the SFSCs, size of farms and age of farmers in the Czech Republic.....	22
3.1.4.	Organizations, services, education and training.....	27
3.1.5.	Use of human resources management in SFSCs.....	30
3.1.6.	Organizational and structural background of SFSCs.....	31
3.1.7.	Summary of the findings regarding SFSCs in the Czech Republic.....	33
3.2.	Report on SFSCs in Romania.....	34
3.2.1.	Definition of SFSCs in Romania.....	34
3.2.2.	Definition of “intermediaries”.....	36
3.2.3.	Definition of “SFSC animator”/ “SFSC facilitator”.....	37
3.2.4.	Supporting organisations, services, education and training.....	37
3.2.5.	Human resources aspects to enhance SFSCs.....	38
3.2.6.	Organizational and structural background of SFSCs and sustainability assessment....	39

3.3.	Report on SFSCs in Hungary.....	39
3.3.1.	Definition of SFSCs in Hungary.....	39
3.3.2.	Definition of “intermediaries” .....	40
3.3.3.	Definition of “SFSC animator”/“SFSC facilitator” .....	41
3.3.4.	Organisations, services, education and training.....	41
3.3.5.	Human resources aspects to enhance SFSCs.....	45
3.3.6.	Organizational and structural background SFSCs and sustainability assessment .....	46
3.4.	Report on SFSCs in Poland .....	46
3.4.1.	Definition of SFSCs in Poland .....	46
3.4.2.	Definition of “intermediaries” .....	48
3.4.3.	Definition of “SFSC animator”/ “SFSC facilitator” .....	49
3.4.4.	Organisations, services, education and training.....	49
3.4.5.	Human resources aspects to enhance SFSCs.....	50
3.4.6.	Organizational and structural background of SFSCs and sustainability assessment ....	50
3.5.	Report on SFSCs in France.....	51
3.5.1.	Definition of SFSCs in France .....	51
3.5.2.	Definition of “intermediaries” .....	51
3.5.3.	Definition of “SFSC animator”/ “SFSC facilitator” .....	51
3.5.4.	Organisations, services, education and training.....	51
3.5.5.	Human resources aspects to enhance SFSCs.....	54
3.5.6.	Organizational and structural background of SFSCs and sustainability assessment ....	56
4.	CONCLUSION AND RECOMMENDATIONS.....	57

## 1. ABSTRACT

The report has been developed for the purpose of the *Rural Facilitator Training in Agricultural Short Food Supply Chains* project (supported by the European Commission's Erasmus+ programme, project no. 2019-1-CZ01-KA202-061270) in order to provide a better understanding of the existing Short Food Supply Chain (SFSC) ecosystem in the partner EU countries – the Czech Republic, France, Hungary, Poland, and Romania – with some outlook to the practices promoted at EU level.

As a first step towards developing a Competence Catalogue, a Business Roadmap and a Training Programme for Rural Facilitators, the project partners conducted a desk research that helped us formulate conclusions and possible solutions that might be adopted in the project countries and beyond.

The desk research pointed out how SFSC farmers cooperation is managed in each of the five project countries, what are the main driving forces of the already functioning SFSC groups, who are the managers, advisors, facilitators of already existing SFSC groups and what are the most relevant competences which should be provided by market organisers/facilitators. The analysis also concerned the specialities of different organisation ways of SFSC, to offer a wider picture about management processes.

The second chapter of the report (entitled “Comparative Analyses of The Research Findings”) highlights similarities and differences between policies and practices in partner countries, while the fourth chapter (entitled “Conclusions and recommendations”) presents possible solutions on challenges which might be adopted when developing the Rural Facilitator Training Curriculum.

As national definitions of Short Food Supply Chains – for implementation of Rural Development programmes – are harmonized with the EU Regulation 1035/2013 in each country, there are no significant differences in interpretation of the terms “Short Food Supply Chains”, respectively the term “intermediaries”. As revealed in the country reports (presented in detail in Chapter 3) the job/ position of “rural animator” “rural facilitator” is inexistent in the partner countries. Instead, in each of these EU countries there are several intermediary organisations and service providers who facilitate the creation and management of SFSCs. The roles these organisations play and the nature of the services they provide is highly relevant for defining the competences and knowledge that the future “rural facilitator” should have, therefore we present an overview of these organisations and services in Chapter 3.

Intermediary organisations identified in the partners countries: agricultural holdings, civil associations, caterers (traditional catering, farm inn, collective catering, restaurants), farmers themselves, food producers/processors, local development associations, municipalities (and associations of municipalities), NGOs that represent farmers, organisers of farmers' markets and shops (public and private entities), organizers of community supported agriculture forms

(including farmers, local development associations, LEADER local action groups), producers shop, retail shops, social cooperatives, advisors.

In each partner country (as presented in Chapter 3) several public and private organisations work in to enhance farmers' cooperation in SFSC. Some of the public bodies involved in SFSC facilitation: Agricultural Research Institutes, Chambers of Agriculture, Chambers of Commerce, Local government institutions, Ministry of Agriculture, Ministry of the Environment, Natural Regional Parks, public catering companies, regions/Associations of municipalities, Rural Development Networks, State Agricultural Intervention Funds, VET schools and universities.

Private (and semi-public) bodies involved in SFSC ecosystems: local action groups, (social) cooperatives, family farms, food producing SME's, local craft programs, local development associations, networks, NGOs (with public, national or European funding mostly), specific restaurants, umbrella organisations or sectorial federation. Services provided to farmers by these organisations are varied, starting from management, networking, sales organisation, legal and financial consultancy to IT services and training<sup>1</sup>.

A broad spectrum of knowledge and competence areas relevant for the human resource aspect of the SFSCs has been identified in the present research. As the range of envisaged tasks and necessary competences of future "rural facilitators" is probably too large to be covered in one "Rural Facilitator Training", therefore in the next research steps, the Rural Facilitator project partnership will analyse the findings of the report to identify the most relevant and urgent core competences.

The findings of the report are relevant beyond the Rural Facilitator project too, as these research results are transferable to any organisation that wishes to set up and/or further develop SFSC facilitation services in the European Union.

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<sup>1</sup> A summary of the services is presented in Chapter 2, detailed description of the services, including presentation of best practice SFSC facilitation services and programmes are presented separately for each country in Chapter 3.

## 2. COMPARATIVE ANALYSES OF THE RESEARCH FINDINGS

### 2.1. The purpose of the research

The purpose of Rural Facilitator Training in Agricultural Short Food Supply Chains project (supported by the European Commission's Erasmus+ programme, project no. 2019-1-CZ01-KA202-061270) is to provide a better understanding of the existing SHORT FOOD SUPPLY CHAIN (SFSC) ecosystem in the partner EU countries – the Czech Republic, France, Hungary, Poland, and Romania – with some outlook to the practices promoted at EU level.

The desk research is a first step towards further refining areas where special challenges should be resolved, developing a Competence Catalogue, a Business Roadmap and a Training Programme for Rural Facilitators, and it aims to highlight similarities and differences between SFSC policies and practices in partner countries, and it formulates conclusions and possible solutions that might be adopted in other member states of the EU too.

Partners defined a common structure to research, understand and compare SFSC ecosystems in each country. They collected qualitative and quantitative data from available recourses and answered a standard set of questions to make the data comparable across the countries, in order to reveal the different pathways each country has followed in its SFSC ecosystem development, the challenges each faces, the potential ways these could be resolved with an intermediary body or person.

The desk research points out how SFSC farmers cooperation can be managed, what are the main driving forces of the already functioning SFSC groups who are the managers, advisors, facilitators of already existing SFSC groups and what are the most relevant competences which should be provided by market organisers/facilitators. The analysis concerned also the specialities of different organisation ways of SFSC, to offer a wider picture about management processes.

This report highlights similarities and differences between policies and practices in partner countries and presents conclusions and possible solutions on challenges which might be adopted beyond national levels, in other member states of the EU, too.

### 2.2. Research methodology

Steps of the development: 1. For the research a template has been provided by the Czech University of Life Sciences Prague to ensure harmonization of country specific data. 2. Each partner conducted the desk research concerning country specific situations, collection information from publications, documents, online resources and their previous experience in SFSC facilitation. 3. The data presented by the partners has been summarized by the Spektrum Educational Center Foundation, and conclusions have been presented in two documents: a short version of the desk research report entitled "PATHWAYS IN SHORT FOOD SUPPLY CHAINS ECOSYSTEM DEVELOPMENT", available of the project website [www.ruralfacilitator.eu](http://www.ruralfacilitator.eu) and the present documents that includes all the data and

information collected by each project partner, presenting the situation of SFSCs in the Czech Republic, France, Hungary, Poland and Romania.

To harmonize the collection of country specific data the project partners collected information regarding the following aspects of SFSCs:

- ⇒ legal or mutually accepted SFSC definition in each country,
- ⇒ definition of “intermediaries” (comparing EU regulation 1305/2013 to national regulations),
- ⇒ transaction between farmers and intermediaries (intermediaries buy and resell product; intermediaries are just facilitator of farmers and consumers interaction; intermediaries deliver the products, etc.),
- ⇒ legal or scientific definition for “SFSC animator” / “SFSC animation” / “SFSC facilitation” in each country,
- ⇒ organisations that work in each country to enhance farmers’ cooperation in SFSC (in general),
- ⇒ services available for farmers if they want to launch SFSC,
- ⇒ SFSC animation services existing in each country,
- ⇒ organisations that help farmers to actually launch SFSCs,
- ⇒ the share of for-profit or non-profit organisation facilitating SFSCs,
- ⇒ education, vocational trainings available for those people who want work in SFSC animation, service,
- ⇒ the most important human resources aspects to enhance SFSC animation, human resources required by the operation of the groups/communities,
- ⇒ the most important factors for the organizational and structural background of SFSC community creation.

### 2.3. Definitions and interpretations of “SFSC” and “SFSC facilitators”

Based on EU regulation 1305/2013 the mutually accepted definition of a “Short Food Supply Chain is: an alternative, locally committed food supply chain with maximum one intermediary between farmers/ small scale food producers and consumers to improve local income and food quality. SFSC is an umbrella concept of diverse solutions aiming to shorten food supply chain with 4 categories: 1) through intermediary, 2) with home delivery, 3) at open farms, 4) at point of sales. Community of trust is the common characteristic of these categories.

Short food supply chain (SFSC) development is a valuable tool of European food cultural heritage maintenance. Short food chains contribute to the preservation of traditional food- and rural lifestyle-

related knowledge and contribute to the diversity of the European culture. Short food chains offer opportunity to transfer traditional knowledge of food production in an innovative way. An easier access to market makes it possible to maintain small and family farming systems which have characterized Europe since the agricultural revolution until nowadays and propose an alternative way for food production as an alternative to the intensive, industrial agriculture. However, small farmers face with more and more difficulties when they try to access markets, process food or build their marketing activities. These activities are handled by different experts in industrial farms and large companies but small and family farms try to do it alone.

The European Commission proposed their new definition for Common Agricultural Policy, especially for Rural Development Programmes between 2014 and 2020. The definition which was set up for special subsidies says that *“a ‘short supply chain’ means a supply chain involving a limited number of economic operators, committed to co-operation, local economic development, and close geographical and social relations between producers, processors and consumers (1305/2013 EC). That means short food supply chains involve very few intermediaries. In many cases produce only travels a short distance, so producer and consumer have direct contact.*

*Such supply chains typically involve local producers working together to promote local food markets. These partnerships help boost the rural economy, creating new ways of selling local produce and attracting new types of customer. They also foster cooperation between local farms, the tourist industry and the food sector.*

*Buying locally produced food also supports sustainable development by reducing transport costs, CO2 emissions, wear and tear on rural roads, traffic congestion, and road accidents.”<sup>2</sup> The diagram presented on the next page (Diagram 1. Impact of short supply chains on local development, social prosperity environmental protection, and farmer’s welfare<sup>2</sup>) shows a model that categorizes how short supply chains contribute to local development, social prosperity environmental protection, and farmer’s welfare. Short supply chains are built on trust and reciprocity, they foster new relationships between producers and consumers, a sense of community and they provide quality products at affordable prices. The benefits for farmers are both economic and social.*

Economically, short supply chains allow for better redistribution of added value and farmers are less vulnerable to market risks. Moreover, they guarantee less asymmetric customer relationships by reducing the number of intermediaries, diversification and price control. Socially, short supply chains promote social and professional recognition. For local economies, benefits are linked to creating new job positions, land use, revitalization of rural areas, support establishment of new farms. Short supply chains also encourage the consumption of seasonal products and they improve agricultural practices through interaction with consumers. Positive impacts also include crop biodiversity, reduction of chemical use, packaging and waste.

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<sup>2</sup> <http://agrishort.eu/en/what-short-food-supply-chain-sfsc>



Sustainable farming practices have a positive impact on the well-being of society, such as environmental quality, health or the coexistence of farmers and residents.<sup>3</sup>

Our desk research evidences a relative scarcity of theoretical and empirical data from our geographical area of focus, namely the partner institutions' countries, the Czech Republic, France, Hungary, Poland, and Romania. The united legal framework for SFSC is still yet to be invented. The presented definitions by partners in their desk researches make reference to SFSC as a commercial relations between the PRODUCER and CONSUMER with max. one (in Hungary and France) or as few as possible (in the Czech Republic and Romania) intermediaries, in Poland there is no specified the number of intermediaries, the sales of the products can be direct or retail. In Romania and France, the term "local market" is geographically specified, defined as a marketing radius that does not exceed 40 km in Hungary, 70 km in France and 75 km in Romania from the product's origin holding. It must be also mentioned that the definition of intermediary is varied in these countries which determines the forms of supply chains and the range of products for sale.

There is no legal definition for "SFSC animators"/ "SFSC facilitators" in any of the partner countries, this position/ occupation doesn't exist yet in partners' countries. Although there is a substantial need for this catalysing role conducive to strong and sustainable growth of SFSC's. In many countries, rural advisors, intermediaries of small-scale food production are defined according to different food laws (tax, labour, food hygiene, trade laws, etc.).

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<sup>3</sup> MUNDLER, P., LAUGHREA S. *The contributions of short food supply chains to territorial development: A study of three Quebec territories*. 2016. [https://agriculture-et-territoires.fsa.ulaval.ca/fileadmin/Fichiers/Publications/Patrick/Mundler\\_Laughrea\\_2016\\_contributions\\_local\\_food\\_chains\\_JRS\\_pp.218-229.pdf](https://agriculture-et-territoires.fsa.ulaval.ca/fileadmin/Fichiers/Publications/Patrick/Mundler_Laughrea_2016_contributions_local_food_chains_JRS_pp.218-229.pdf)

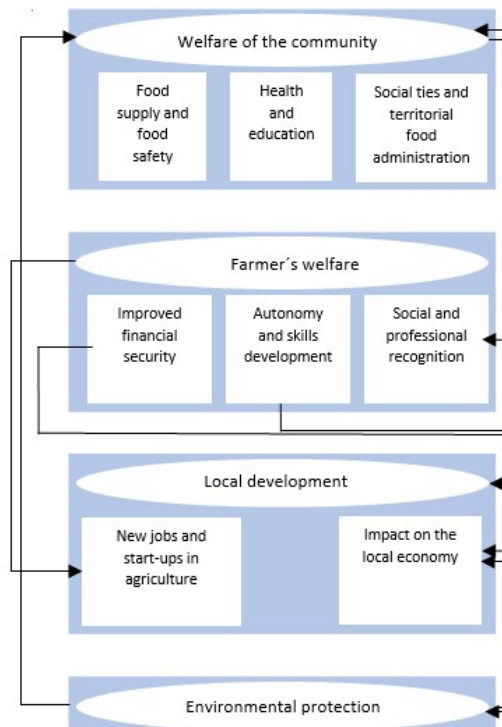


Figure 1. Impact of short supply chains on local development, social prosperity environmental protection, and farmer's welfare<sup>2</sup>

## 2.4. SFSC practices: intermediaries, SFSC animation services

The research highlighted that there are both similarities and differences between SFSC policies and practices in partner countries and draws conclusions and possible solutions on challenges which might be adopted beyond national level, in other member states of the EU too.

An easier access to market can simplify maintaining of small and family farming systems which have characterised Europe since the agricultural revolution until nowadays and propose an alternative way for food production against the intensive, industrial agriculture. However, small farmers face more and more difficulties when they try to access markets, make food processing or build their marketing activities. The solution for these small farmers could be the development of short food supply chain, which could facilitate small farmers' activities.

While the job of "rural animator" "rural facilitator" is inexistent in the partner countries, in each of these EU countries there are a number of intermediary organisations and service providers who facilitate the creation and management of SFSCs. The roles these organisations play and the nature of the services they provide is highly relevant for defining the competences and knowledge that the future "rural facilitator" should have, therefore we present an overview of these organisations and services.

### 2.4.1. Who can be SFSC animator/intermediary?

CZ	RO	HU	PL	FR
Retail shops	Retail shops	Retail shops	Retail shops	Retail shops
Food producer	Farmers	Legal entities: as restaurants, communal caterers,	Farmer	Caterers (traditional catering, farm inn, collective catering)
Agricultural holding	Food producer		Food producer	
Associations of municipalities	Local development associations	Social cooperatives	Agricultural holding	Organizations for the promotion and animation of short circuits (CIVAM, ASARD)
Municipalities	Organisers of farmers' markets and shops (public and private entities)	Organisers of farmers' markets and shops (including local government)		
NGOs that represents farmers	NGOs that represents farmers	Organizers of community supported agriculture forms (including farmers, local development associations, LEADER local action groups)		Organisation who organise the link between the farmers and producers, <i>but</i> without selling directly the products themselves, e.g. producers' shop

Each country has different approach of the *transaction between the farmers and intermediaries*:

- ⇒ There is no official definition in Romania for the transaction, but in practice intermediaries buy and resell products from farmers.
- ⇒ In Hungary there are two types of intermediaries with commercial (profit oriented) and for rural development (not for profit oriented) intent.
- ⇒ In the Czech Republic the intermediary may be a retailer or even a processor if he/she purchases a product from a farmer and he takes the control of the product.
- ⇒ In France three types of intermediaries are mentioned: (1) animation (mostly associations who have links with farmers to develop new initiatives and propose new practices), (2) services of an organisation: promotion and supervision of sales operations to promote producers' products and (3) retailers.
- ⇒ In Poland the supply of agricultural products is regulated by the law, there is an obligation to conclude written contracts applying to deliveries of specific groups of agricultural products

from farmers in Poland, determined by three factors: product status, supplier status and status of the first buyer.

Although in the partner countries there is no legal and scientific definition of SFSC animators/facilitators, there is a substantial need for this catalysing role. Presently a *facilitator/ animator* can be a person assigned by various “facilitator” organisations (both public and private, see below), who fulfils some basic requirements and accomplishes some conditions, e.g. has sufficient knowledge about law, has relevant capacity to be an animator and teaching skills to do that activity, or participates in a preparatory training. These trainings focus on similar knowledge and competence sets in each country: knowledge in general business skills (planning, finance, marketing), social and soft skills (problem solving, leadership, interpersonal skills, cooperation skills, etc.).

The desk study underpinned that those facilitators who help farmers to sell their product and create added value and motivate consumers to look for local products, should be multi-talented, who gained wide range knowledge in the following fields:

- ⇒ food production: crop and livestock production in small quantity
- ⇒ food processing
- ⇒ food hygiene
- ⇒ regulatory background
- ⇒ communication and marketing
- ⇒ psychology
- ⇒ risk management
- ⇒ economy
- ⇒ market organization.

This expectation raised the question how these high qualified persons are able to get by in rural areas where the main potential clients are the smallest farmers. These competences change according to special local circumstances and needs of local communities.

#### 2.4.2. Organisations enhancing farmers cooperation in SFSCs

Overviewed the variety of *organisations* that work in the partner countries to enhance farmers’ cooperation in in SFSC. According to information provided in the national reports, these organisations can be:

- a. Public bodies:
  - ⇒ Ministry of Agriculture
  - ⇒ Chamber of Agriculture
  - ⇒ Agricultural Research Institute
  - ⇒ Organic Agriculture Research Institute
  - ⇒ Rural Development Network
  - ⇒ Ministry of the Environment
  - ⇒ VET schools and universities
  - ⇒ State Agricultural Intervention Fund
  - ⇒ Local government institutions
  - ⇒ Chamber of Commerce
  - ⇒ Chamber of Agriculture

- ⇒ Natural Regional Parks
- ⇒ Regions/ Associations of municipalities
- ⇒ Public catering companies
- b. Private bodies:
  - ⇒ family farms
  - ⇒ food producing SME's
  - ⇒ specific restaurants
  - ⇒ local development associations
  - ⇒ social cooperatives
  - ⇒ local action groups
  - ⇒ networks
  - ⇒ umbrella organisations or sectorial federation
  - ⇒ (social) cooperatives
  - ⇒ NGOs (with public, national or European funding mostly)
  - ⇒ local craft programs

Country-specific examples for organisations, programmes and projects supporting farmers wishing to enter SFSCs are detailed in section 3. of the present report ([REPORTS ON DESK RESEARCH RESULTS BY PARTNERS](#)).

### 2.4.3. Services available for farmers to launch SFSCs

Even if not denominated as “SFSC animation service”, in each country there are several services provided by public and private organisations meant facilitate SFSC and prepare farmers who launch SFSCs. These services (see the graph on page 15) can be categorized as follows:

- ⇒ CONSULTANCY – paid or for free, depending on service provider:
  - expert advices: linked to production
  - legal consultancy
  - accountancy consultation
  - cooperation facilitation
  - access to credit – banks
  - access to subvention – EU funds
  - tender writing
  - development of small scaled tools for production, processing and sale

- ⇒ ADMINISTRATIVE WORK on behalf of farmers.
- ⇒ ESTABLISHING PARTNERSHIPS, databases that enable networking between producers and other members of the SFSC system to build new partnership networks.
- ⇒ Organising SEMINARS, EVENTS.
- ⇒ Participation on INTERNATIONAL festivals, fairs.
- ⇒ STUDY TOUR organization, in order to exchange information, to learn about adaptable best practices and to extend connection.
- ⇒ FARMERS' MARKET: markets for local farmers are organized on regular basis (monthly).
- ⇒ MARKETING based on TRADE MARK systems. Their marketing activity contains common identity with visual and content-related elements, social media-, local media appearance, promotion on events.
- ⇒ COMMON EVENT ORGANIZATION: with the purpose of community building, information exchange and community marketing.



*SFSC animation and other services existing in the project countries are detailed in section 3 of the present report (REPORTS ON DESK RESEARCH RESULTS BY PARTNERS).*

## 2.5. Human resource aspects of SFSC and training

“SFSC animator” as a self-standing job opportunity does not exist in the partner countries but there are several supported rural development tasks that show similarities in terms of human resource aspects: agricultural advisor, LEADER local action group activist, community developer (in Romania), staff working at regional Agricultural Advisory Centres in France.

Management (performance monitoring, working conditions, supportive supervision, job descriptions); personnel planning (procedures, policies and recruitment) and development (certification, training, career paths) need to be addressed comprehensively and systematically for human resource management in SFSCs. **One of the most effective methods for sharing experience and exploring practical solutions is horizontal information exchange.**

Some of the essential competences for working in SFSC animation are: knowledge on agriculture and overall and detailed knowledge in the topic of SFSC, networking, legal information, IT. Most important of all skills are communication, teamwork, negotiation, **skills to “translate” for farmers and other stakeholders in market.**

As for the type of training that should be provided for SFSC animators, we consider that adult training is enough, special diploma is not necessary. The option of distance learning (e-learning) can also be considered (to save time with travelling), however, the biggest challenge of distance learning is to elaborate some motivation and support tools.

SFSC animation should be a full or part-time job, the animators should be employed or contracted by the municipality, as this is a social task of municipalities and it is a non-profit local development activity. Now, mostly volunteers do this job. Some international example (Dutch, British) proved that animation can be a for-profit task, but the most fitted solution for paying their salaries would be from governmental support or from long-term projects devoted to this topic.

Education, vocational training currently available for those people who want work in SFSC animation service:

- ⇒ Sustainable development related university courses (rural development, economical geography, human ecology) are available in some of the countries, but these courses usually deal with SFSCs only peripherally.
- ⇒ Universities often organise seminars in cooperation with the national network of local action groups.
- ⇒ Local action groups themselves provide seminars, conferences and publish training materials.
- ⇒ Some lectures are organised by the State Agricultural Intervention Fund and the Ministry of Agriculture in each country.
- ⇒ Meetings, lectures, seminars are organised by various community supported agriculture (typical for the Czech Republic).
- ⇒ Vocational training is available for “Community developers” in Romania, but agriculture is a peripheral topic in these trainings.



- ⇒ Vocational training for “Agricultural Agents” is available in Romania, not directly connected to SFSCs, but developing some related competences such as “development of agriculture, households and good use of local resources”.
- ⇒ Rural development vocational training for rural development technician qualification (knowledge about alternative income opportunities in the countryside, running an own agricultural business, organizational work) is available in Hungary.
- ⇒ Practice-oriented adult trainings are organized by Agricultural Chambers (small-scale food producing, SFSC preparation, farmhouse-keeper training).
- ⇒ Practical trainings and thematic lectures are provided by NGOs in each country (food safety, community building, marketing), as well as non-formal, thematic training, info-days, study tours, publications (food processing, hygiene, trade mark and marketing, agritourism, SFSC, etc.).
- ⇒ Preparatory trainings are organised in Hungary for SFSC facilitators in the rural development grant supported projects (business planning, sales channels, marketing & use of trademark, organization of horizontal relationship, conflict management).
- ⇒ Training about food safety is provided by all Agricultural Advisory Centres and other public organisations in France.
- ⇒ Trainings are offered by RMT Network (Mixed Technological Local Food Network, France) they check available trainings, capitalize data and results for trainers and propose new training modules.
- ⇒ Trainings are sometimes available for particular projects, sometimes for the wider audience (in France), on topics such as costs and sale prices, farm organisation, viability, negotiation.
- ⇒ Workshops about innovation: how to adapt tools for small-scale agriculture.

There is a significant difference among the training opportunities available in the different countries. The short, thematic trainings available in all countries are mostly suitable for information transfer, but sustainable development is often reflected only at knowledge level, competence development is neglected in some training curricula. Some universities and VET schools are using curriculum with strong agricultural focus, but most of the farmers who want to launch SFSCs access only adult education trainings that are providing thematic or tailor-made courses for different target groups, according to the grant possibilities. At this moment special training of trainers about SFSC is not available in the EU in general however in the future AKIS (Agricultural Knowledge and Innovation Systems) in the frame of CAP post 2020 may provide learning materials for extension service.

The main topics of the trainings which were mentioned in the desk research reports were the following: hygiene, food safety, food processing, trade mark and marketing, local sales within short supply chains, introducing new projects and good practices of successful cooperation, key features of each farmer, advantages of cooperation, food system animator and community building.

In order to create SFSC communities there are some further important organisational and structural factors which should be considered:

<p><b>INFRASTRUCTURE</b></p>	<ul style="list-style-type: none"> <li>⇒ legislative background</li> <li>⇒ dialogue between authorities</li> <li>⇒ supportive control authority attitude</li> <li>⇒ well-functioning LEADER local action groups and supportive municipalities</li> <li>⇒ financial incentives (e.g.: consignment contract); hygiene discipline</li> <li>⇒ nationwide network</li> <li>⇒ headquarter</li> <li>⇒ truck to deliver orders to customers</li> <li>⇒ efficiency of production factors</li> <li>⇒ proportion of processed raw materials</li> <li>⇒ strong position of the primary producers</li> <li>⇒ handling perishable products with flexible but safe rules</li> </ul>
<p><b>MANAGEMENT</b></p>	<ul style="list-style-type: none"> <li>⇒ communication skills</li> <li>⇒ organizing skills</li> <li>⇒ social skills</li> <li>⇒ strategic thinking</li> <li>⇒ credibility</li> <li>⇒ conflict management skills</li> <li>⇒ willingness to cooperate</li> <li>⇒ ability to plan capacity requirements</li> </ul>

	<ul style="list-style-type: none"> <li>⇒ resource management skills</li> <li>⇒ IT skills</li> <li>⇒ business approach</li> <li>⇒ flexibility</li> <li>⇒ mobility</li> <li>⇒ motivation</li> <li>⇒ basic knowledge of small-scale food processing and farming</li> <li>⇒ marketing knowledge</li> <li>⇒ knowledge of new trends in diets and tourism</li> <li>⇒ networking</li> </ul>
<p><b>IT DEVELOPMENT</b></p>	<ul style="list-style-type: none"> <li>⇒ online platform for: information sharing, training, promotion, to meet supply and demands</li> <li>⇒ IT supported business management</li> <li>⇒ IT supported tools to solve hygiene problems</li> <li>⇒ online training tools which are available for any stakeholders independent from geographical distance</li> <li>⇒ online selling and ordering system</li> </ul>
<p><b>SUPPORT FROM STAKEHOLDERS</b></p>	<ul style="list-style-type: none"> <li>⇒ effective governmental support</li> <li>⇒ promotion</li> <li>⇒ harmonizing legalization and needs, predictable resources</li> <li>⇒ reliable information systems</li> <li>⇒ conflict and risk management</li> <li>⇒ clear system of ordering and delivering products</li> <li>⇒ conscious consumers</li> </ul>

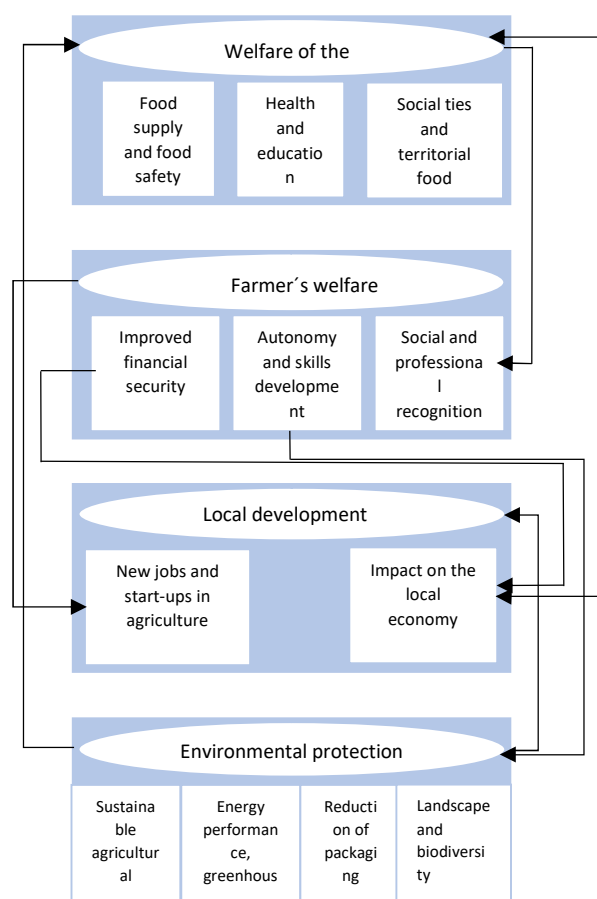
### 3. REPORTS ON DESK RESEARCH RESULTS BY PARTNERS

#### 3.1. Report on SFSCs in the Czech Republic

##### 3.1.1. SFSCs in the Czech Republic

The strengthening of regional food markets is an effective tool of rural development which has a very positive impact on its economy. Members of local food projects can discover a modern way to attract new consumers and sell more of their own products. Consumption of local products also encourages a reduction in the capacity of product transport, which presents several benefits, whether social - increasing road safety, environmental - reducing emissions or economical - lower transport costs. Short supply chains bring benefits to farmers and agricultural producers by reducing the number of companies involved in the supply chain, which may also cause an increase in the share of the resulting price, while bringing consumers a sense of on the quality and origin of the product.<sup>4</sup>

The diagram on the right shows a model that categorizes how short supply chains contribute to local development, social prosperity environmental protection, and farmer’s welfare. Short supply chains are built on trust and reciprocity, they foster new relationships between producers and consumers, a sense of community and they provide quality products at affordable prices. The benefits for farmers are both economic and social. Economically, short supply chains allow for better redistribution of added value and farmers are less vulnerable to market risks. Moreover, they guarantee less asymmetric customer relationships by reducing the number of intermediaries, diversification and price control. Socially, short supply chains promote social and professional recognition. For local economies, benefits are linked to creating new job positions, land use, revitalization of rural areas, support for local food production and the



Impact of short supply chains on local development<sup>2</sup>

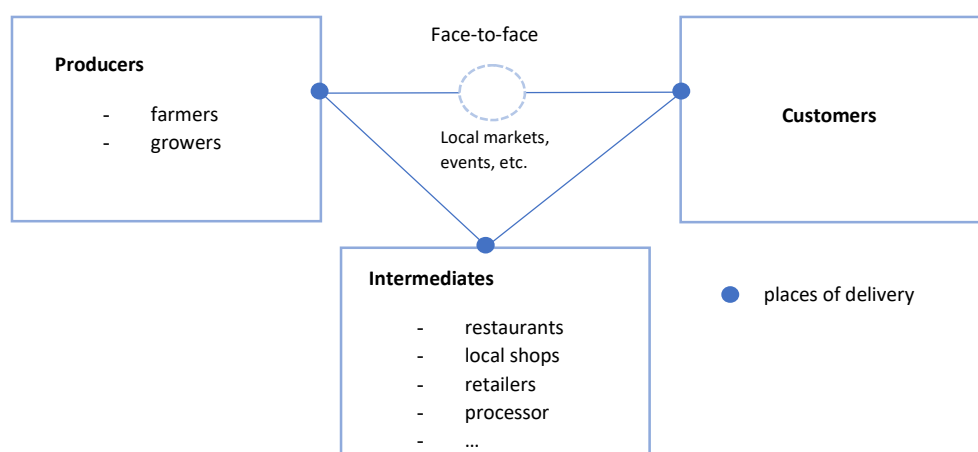
<sup>2</sup> *dodavatelské řetězce*. 2014. [https://enrd.ec.europa.eu/enrd-static/tmeses/local-food-and-short-supply-chains/cz/local-food-and-short-supply-chains\\_cz.html](https://enrd.ec.europa.eu/enrd-static/tmeses/local-food-and-short-supply-chains/cz/local-food-and-short-supply-chains_cz.html)

establishment of new farms. Short supply chains also encourage the consumption of seasonal products and they improve agricultural practices through interaction with consumers. Positive impacts also include crop biodiversity, reduction of chemical use, packaging and waste. Sustainable farming practices have a positive impact on the well-being of society, such as environmental quality, health or the coexistence of farmers and residents.<sup>5</sup>

### 3.1.2. Definition of “intermediaries”

In the Czech Republic are short food supply chains generally defined as the shortest trajectories, either of services, of a product, or goods leading from producer to consumer, with as few or as little intermediate links as possible.<sup>6</sup>

Short supply chain relationships are characterized by the following scheme:



Scheme characterizing the short supply chain<sup>7</sup>

European regulation 1305/2013 clarifies this phrase. The short supply chain contains only a limited number of economic operators that have promised to cooperate with regional economic development, close geographical and social links between producers, processors, and consumers.<sup>8</sup>

<sup>5</sup> MUNDLER, P., LAUGHREA S. *The contributions of short food supply chains to territorial development: A study of three Quebec territories*. 2016. [https://agriculture-et-territoires.fsa.ulaval.ca/fileadmin/Fichiers/Publications/Patrick/Mundler\\_Laughrea\\_2016\\_contributions\\_local\\_food\\_chains\\_JRS\\_pp.\\_218-229.pdf](https://agriculture-et-territoires.fsa.ulaval.ca/fileadmin/Fichiers/Publications/Patrick/Mundler_Laughrea_2016_contributions_local_food_chains_JRS_pp._218-229.pdf)

<sup>6</sup> KOUŘIL, Milan. *Krátké dodavatelské řetězce, zajímavé příklady z praxe*. Příbor, 2019. [http://eagri.cz/public/web/file/638375/Kouril\\_14102019.pdf](http://eagri.cz/public/web/file/638375/Kouril_14102019.pdf)

<sup>7</sup> TODOROVIC, V., MASLARIC, M., BOJIC, S. NIKOLICIC, S. *Solutions for More Sustainable Distribution in the Short Food Supply Chains*. 2018. [https://www.researchgate.net/publication/327947185\\_Solutions\\_for\\_More\\_Sustainable\\_Distribution\\_in\\_the\\_Short\\_Food\\_Supply\\_Chains](https://www.researchgate.net/publication/327947185_Solutions_for_More_Sustainable_Distribution_in_the_Short_Food_Supply_Chains)

Support of the growth of short-term supply chains refers to those supply chains that contain at most one intermediate link between the final consumer and the farmer. The intermediary may be a retailer or even a processor if he purchases a product from a farmer, thereby he takes control of the product. However, the processor cannot be an intermediary if the farmer retains control of the product during processing and subsequently determines the selling price, because in such circumstances the processor only provides the farmer with service. The formation and development of the regional market will be supported if the processing and the resulting sale to the consumer takes place within 75 km of the farm where the product originates. The border points are determined by the cooperating entities and are indicated in the Cooperation Agreement, including an affidavit of compliance with this distance and mutual independence.<sup>9</sup>

Applicants may be groups of two independent persons, but at least one person must provide evidence of business activities in the food or agriculture sector. These are, for example: an agricultural holding, a food producer, associations of municipalities or municipalities, and non-governmental non-profit organizations that represent farmers or processors. Real sales can take place from the yard or in the so-called "box sales," where the goods are sold directly to the consumer or can be made in a local store if the whole process contains at most one intermediate link.<sup>10</sup>

### 3.1.3. Support of the SFSCs, size of farms and age of farmers in the Czech Republic

#### 3.1.3.1. General interpretation

The organization of the short supply chains consists of processing and marketing farm products, managing agricultural risks and maintaining optimal living conditions. Using various quality programs, supporting local markets and short supply chains, by gathering producers with organizations and adding value to farm products increases the competitiveness of producers to facilitate their integration into the supply chain which results in the better economic performance of individual farms. Modernization and diversification of agricultural activities, as well as restructuring, are carried out to increase their market share. The support is focused on min. two subjects, which are led to the growth of short supply chains and regional markets.<sup>11</sup>

Short supply chains can also be classified into nine categories based on the level of compromise (low, medium and high) that can be accepted by either producers or consumers. SFSC can be identified based on three types which are considered by their individual or collective organization and the

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<sup>8</sup> ÚŘEDNÍ VĚSTNÍK EVROPSKÉ UNIE. *Nařízení Evropského Parlamentu a Rady č. 1305/2013*, L 347/499. 2013.  
<https://eur-lex.europa.eu/legal-content/CS/TXT/PDF/?uri=CELEX:32013R1305&from=LV>

<sup>9</sup> SDRUŽENÍ SPLAV, z. s. *Fiche č. 15 – Krátké řetězce*.  
<https://www.sdruzenisplav.cz/index.php?id=10067&vyzn=kr%E1tk%E9%20F8et%ECzce>

<sup>10</sup> SZIF. *Horizontální a vertikální spolupráce mezi účastníky krátkých dodavatelských řetězců a místních trhů*.  
<https://www.szif.cz/cs/prv2014-1641?setCookie=true>

<sup>11</sup> PARTNERSTVÍ VENKOVA, z. s. *Fiche č.7 - Rozvoj krátkých dodavatelských řetězců*. 2018  
<http://www.maspartnerstvi.cz/images/phocadownload/Fiche%207.pdf>

involvement of initiators (producers and consumers). This also includes direct sales to individuals, mass direct sales and producer-consumer partnerships, as shown in the following table.<sup>12</sup>

*Compromise level taken by producers and consumers to support short supply chains<sup>9</sup>*

Compromise level		Consumers		
		Low	Medium	High
Producers	Low	Supermarket with organic food	Consumer cooperatives	Consumer cooperatives managed by consumers
	Medium	Purchasing directly from producers		
	High	Purchasing directly on the farm or in a farmer's shop	Box sale	Consumer cooperatives managed by consumers and producers

### 3.1.3.2. Interpretation according to the European Commission

The aim is according to SA.46173 (2016/N) to support horizontal and vertical cooperation between supply chain subjects to form, develop and grow short supply chains and local rural markets. Support is provided under 16.4.1 "Horizontal and vertical cooperation between participants in short supply chains and local markets," of the Czech Rural Development Program. One of the other programs is, for example, the LEADER program.<sup>13</sup>

The LEADER strategy helps to local subjects, who implement projects and to regional groups called local action groups that build and implement collective development strategies and plans. Strategy LEADER focuses mainly on modern forms of improving the quality of life in rural areas, strengthening the economic environment and improving the organizational qualifications of the involved subjects.<sup>14</sup>

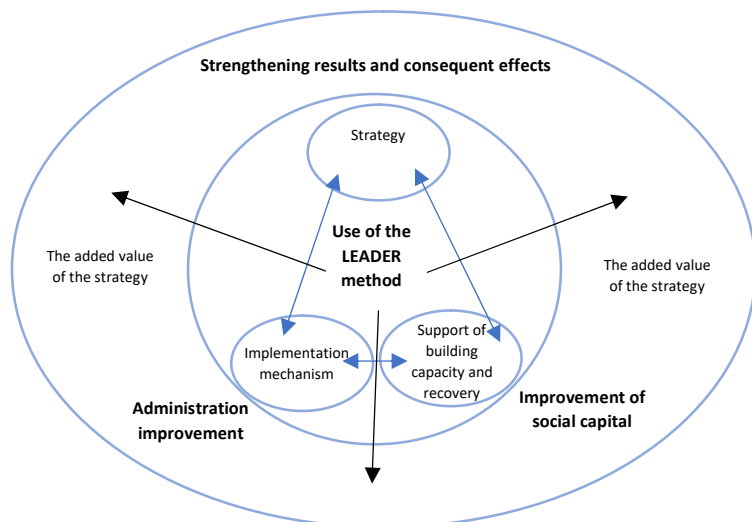
The added value of the LEADER strategy is characterized by the benefits achieved through the correct use of this method and it is reflected as shown in the diagram below. The LEADER strategy is developed by *Support of building capacity and recovery* - in this case, help is provided by the Managing Authority, that supports the capacity of local action groups and independent associations for recovery which includes actions to increase the subconsciousness, readiness, and cooperation of local people and their ability to support local development; *Strategy* - symbolizes the operationalization of projects, impact, and effects they provide; *Implementation mechanism* - a

<sup>12</sup> GALLI, F., BRUNORI, G. *Short Food Supply Chains as drivers of sustainable development. Evidence Document*. 2013. ISBN: 978-88-90896-01-9. <https://orgprints.org/28858/1/evidence-document-sfsc-cop.pdf>

<sup>13</sup> EVROPSKÁ KOMISE. *Státní podpora – Česká republika SA.49389 (2017/N) Spolupráce mezi účastníky krátkých dodavatelských řetězců a místních trhů*. 2018 [https://ec.europa.eu/competition/state\\_aid/cases/271627/271627\\_1987622\\_99\\_2.pdf](https://ec.europa.eu/competition/state_aid/cases/271627/271627_1987622_99_2.pdf)

<sup>14</sup> MINISTERSTVO ZEMĚDĚLSTVÍ. *LEADER ČR*. <http://eagri.cz/public/web/mze/dotace/dobihajici-a-ukoncene-dotace/leader-cr/>

complex of rules, sequences and administrative steps that ensure that strategic goals become real actions. The added value of LEADER is then reflected in the *Improvement of social capital* - containing elements of social associations, such as networking, standards, and trust, which in turn facilitate the coordination and cooperation; *Strengthening results and consequent effects* - implementing the LEADER strategy compared to achieving objectives without this strategy; *Administration improvement* - which includes institutions, administrative procedures and mechanisms thanks to which participants represent the economy, the public and civil society and thanks to which they express their demands, fulfil their tasks and responsibilities, and exercise their rights for joint management of public affairs.<sup>15</sup>



The added value of LEADER strategy<sup>12</sup>

The LEADER method is based on the bottom-up principle, which means that all the suggestions for improvement and development come from the local subjects (from below) because they know their area the best and they know what it needs.<sup>16</sup>

### Supported areas

The aim is to include producers in short supply chains and thus increase their competitiveness. Support is limited by group investments for the establishment, development and group promotion of short supply chains or the local market:

- Collective procurement of equipment, facilities and technology,
- Designing studies and business plans,
- Procurement of PC software
- Promotional activities
- Expenditure on modernization or construction of property

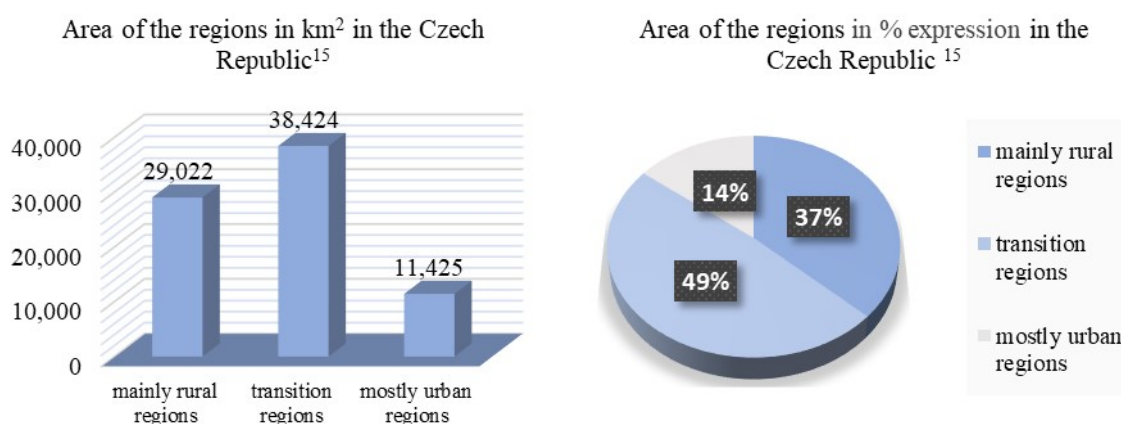
<sup>15</sup> EUROPEAN NETWORK FOR RURAL DEVELOPMENT. *Pokyny – Hodnocení LEADER/CLLD*. 2017. [https://enrd.ec.europa.eu/evaluation/publications/evaluation-leaderclld\\_en?pk\\_campaign=TWG3&pk\\_kwd=LEADER,%20CLLD](https://enrd.ec.europa.eu/evaluation/publications/evaluation-leaderclld_en?pk_campaign=TWG3&pk_kwd=LEADER,%20CLLD)

<sup>16</sup> MAS Boskovicko PLUS. *Co je MAS?* <http://www.masboskovickoplus.cz/co-je-mas/ms-2965/p1=2965>



Support in the range of CZK 50,000 - CZK 5,000,000 applies only to supply chains that meet the conditions of the local market definition and contain no more than one intermediate between the farmer and the consumer. The beneficiary may be a group of at least two entities, at least one of which shall demonstrate an agricultural or food business activity. These are, for example: a municipality or associations of municipalities, a food processor, a non-governmental organization representing farmers, an agricultural entrepreneur or a food producer.<sup>17</sup>

In the Czech Republic, in connection with agricultural production, are the regions divided into three categories: mainly rural regions, transition regions, and mostly urban regions. The predominantly rural regions cover an area of 29 022 km<sup>2</sup> in total 37%, the transitional regions cover an area of 38 424 km<sup>2</sup> and thus 49% and the smallest part is predominantly urban regions with an area of 11,425 km<sup>2</sup> marked by 14% as it can be seen below.<sup>18</sup>



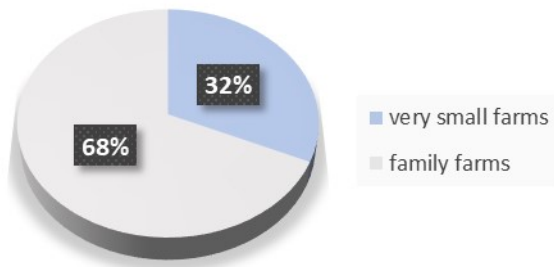
There are 26 530 farms in the Czech Republic, which together cover an area of 3 455 000 ha on a total area of 7 886 500 ha of the Czech Republic. Of these, 32 % are very small farms and 86% are family farms, as shown in the following graphs.<sup>19</sup>

<sup>17</sup> PARTNERSTVÍ VENKOVA, z. s. *Fiche č.7 - Rozvoj krátkých dodavatelských řetězců*. 2018  
<http://www.maspartnerstvi.cz/images/phocadownload/Fiche%207.pdf>

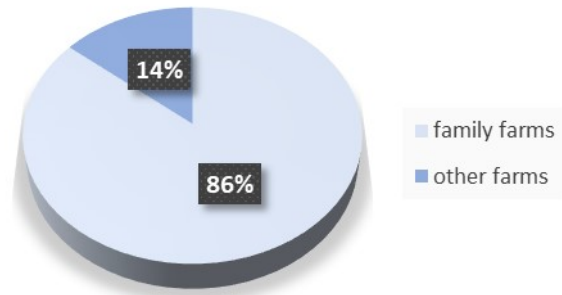
<sup>18</sup> EUROPEAN COMMISSION. *Statistical Factsheet Czechia*. 2019. [https://ec.europa.eu/info/sites/info/files/food-farming-fisheries/farming/documents/agri-statistical-factsheet-cz\\_en.pdf](https://ec.europa.eu/info/sites/info/files/food-farming-fisheries/farming/documents/agri-statistical-factsheet-cz_en.pdf)

<sup>19</sup> EUROSTAT. *Agriculture, forestry and fishery statistics*. 2019. ISBN 978-92-76-13193-9.  
<https://ec.europa.eu/eurostat/documents/3217494/10317767/KS-FK-19-001-EN-N.pdf/742d3fd2-961e-68c1-47d0-11cf30b11489>

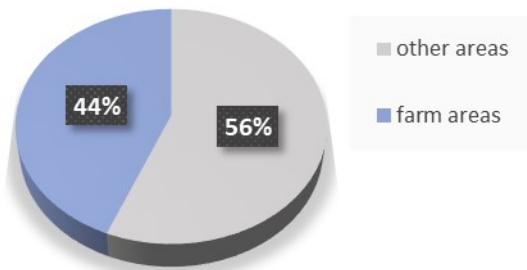
Share of very small farms in the total number of farms in the Czech Republic<sup>16</sup>



Share of family farms in the total number of farms in the Czech Republic <sup>16</sup>



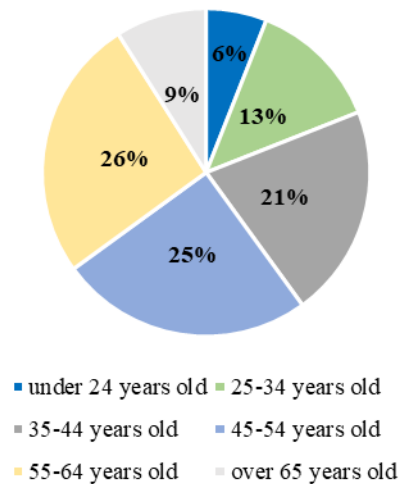
Areas of farms in hectares in total area of the Czech Republic in hectares



As can be seen in these graphs, the area of farms covers 44% of the total area of the Czech Republic, of which very small farms have 32% of the total number of farms, as shown in the attached graph. Value 14% symbolizes family farms.<sup>16</sup>

According to the latest survey, there is no shortage of young farmers in the Czech Republic and most family farms already have successors. Among other things, the Czech Republic is involved in a project called Farm-Success, which is a training program for farmers that promotes sustainable and easier succession. The project aims to provide young farmers with the knowledge needed in family farms, particularly in the context of administrative and legal burdens, access to bank loans and possible solutions to the lack of processing capacity. As shows in the graph on the right, the largest percentage 26% are farmers aged 55-64 years, the second place have farmers aged 45-54 with 25%, 21% of farmers are

Age of Czech farmers



35-44 years old, while 13% of farmers are 25-34 years old. Farmers over the age of 65 have a very small percentage of 9% and the smallest part belongs to farmers under 24 years, which is made up of 6% of farmers.<sup>20</sup>

#### 3.1.4. Organizations, services, education and training

In the Czech Republic there are many organizations supporting farmers' entry into short-term supply chains. These include the State Agricultural Intervention Fund, which organizes several lectures on this topic, local action groups, the Ministry of the Environment, the Ministry of Agriculture, the Agrarian Chamber of the Czech Republic, selected schools and universities and NGOs. These subjects are described below.

A local action group is a designation for an independent citizen's association, a non-profit organization, an independent citizen's association from the private business sector and public administration, which includes public institutions, municipalities, and unions of municipalities. These action groups participate in rural development, they receive subsidies from the European Union or from various national programs, allocate grants and improve the quality of the environment and living conditions in rural areas. Funds are obtained for example by using the LEADER method, as can be seen above. In the Czech Republic, these local action groups form the so-called national network of local action groups which currently unites around 180 local action groups. For each program phase, the local action group develops "A led local development strategy," which must be following the local action group's activities.<sup>21</sup>

Under the Rural Development Program, the local action groups can cooperate in the field of horizontal and vertical links between subjects in short supply chains and local markets with: food producers, agricultural entrepreneurs, non-governmental non-profit organizations representing farmers or food processors, entities operating in the food and agriculture services sector, municipal unions or individual municipalities. This assistance aims to include producers themselves in short supply chains, to increase their competitiveness and to achieve the main idea: What is grown in each area is processed and sold in the same area. There are several ways to make a sale. It can be a "box schemes", which is the collective organizing of direct sales to consumers or wholesale customers (hospitals, canteens, etc.) or group sales in a regional store or collective sales from the yard.<sup>22</sup>

Farmers can consult their options with the local action group, a non-profit organization that, amongst other things, offers them expert advice on receiving grants from the European Fund, supports local partnerships or performs administrative work on behalf of farmers.<sup>23</sup>

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<sup>20</sup> ACCESSTOLAND, A European network of grassroots organizations securing land for agroecological farming. *Background*. [https://www.accesstoland.eu/Background-233?fbclid=IwAR1wcHf9wD47Pjgy2AdELuCKgoXFewO8ug1KWNlBqIzoXLkRJ\\_4WhLvswll](https://www.accesstoland.eu/Background-233?fbclid=IwAR1wcHf9wD47Pjgy2AdELuCKgoXFewO8ug1KWNlBqIzoXLkRJ_4WhLvswll)

<sup>21</sup> MAS Boskovicko PLUS. *Co je MAS?* <http://www.masboskovickoplus.cz/co-je-mas/ms-2965/p1=2965>

<sup>22</sup> MAS Boskovicko PLUS. *Krátké potravinové řetězce*. 2015 <http://www.masboskovickoplus.cz/kratke-potravinove-retezce/d-1862>

<sup>23</sup> MAS SVITAVA. *Služby a činnosti MAS*. 2017. <http://www.massvitava.cz/sluzby-a-cinnost-mas->

Also, some of the local action groups organize seminars, conferences, publish publications, articles, and leaflets. They as well as support lifelong learning, cooperate with individual farmers and professionals, create new opportunities to promote economic activities and employment in the area, provide administrative services related to challenges such as revenue, selection, and control of projects to meet strategic goals. They also organize social events where farmers can enquire about the information they need.<sup>24</sup>

The program of the Ministry of the Environment to allow farmers to enter the short supply chain is called the Truly Healthy School. This program currently unites 349 schools and forms a direct relationship between the consumer (a school canteen), and the producer (a regional farmer). The Truly Healthy School program aims to connect students and their school canteen experiences with other topics discussed during classes such as cooking lessons, school crops, healthy nutrition, etc. Students then understand the connection between health, food and nature and local farmers can remain economically efficient.<sup>25</sup>

The Truly Healthy School program is financially supported by the European Union, the City of Prague, the Ministry of Agriculture of the Czech Republic, the Hradec Králové Region, the organization Sozial Marie and selected companies.<sup>26</sup>

Universities that are actively interested in the issue of short food chains include the public university Czech University of Life Sciences Prague, which, for example, enabled the interaction between experts from individual CULS faculties and representatives of local action groups. The seminar was organized in cooperation with the national network of local action groups and was held at the Czech University of Life Sciences. This meeting aimed to establish a partnership between local action groups and representatives of the Czech University of Life Sciences Prague, to include the university as a professional advisory institution, a seminar organizer, to incorporate local restaurants located on the school premises into the use of local food, etc.<sup>27</sup>

Another supporter is the Agrarian Chamber of the Czech Republic, established by Act No. 301/1992 Coll., which unites people engaged in agriculture, food, and forestry and defends their interests and offers advisory services throughout the Czech Republic. This support is based on relationships between consumers, schools, local authorities, cooks and associations that collectively form a local community.<sup>28</sup>

The project of the Ministry of Agriculture to support short supply chains called Know Your Farmer is intended for small and medium-sized agricultural enterprises or farmers who can apply for the project

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<sup>24</sup> MAS Boskovicko PLUS. *Služby a činnosti MAS*. <http://www.masboskovickoplus.cz/sluzby-a-cinnosti-mas-boskovicko-plus/ms-2967/p1=2967>

<sup>25</sup> SOZIAL MARIE. *Skutečně zdravá škola*. 2019. [https://www.sozialmarie.org/files/7679/pdf\\_loc.pdf](https://www.sozialmarie.org/files/7679/pdf_loc.pdf)

<sup>26</sup> SKUTEČNĚ ZDRAVÁ ŠKOLA. *Dárci a partneři*. 2019. <http://www.skuteczdravaskola.cz/podporuji-nas>

<sup>27</sup> MAS Boskovicko PLUS. *Krátké potravinové řetězce*. 2015. <http://www.masboskovickoplus.cz/kratke-potravinove-retezce/d-1862>

<sup>28</sup> AGRÁRNÍ KOMORA ČESKÉ REPUBLIKY. *Regionální produkty podpora místních farmářů prostřednictvím PRV 2014–2020*. 2018. [http://www.akcr.cz/data\\_ak/18/ris/Regionalni\\_produkty\\_Brozura2018.pdf](http://www.akcr.cz/data_ak/18/ris/Regionalni_produkty_Brozura2018.pdf)

themselves. This project aims to connect small growers and producers with consumers during a one-day event. There are several such one-day events during the year. For example, for the year 2020, there are thirteen planned so far. Know Your Farmer is a farmer's market, which is complemented by a moderated program. The events take place directly on the farms, where participants can see a normal day at the farm. The entire event organization is free of charge for the farm as it is funded by the Know Your Farmer project.<sup>29</sup>

The Ministry of Agriculture, usually in cooperation with a selected local action group offers participation in educational events, conferences, lectures, and courses for farmers who want to enter short supply chains. Invitations to these events are posted on the website of the Ministry of Agriculture and at selected locations.<sup>30</sup>

Hnutí duha is an environmental non-governmental and non-profit organization, which has also been involved in supporting short supply chains, with its interactive directory of local farmers, a database that helps consumers locate their nearest farmer through [www.adresarfarmaru.cz](http://www.adresarfarmaru.cz) and buy quality local products directly from them. In 2020, this website already contains 783 farms.<sup>31</sup>

Agriculture supporting community (Komunitou podporované zemědělství-KPZ) is built on a two-way relationship between farmers, food processors and consumers who share their rich and poor returns. The main objectives of Agriculture supporting community are to: belong to local chains of consumption and food production, help and contribute to maintain an economical way of cultivating land and to cooperate with individuals. There are 4 types of so-called Community supported agriculture. The first is the *Community of Subscribers* - people subscribe to the seasonal taking, pay the membership fee, take responsibility for the administrative activities of the group and the place of distribution. After farmers grow their products, harvested production is shared in this group. Each member thus receives a share of the total volume. Another type is *Community farmsteads* that are founded by a community or non-profit organization. The community orders a farmer who is also a member and then the farmer takes care of the land belonging to the organization. All products and the cost of achieving them are then shared among members. The third kind is the *Subscriber of Agriculture supporting community*, where the farmer offers his production to the locals. Those consumers who are interested in production pay their share for the whole season. Delivery and takings are managed by the farmer himself. The last type of Agriculture supporting community is *Legal Arrangement*. Individual communities unite and draw up a formal cooperation

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<sup>29</sup> POZNEJ SVÉHO FARMÁŘE. *Informace o projektu*. 2019. <http://poznejsvehofarmare.cz/prihlaska-2019/>

<sup>30</sup> MINISTERSTVO ZEMĚDĚLSTVÍ. *Krátké dodavatelské řetězce – Možnosti odbytu ve venkovském prostoru*. 2017. <http://eagri.cz/public/web/mze/venkov/akce/regionalni-site-csv/region-jihovychod/kratke-dodavatelске-retezce-moznosti.html>

<sup>31</sup> Hnutí DUHA. *Dnes spuštěn nový interaktivní adresář místních farmářů s téměř 500 kontakty*. 2014. <http://www.hnutiduha.cz/aktualne/dnes-spusten-novy-interaktivni-adresar-mistnich-farmaru-s-temer-500-kontakty>

agreement. The members of individual types of Community supported agriculture are then differently involved in the production.<sup>32</sup>

The community supported agriculture regularly organize meetings where members learn new things and can have an individual offered consultations.<sup>33</sup>

During the lectures, courses, and seminars, are discussed local sales within short supply chains, are introduced new projects and examples of successful cooperation, are discussed key features of each farmer and the advantages of cooperation.<sup>34</sup>

### 3.1.5. Use of human resources management in SFSCs

The relationship between human resources and supply chains has also been pointed out by research by the Department of Business Administration at the University of Barcelona, Spain. The main objective of the study was to demonstrate the impact of human resource management on short supply chains. The study used a structural equation model (SEM) based on five attributes: implementation of supply chain management, human resources management, organization performance, supply chain monitoring, and customer satisfaction. The study confirmed the significant direct and indirect impact HRM on the implementation of supply chain management and supply chain monitoring. Overall, the study suggests that successful implementation of a short supply chain can not only directly improve supply chain monitoring but also indirectly increase organizational performance and customer satisfaction. Even traditional human resource practices such as recruitment, planning, training and performance evaluation can be used in the supply chain to achieve greater benefits that would help organizations gain significant benefits over time.<sup>35</sup>

Other experts in this field are Professor Ann Vereecke from Vlerick Business School and her colleagues: Sandra Fisher and Mary Graham from Clarkson University and Stephan Vachon from HEC Montreal. In their opinion, the purpose of supply chain management is to improve the long-term performance of individual subjects and thus the entire supply chain. The HR strategy traditionally involves the development of flexible human resource systems and practices that support the organization's business strategy. The use of these activities in the context of the supply chain gradually bring additional benefits such as: taking the strategy, characteristics, and partners in HR strategy development into consideration; using HR systems to manage partners in the supply chain – by encouragements, performance management, and long-term relationships; cooperation with supply chain partners to develop and coordinate human resource systems for the supply chain as a whole;

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<sup>32</sup> JANOVSÁ, V. *Komunitou podporované zemědělství v Evropě – Česká republika*. 2016. [https://aa.ecn.cz/img\\_upload/1e75dedc1ec71e76dbe4e51c4c6f3809/kpz-v-evrope.pdf](https://aa.ecn.cz/img_upload/1e75dedc1ec71e76dbe4e51c4c6f3809/kpz-v-evrope.pdf)

<sup>33</sup> KPZinfo. *Společenství KPZek*. <https://kpzinfo.cz/co-je-kpz/spolecenstvi-kpzek/>

<sup>34</sup> STÁTNI INTERVENČNÍ FOND. *Místní prodej, krátké dodavatelské řetězce (KDŘ), možnosti spolupráce*. 2019. [https://www.szif.cz/cs/CmDocument?rid=%2Fapa\\_anon%2Fcs%2Fzpravy%2FRO%2F500%2F1563350730067.pdf](https://www.szif.cz/cs/CmDocument?rid=%2Fapa_anon%2Fcs%2Fzpravy%2FRO%2F500%2F1563350730067.pdf)

<sup>35</sup> STRATIGO, Supply Chain and Operational Excellence Recruitment. *Understanding the Relationship between Human Resource Management (HRM) on Supply Chain Management (SCM)*. 2018. <https://www.stratigo-search.com/en/understanding-the-relationship-between-human-resource-management-hrm-on-supply-chain-management-scm/>

harmonization of recruitment procedures; possibility to share applicants' funds and create forecasts for demands. In terms of educational assets, there are other benefits for individual participants: Identification of education needs and specific job training, creation of specific training and learning from the feedback of those involved in the supply chain.<sup>36</sup>

Management (performance monitoring, working conditions, supportive supervision, job descriptions) Personnel planning (procedures, policies and recruitment) and Development (certification, training, career paths) need to be addressed comprehensively and systematically. All included subjects in the supply chain must be addressed in a complete and standardized way so that HR in the supply chain has the maximum possible impact. One of the most effective methods for sharing experience and exploring practical solutions is horizontal information exchange.<sup>37</sup>

### 3.1.6. Organizational and structural background of SFSCs

In the area of increasing competitiveness in short supply chains, one of the key factors is to increase the efficiency of production factors, for example by improving capital equipment, by improving the workforce through education or generational change. A possible solution to these needs is: to invest in tangible assets, to support the activities of young farmers, and to organize information events, courses, and seminars suitable for sharing experience and knowledge. Another important factor in increasing competitiveness is the increase in the proportion of processed raw materials and to create an added value. There are two ways to do this. The first way to encourage the development of new methods of products and technologies through cooperation and the second way is to invest in tangible assets. The third key factor in enhancing competitiveness is to strengthen the position of primary producers in the product vertical by uniting them into organizations to improve their market position or by linking primary producers directly to consumers, which would guarantee complete information on the products for the consumers. This key factor can be supported by developing arrangements to support primary producer groups.<sup>38</sup>

Other very important factors on the part of the producers are knowledge, training, and skills. Producers who consider joining the short food supply chains can often feel depressed by the wide range of knowledge and skills which are needed to be developed to direct sales to the consumer. Without appropriate support and training, it is not possible to achieve a transition from a food producer to a processor, distributor, trader, and customer relationship manager. Supporting factors that facilitate this transition are: *investment in local infrastructure* - both tangible assets and basic services; *agricultural development* - helping start-ups for young farmers and paying annual remuneration; *development of skills, concepts, and quality promotion* - more information events,

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<sup>36</sup> VLERICK BUSINESS SCHOOL. *The benefits of applying HRM practices to Supply Chain Management*. 2012. <https://www.vlerick.com/en/research-and-faculty/knowledge-items/knowledge/the-benefits-of-applying-hrm-practices-to-supply-chain-management>

<sup>37</sup> KASONDE, M. STEELE, P. *The people factor: An analysis of the human resources landscape for immunization supply chain management*. 2017. <https://www.sciencedirect.com/science/article/pii/S0264410X17301925>

<sup>38</sup> POTRAVINÁŘSKÁ KOMORA ČR. *Zvýšení konkurenceschopnosti všech druhů zemědělské činnosti a zlepšení životaschopnosti zemědělských podniků*. <http://www.foodnet.cz/soubor.php?id=17878&kontrola=d42ca07d2f9a1cda333697882dd2ca75>

advisory services, agricultural food quality systems; *cooperation of different partners* - small farmers can share their facilities and resources, they can have joint promotional activities and use common local strategies.<sup>39</sup>

Food is slowly turning into cultural capital, with some consumers using it to differentiate themselves from the other, while the others use it for social or economic placement in imaginary rankings. Symbolic, material and ethical factors became very important in decision-making, as well as built trust in the farmer.<sup>40</sup>

To assess sustainability there is a set of components and performance indicators as shown in the table below. The model is divided into four categories of sustainability: environmental, social, economic and health. *The Environmental category* includes Pollution - the short distance travelled per order reduces greenhouse gas emissions; Food waste - Reducing food waste can be achieved through technical innovation and knowledge and Customer Behavior - defined by customers' willingness to pay for these services and their interest in establishing direct contacts with primary producers. *The social category* includes Food Safety and Reliability - characterizing the accuracy and quality of delivered orders, and the Workforce element refers to all those who can benefit from participating in short supply chains. *The economic category* is defined as five attributes. Affordability symbolizing the price which is offered to consumers; Distribution of added value, thus contributing to the local economy; Economic development - strengthening the employment rate; Delivery cost efficiency and Resistance to disruption or decline in demand. *In the health category* there are two attributes: Food Safety - an assurance that food will not cause harm to the consumer when prepared or consumed according to its intended use and Food Quality - is based on trust, personal relationships or formal rules. This concept is mainly used to support policy or project related decisions in a region.<sup>41</sup>

Short supply chain systems provide many benefits, whether sustainable cultivation methods, quality and fresh food, community engagement, the interconnection of rural areas, support for local economic development and others. Consumers gain awareness of these benefits through greater closeness to producers, thereby they transfer knowledge and promote trust as a basis for their economic relationship.<sup>42</sup>

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<sup>39</sup> EUROPEAN NETWORK FOR RURAL DEVELOPMENT. *EU Rural Review*. 2012.

<https://enrd.ec.europa.eu/sites/enrd/files/E8F24E08-0A45-F272-33FB-A6309E3AD601.pdf>

<sup>40</sup> SPILKOVÁ, J. *Alternativní potravinové sítě – česká cesta*. 2016. 186 s. ISBN: 978-80-246-3307-7.

<sup>41</sup> TODOROVIC, V., MASLARIC, M., BOJIC, S. NIKOLICIC, S. *Solutions for More Sustainable Distribution in the Short Food Supply Chains*. 2018.

[https://www.researchgate.net/publication/327947185\\_Solutions\\_for\\_More\\_Sustainable\\_Distribution\\_in\\_the\\_Short\\_Food\\_Supply\\_Chains](https://www.researchgate.net/publication/327947185_Solutions_for_More_Sustainable_Distribution_in_the_Short_Food_Supply_Chains)

<sup>42</sup> GALLI, F., BRUNORI, G. *Short Food Supply Chains as drivers of sustainable development. Evidence Document*. 2013. ISBN: 978-88-90896-01-9. <https://orgprints.org/28858/1/evidence-document-sfsc-cop.pdf>



*Overview of performance and performance indicators to assess sustainability<sup>38</sup>*

Category	Components	Description of components
Environmental	Pollution	Greenhouse gas emissions delivered per order
	Food waste	Food waste in delivery processes
	Consumers behavior	Willingness to pay for these services
Social	Safety and food reliability	Correctness and quality of the delivery service to prevent receipt of damaged packaging or food
	Workforce	Number of participants that can financially benefit from short-term supply chains
Economic	Affordability	Providing food at affordable prices
	Value added distribution	Price gained by the producer/Price paid by the consumers
	Economic development	Contributing to local economic development
	Efficiency	Cost-effectiveness of distribution
	Resistance	Resistance to supply disruption
Health	Food safety	Compliance with food safety and control standards
	Food quality	Potential for monitoring food delivery and level of trust-based relationships between the subjects of the short food supply chains

### 3.1.7. Summary of the findings regarding SFSCs in the Czech Republic

Supporting local food markets has undoubtedly had a positive impact on rural development and its economy. Not only does the consumption of local food reduce the volume of product transport, it reduces the number of intermediaries and companies involved in the supply chain, but it also brings more income to farmers and quality local products to consumers. There are four basic groups of positive impacts of short supply chains: local development, the prosperity of society, environmental protection and farmer's well-being.

According to EU regulation 1305/2013, applicants for financial support within short supply chains might be groups of two independent persons, but at least one person must prove their business activities in the food or agriculture sector. This is also related to the generally accepted definition of short supply chains in the Czech Republic, where short supply chains are generally defined as the shortest trajectory, either of service, of a product, or goods leading from a producer to a consumer with as few intermediate elements as possible, or ideally without them. The whole organization of the short supply chain consists of processing farm products, marketing, risk management and maintaining optimal living conditions, but as mentioned, the whole organization and support require a compromise made by both the consumer and the producer.

One of the best-known programs to support short supply chains in the Czech Republic is called the LEADER program, which is closer explained in this work. The LEADER program helps local subjects and regional groups to implement collective development strategies and plans. Among other things, it is mainly focused on modern forms of improving the quality of life in rural areas, strengthening the economic environment and improving the organizational capacity of the involved subjects. In the Czech Republic, in connection with agricultural production, it is possible to divide regions into three imaginary areas: mainly rural regions, transition regions, and mostly urban regions. In this work are these areas graphically depicted and divided into shares of very small farms and family farms, as well as the individual age intervals of Czech farmers and the total area of farms to the area of the Czech Republic.

In the Czech Republic the most important organizations supporting the entry of farmers into short-term supply chains are the State Agricultural Intervention Fund, local action groups, the Ministry of the Environment, the Ministry of Agriculture, the Agrarian Chamber of the Czech Republic, selected schools and universities and non-governmental organizations - such as Hnutí duha, or partnerships between producer and consumer called Community supported agriculture. All these organizations and related projects are described in this work. Integrating HRM knowledge into supply chains is designed to improve the long-term performance of individual subjects and thus the entire supply chain, and it brings, for example, the following benefits: using HR systems to manage partners in the supply chain by encouragements, performance management, and long-term relationships, cooperation with supply chain partners, matching recruitment practices, creating demand forecasts, identifying training needs, developing specific education, learning from feedback in supply chain stakeholders, etc.

It is, therefore, necessary to comprehensively and systematically address personnel planning, management and development. In the context of increasing competitiveness, important factors are enhancing the efficiency of production factors, increasing the share of processed raw materials and creating added value and strengthening the position of producers in the product vertical. From the producer's point of view, knowledge, training, and skills are particularly important factors.

Other equally important factors are symbolic, material and ethical factors, which also significantly affect short-term supply chains. To assess sustainability, it is possible to use the table at the end of the work entitled "Overview of performance and performance indicators to assess sustainability" (see the previous page), which is divided into four categories: economic, environmental, social and health category. The table divides the categories into components and describes each component separately. In conclusion, short supply chain systems offer many benefits, whether sustainable methods, quality and fresh food, active community participation, connecting rural areas, or supporting local and regional economic development.

## 3.2. Report on SFSCs in Romania

### 3.2.1. Definition of SFSCs in Romania

Before the changes in late 1989, Romania had centrally directed and plan-determined industrialized agriculture which disallowed objective reflections and was characterized by scarcity of resources and

value products. To maintain full control the state abolished family farming and farm associations. In the '80s, due to the massive export of agricultural products and to severe austerity measures most of the shops were empty and the urban population purchased basic foods through village contacts, "unofficially" working small rural farms and households. The post '89 food dumping which consisted of food imported from spread very quickly to the population, and food from the home or from the villages was slowly forgotten. Despite of the efforts to restructure the country's agriculture (restoration of land ownership and dissolving farm cooperatives and state farms, agriculture support measures) agriculture in Romania has not actualized its productive potentials.

Farmland have become over-fragmented and amongst agricultural commercialization circumstances and international competitions the competitiveness of Romania's farm products has decreased dramatically. The number of small producers has constantly decreased since the late '90s, and large-scale agriculture has a future. In mountain areas, due to their geographical characteristics, small livestock farmers are still viable, but because of the difficulty in getting their products on the market, they have slowly become a "compromised group" as well. Over the past 3-4 years, the first Community agricultural groups have been organized on the initiative of mainly intellectual groups, mainly based on models imported from France.

Food trade is regulated by the „Law 321/2009 on trade in foodstuffs”, modified and complemented by Law 150/2016 based on 1305/2013EC regulation. According to this law a short supply chain “involves a limited number of economic operators engaged in local economic cooperation and development activities, as well as close geographical and social relations between producers, processors and consumers”. The following types of products are involved: fresh food, frozen food, processed food. There is no methodology for this Law, which means that everyone interprets the law at their own discretion.

There are publications which are trying to inform small producers about the short distribution chains, like Thematic Publication No. 29, the Short Food Chain.

The text of this publication is for informational purposes only and does not imply legal liability. Further information on the Ministry of Agriculture and Rural Development and the USR can be accessed on the Internet: [www.madr.ro](http://www.madr.ro); [www.rndr.ro](http://www.rndr.ro) USR: Publications Department, 2015

This publication defines: short food supply chains mean selling from a farmer to a consumer by involving as few intermediaries as possible. The concept is already a success in most of the countries of the European Union and, in the last period, it is enjoying increased attention also in Romania, both among farmers and consumers.

On other publication is the applicant's guide for a tender of Ministry of Agriculture and Rural Development for call in subsection 16.4 and subsection 16.4a: “Support for horizontal and vertical cooperation between actors in the chain of supply in the agricultural and fruit-growing sectors. It defines the SFSC as a configuration that does not involve more than one intermediary between the producer and consumer.

LEADER initiative groups published some as well: According to the “Leader Group Strategy of Tövishát”, SFSC cannot involve more than one intermediary between producer and consumer. By “intermediary” they understood the entity that purchases the product from the farmer for marketing purposes. The processor is not considered an intermediary if it processes its own raw material or the processing represents an action to provide services to the farmer, the latter having control over the product and the marketing conditions (e.g. price setting).

Some project submission sessions may be particularly focused on strengthening the local market for locally manufactured / processed products. This is a specific form of short supply chain, based on both the number of intermediaries and the geographical distance between the point of production / processing and the point of sale. Taking into account the national geographical specificities, the "local market" is defined as a marketing radius that does not exceed 75 km from the product's origin holding. The average distance between the main settlements and the possible expenses of transport, fuel and the road transport network, which could make a reasonable profit, would be taken into account, would contribute to reducing pollution and preserving the properties of the product.

### 3.2.2. Definition of “intermediaries”

The term “intermediaries” is not yet defined in Romania, as the methodologies of application regarding the law on SFSCs (Law 150/2016 – see the previous pages) has not yet been published. Terms as “supplier” and “trader” are defined only in various agriculture support grant schemes.

A “supplier” in the short supply chain in Romania can be:

- ⇒ a farmer (a natural or legal entity or an associative form of natural persons or legal entities, whose holding is located in the territory of Romania and carrying out an agricultural activity), as defined in accordance with the provisions of art. 2 paragraph (1) letter. f) of the Emergency Decree no. 3/2015 for the approval of the payment schemes that are applied in agriculture between 2015-2020 and the modification of art. 2 of Law no. 36/1991 regarding agricultural societies and other forms of association in agriculture, hereinafter referred to as Emergency Decree no. 3/2015
- ⇒ a farmer and a physical or legal entity having as main activity the collection and/ or storage of products mentioned in art. 3

A “trader” in the short supply chain is:

- ⇒ the natural or legal person carrying out the activities provided for in art. 4 lit. d) and e) of the Government Decree no. 99 of August 29, 2000 regarding the marketing of products and services on the market with the subsequent modifications and completions

There is no official definition for the transaction between farmers and intermediaries. In practice we use the first option: intermediaries buy and resell product. Other solution used in Romania is the transaction based on commercial intent through restaurants, mass caterers, retail shops.

### 3.2.3. Definition of “SFSC animator”/ “SFSC facilitator”

In Romania there is no legal, official or scientific definition for SFSC animator/ facilitator yet. There is one occupation in Romanian Occupations Code: Cod COR 342204: Facilitator of community development, Level of studies - 3 (middle or post-secondary studies).

### 3.2.4. Supporting organisations, services, education and training

In Romania organizational support is given mainly by private bodies, like family farms, food producing SME's, few of the restaurants, public catering companies, local development associations (Leader associations, local tourism associations, Naturpark associations), social cooperatives. There are some good practice examples, when private food companies organizing market for small producers, for ex. Petry company. But there are also public bodies, who gives support to farmers, like Ministry of Agriculture and Rural Development, Agricultural Chamber, Rural Development Network.

At the moment in Romania there is no formal SFSC animation service, but farmers who would like to launch SFSC can get assistance from local development associations, like LEADERS, local chambers and municipalities, who are organizing info days, farmer's market, festivals and other events (national and/or international) where farmers can establish a professional network. Local NGOs, Agricultural Chambers very often offers legal consultancy for farmers. Marketing support, promotion of farmers' products are assured only on NGO level. SFSC related organisations (see below) provide community building training or information exchange programs. These programs are funded mainly from grants or in few cases they are asking for a symbolic fee. E.g. access to subvention: Subsection 16.4 and Subsection 16.4a, “Support for horizontal and vertical cooperation between actors in the chain of supply in the agricultural and fruit-production sectors” announced by the Agency for Financing Rural Investments.

SFSC facilitating organization:

- ⇒ “Asociația pentru Susținerea Agriculturii Țărănești”(Association for the Support of Peasant Agriculture) an NGO active on national level: <https://asatromania.ro/contact/>
- ⇒ “Nod Verde”, a food hub network run by Civitas Cluj Napoca-Cluj Napoca: <https://nodverde.ro/ce-facem/>
- ⇒ “Nord Natural” a food hub network run by Open Fields-Cluj Napoca: <https://www.nordnatural.ro/>
- ⇒ “Roade si Merinde” a food hub network run by CMSC Iasi: <https://www.roadesimerinde.ro/>
- ⇒ “Helyénvaló” a food hub network run by Civitas Odorheiu Secuiesc: <https://helyenvalo.ro/ro/>
- ⇒ “Merindar” a food hub network run by World Vision Bucuresti: <https://merindar.ro/>
- ⇒ “Highclere Consulting” in Brasov <http://highclere-consulting.com/en/home/>

- ⇒ the Civitas Foundation and the Association of Szekler Farmers Organizations have a network of 30 “village consultants” (this network is financed by the Hungarian Ministry of Agriculture)
- ⇒ various civil society organizations play a strategic role in the development of SFSC opportunities on local level
- ⇒ the LEADER networks - local action groups running complex local marketing schemes based on regional trade marks
- ⇒ local tourism associations (gastronomy, festivals, and thematic programs) with professional marketing support provides profitable development opportunities for SFSC

These are non-profit organisations, but there is one profit organization in Mures County, Petry Company (<https://www.petry.ro/petry5841>) which supports farmers and organizes monthly local farmers market in Târgu Mureş.

Municipalities also play an important role in terms of long-term sustainability of SFSC.

Services offered to farmers by the above-mentioned organisations are:

- ⇒ training courses on the following topics: food safety, community building and SFSC animation,
- ⇒ face to face consultation: usually farmers prefer face-to-face consultations more than trainings, therefore most of the NGOs offer tailor-made consultancy in order to inform the farmers about SFSC,
- ⇒ community building: the SFSC associations are grassroots organizations, that is why they put a lot of effort on community building,
- ⇒ study tour organization: LEADER and community associations are organizing study tours to foreign countries, some food hub networks organize local study tours,
- ⇒ local marketplaces: in the last seven years the marketplaces selling local products are more and more popular in the whole Romania, they are organized in some regions by the County Councils, in others by LEADER groups or other NGOs, or local producer and manufacturer (Petry in Mures County),
- ⇒ marketing: building local brands like, Szekler Product, Góbé Product, Transylvania Authentica,
- ⇒ common event organisation: local festivals, holiday events are organized in different regions.

### 3.2.5. Human resources aspects to enhance SFSCs

In order to enhance SFSC animation, the following human resources aspects would be required:

- ⇒ TASKS: finding producers, verifying their authorizations, verifying their farms, production units, finding market opportunities, knowing legal requirements, finding financial opportunities, community building, basic marketing qualification, agricultural background.
- ⇒ COMPETENCES: Knowledge on agriculture, networking, legal information, IT. Most important is communication skills to translate for farmers and other stakeholders in market. other important skill would be the endurance.
- ⇒ STAFF TRAINING: adult training, there is no need for a special certification.
- ⇒ CONTRACTUAL RELATION: Part time work contract would be a starting point.
- ⇒ TYPE OF INCOME: In Romania the most fitted solution is local governmental support.

### 3.2.6. Organizational and structural background of SFSCs and sustainability assessment

- ⇒ In terms of INFRASTRUCTURE: network, dialog between authorities, supportive control from governmental institutions, local action groups.
- ⇒ In terms of MANAGEMENT: soft skills, leadership skill, IT skills, business approach, flexibility, mobility, motivation, agricultural qualification, basic knowledge in the topic of SFSC and farming, marketing knowledge, open mind.
- ⇒ In terms of IT DEVELOPMENT: online platform for information sharing, training, promotion, and to meet supply and demand; IT based accountancy.
- ⇒ In terms of PRACTICAL NEEDS FROM STAKEHOLDERS: governmental support, proper marketing and information.

## 3.3. Report on SFSCs in Hungary

### 3.3.1. Definition of SFSCs in Hungary

Based on EU regulation 1305/2013 mutually accepted definition of SFSC is: an alternative, locally committed food supply chain with maximum 1 intermediary between farmers/small scale food producers) and consumers to improve local income and food quality. Just the Rural Development Programme 2014-2020 (EAFRD European Agricultural Fund for Rural Development) uses this legal definition. In case of commercial activity authorities apply food hygienic rules and definitions according to 852/2004 EC regulation. Since 2013 the term of SFSC is being used due to rural development programme because in Hungary direct sale was the general accepted term and form.

SFSC is an umbrella concept of diverse solutions aiming to shorten food supply chain with 4 categories, community of trust being the common characteristic of this categories:

- ⇒ through intermediary
- ⇒ with home delivery
- ⇒ at open farms
- ⇒ at point of sales
- ⇒ CSA

In Hungary we must highlight the CSA as an alternative socioeconomic model of agriculture and food distribution that allows for farmers and consumers to share responsibilities and risk. This local food movement has not been clearly defined yet and cope with several legal barriers. Local food movements aim to connect farmers and consumers in the same geographic region, to develop more self-reliant and resilient food networks and improve local economies, environment, and community life. However, there is no legal definition for CSA in Hungary, the Hungarian authorities try to interpret these activities within the current legal framework.

### 3.3.2. Definition of “intermediaries”

Due to current unclear legal situation regarding SFSC structure and its commercial rules SFSC intermediary’s margins are tight. SFSC intermediary can be legal entities as restaurants, communal caterers, retail shops, social cooperatives, organizers of farmer’s markets, food processors, craft food processors and shops (including local government), organizers of community supported agriculture forms (including farmers, local development associations, as well as LEADER local action groups). Cooperatives could be intermediaries theoretically but in practice (because of strict prerequisites) there is no cooperative established with SFSC mission as this would Small scale factories, manufactures included bakeries, dairies are not regarded as intermediaries although they would be open for buying high quality ingredients from local producers. Just the Rural Development Programme tightens the definition of intermediaries that determine the sales in supported consortiums.

In this regard, in terms of taxation it means a huge disadvantage for VAT-exempt farmers/small scale producers that their products can be resold by any kind of intermediaries only at a price increased by VAT. Such a big price increase (+27%) can lead to significant market share losses. Based on current financial law intermediaries can’t obtain farmer’s products for a consignment. It means a further decrease of market outlet for small scale producers that they are not allowed to involve anybody in the sales process. They are not allowed neither to sell other small-scale producer’s product as a favour nor to retail jointly together with other small-scale producers.

There are two different types of transaction between farmers and intermediaries:

- ⇒ based on commercial intent (at restaurants, mass caterers, retail shops) or
- ⇒ on not-for-profit, rural development intent (at local development associations).

Local development association’s transaction includes setting up platform for cooperation, establishing networks, organizing marketing, branding and PR, assisting exchange of experiences, and developing strategies. On one hand, along with legalization, local development associations do not carry on economic activities, while restaurants, mass caterers, retail shops generally do not have capacity for non-economical, organizational activities. Roles and responsibilities of the two types of intermediaries are kept strictly separately.



### 3.3.3. Definition of “SFSC animator”/“SFSC facilitator”

In Hungary there is no legal or scientific definition for SFSC animator/facilitator yet. Although there is a substantial need for this catalysing role conducive to strong and sustainable growth of SFSC’s. Responding to needs greater focus is being given to quasi “SFSC facilitation” in the rural development grant proposal to support SFSCs and farmer’s market funded by EAFRD (European Agricultural Fund for Rural Development). It is required to assign a person from the consortium who as a quasi “REL facilitator” is obligated to participate on a specific preparatory training. The main goal of the preparatory training is to ensure fundamental knowledge for SFSC coordinator/facilitator about business planning, sales channels, marketing & use of trademark, organization of horizontal relationships and conflict management. In Hungary the term of “animators” is rather used in pedagogy.

### 3.3.4. Organisations, services, education and training

In Hungary the following organisations are working to enhance farmers’ cooperation in SFSC:

- ⇒ family farms, food producing SME’s,
- ⇒ specific restaurants and some of the public catering companies (together with the connected municipalities),
- ⇒ umbrella organization: *Kislépték Association*,
- ⇒ local development associations: LEADER associations, Naturpark associations, local tourism associations, associations running consumer’s communities,
- ⇒ social cooperatives,
- ⇒ public bodies: Agricultural Ministry, Chamber, Agricultural Research Institute, ÖMKI – Organic Agriculture Research Institute, Rural Development Network.

Big food companies and multinational retail systems face disincentives to develop SFSC systems as they see SFSC farmers as “enemy” in market. Theoretically there is a possibility to establish specific SFSC cooperatives, but the financial conditions are too difficult to meet for small farmers.

#### 3.3.4.1. SFSC animation services

There is no formal SFSC animation service in Hungary yet but farmers willing to launch SFSC can get assistance in the following topics (in general, all these supporting services could be more developed, better organized and more client friendly):

- ⇒ Networking - all stakeholders (associations, LEADERs, chamber and municipality) are organizing info days, conferences, farmer’s market, festivals and other open events where farmers in their region or nationally, internationally can establish professional relationships. These relationships help a lot at dealing with law and technical difficulties. Stronger network of early-stage SFSC means a greater chance for success and development.
- ⇒ Legal consultancy/recommendation - as part of its advocacy work *Kislépték* can ensure legal assistance for farmers and small-scale producers. Farmers can also apply for information requested to the Chamber, although its response capability is less rapid and flexible (specific

cases can't be revised by the Chamber). Useful help is also, that Kislépték shares online recommendations for legally sound solutions based on experiences acquired during the past years.

- ⇒ Guidelines (about legalization, best hygiene practice) published by Kislépték, Chamber or Public Health Institute, National Food Safety Office (controlling authority) are also useful support for small scale producers.
- ⇒ Common marketing support - farmers/small scale producers join to local development association as they are in general not familiar with sales practices of how to build up a brand and how to reach out potential consumers. To ensure more sales possibilities for its members this associations organize online market place, open farm programs and touristic events, farmer's market, trade mark systems with additional marketing support. As this associations are not made of communication professionals, they need to use services. Professionalism in terms of marketing highly depends on preparedness and financial resources of the associations. Even if the marketing services provided by the associations are not always the best quality, they are anyway much more than a small-scale producer alone could afford him or herself.
- ⇒ Chamber is not allowed to do marketing, but promotion is (or would) be one of its main tasks. Chamber can promote small scale producers and SFSC cooperation by means of publications and information webpage. Chamber is running a site to introduce local farmers and farmer's market which is obsolete in terms of information and technical conditions. It has to be renewed.
- ⇒ Training/information exchange - trainings, common events and information exchange programs could give an incentive to those interested in SFSC. This trainings and events are organized in most cases from grants (or for little contribution) by SFSC connected associations with outstanding results and international experiences who want to make access to knowledge for others. These trainings are usually about: community building, common marketing, food security. Although on a smaller scale, but also Chamber organizes or supports trainings and information exchange programs for small scale producers and SFSC organizers. There are 3 major difficulties in terms of trainings and information exchange. First, there is no structured information system for the beneficiaries, therefore they could easily miss the opportunity. Second deterrent effect is the geographical distance. Lastly, the quality of trainings and exchange programs are neither integrated nor homogenous. In this regard the quality depends also mainly on commitment of the organizers.

#### 3.3.4.2. *Organisations that help farmers to launch SFSCs*

Examples of organisations and programmes offering support to farmers willing to launch SFSC:

- ⇒ Government's dedicated goal is to make market access easier for farmers. In this context SFSC is a kind of prime rural development objective for Ministry for Agriculture and its partner organizations (Ministry of Finance, Public Health Authority, Chamber of Agriculture, Agricultural Research Institute, National Rural Network, etc.). Although the policy and law-making is not progressed well.
- ⇒ Civil society organizations play a strategic role in the development of SFSC opportunities. The politically independent representation of small-scale farmer's/producer's interests is provided by the nationwide Kislépték Association (the umbrella organization for small scale producers).

Furthermore, Kislépték creates extensive networking, and it organizes non-formal trainings and exchange of experiences at international level for its members.

- ⇒ LEADER network of local action groups is also an important basis of facilitating SFSC cooperation. They are publicly prioritized rural development associations, so called local action groups. On the basis of local (bottom up) strategies adopted by the managing authority they disposal over one part of the rural development EU funds to implement grassroots initiatives. Efficiency of local action groups shows a mixed picture depending on member's commitment. The efficient ones are running complex local marketing schemes based on regional trademark.
- ⇒ The publicly, with regional development aim established Naturpark Associations have a landscape approach in their work for strengthening SFSC possibilities (for example organizing farm network, open farms). Generally, they are running farm networks, open farms, forest markets etc.
- ⇒ Committed local community development associations are also making a significant effort to adapt SFSC solutions in local community. They are primarily running local farmer's markets, events, shop communities, community shops etc.
- ⇒ Local tourism associations also play an important role in SFSC facilitation. Tourism (gastronomy, festivals, and thematic programs) with professional marketing support provides profitable development opportunities for SFSC.
- ⇒ Role of municipalities is also decisive factor in terms of expansion of SFSC possibilities connected to communal catering and in terms of long-term sustainability.
- ⇒ Economical Geography, Rural Development, Human Ecology, Agroecology and other sustainable development connected departments of universities are also involved in research activities concerning SFSC. This research activities are also serving the long-term development of SFSC-ecosystem.
- ⇒ We can also find CSA associations (as for example Nyíregyházi Kosárközösség) in Hungary who organize their local communities and they run extension service for other beginners, start-ups to establish CSA.

Mostly non-profit oriented organizations work with SFSC animation in Hungary. They manage their scarce resources from membership contribution and grant proposals. As SFSC communities are struggling with financial restraints (e.g.: commission contract is not allowed for this associations) and with the lack of solvent demand (in a large part of the country) they could not afford anyway these services at market prices. Marketing services are the only one what they are using under normal market conditions if granted funds make them possible.

There are no service providers specialized for SFSC solutions as there is no profit on these activities. The only exception is the special online platform (website) from time to time there are IT professionals who try to operate specialized website to facilitate sales process but their business model. Therefore, national association's and chamber's role become more important in terms of development.

#### 3.3.4.3. *Specific services provided to farmers who want to launch SFSCs*

The above-mentioned organisations are providing the following specific services for farmers who want to launch SFSC:

- ⇒ TRAININGS - there are several training possibilities for farmers interested in SFSC on an incidental basis, but overarching training/mentoring processes are missing. Local associations do not have neither the capacity nor resources to organize this on their own. Non formal, IT based training possibilities are not developed yet either.
- ⇒ COMMUNITY BUILDING - the SFSC associations are grassroots organizations, they put a lot of effort on community building. Therein lies their strength and flexibility.
- ⇒ STUDY TOURS - SFSC organization are running information exchange projects. Organizing study tour is usually the key element of this projects. Study tours are especially useful to learn about adaptable best practices and to extend connection.
- ⇒ FARMERS' MARKET - SFSC organization do not have any market organization role, they are too small for that. They are lack on relevant experience and economic importance.
- ⇒ MARKETING - SFSC organizations support SFSC communities with marketing. Usually they are running trademark systems. They build their marketing plan other own trademark. Their marketing activity includes common identity with visual and content-related elements, social media-, local media appearance, promotion on events.
- ⇒ COMMON EVENTS - as part of community building, information exchange and community marketing this organizations organizing regularly common events (as for example: open farm programs, local festivals, holidays).
- ⇒ TENDER WRITING - SFSC organization's knowledge about tender writing narrows to non-profit projects and they lack human resources. In economic projects they cannot help their members. In the competitive sector there are specialized service providers. Although their services are quite expensive.
- ⇒ LEGAL EXTENSION SERVICE - SFSC organizations do not have the relevant human resources for these services. Even their own legal tasks are outsourced.
- ⇒ IT SOLUTIONS - SFSC could take a huge advantage on IT solutions. IT solutions could be used for direct sales, networking, trainings and webinars, open farm event and other event organizing. Besides IT solutions would be very useful for effect measurement (which would be an objective basis for long term development). Although to develop this kind of IT solutions is costly. Besides IT solutions are only effective if they are supported by professional marketing and well-structured professional background. These aspects further increase the costs. In general, the only IT solution what associations could effort themselves is an informative website. Only the most experiences associations could move on IT marketing and sales solutions. Legalization is also not supportive in this term, there are several legal uncertainties regarding IT possibilities of SFSC organizations.
- ⇒ LOCAL VALUE REPOSITORY - SFSC organization in cooperation with other actors in local development are taking mart of maintenance of local value repository.

#### 3.3.4.4. *Education and vocational training for those who want to work in SFSC animation*

The university courses connected to sustainable development (rural development, economical geography, human ecology) deals with innovative SFSC solutions and their facilitations only peripherally. Mainstream food production and agroindustry courses do not include small scale production and SFSC at all. Even if SFSC topic is part of the progressive course curriculum it is reflected only at knowledge level, competence development is usually neglected.

Theoretically there is a rural development vocational training (to achieve rural development technician qualification) which is neither well-known nor well-structured. The curriculum is built up with strong agricultural focus. SFSC facilitation is affected by 3 thematic areas: 1) knowledge about alternative income opportunities in the countryside, 2) knowledge about running an own agricultural business, 3) knowledge about organizational work.

Practically orientated adult trainings were several times organized by Agricultural Chamber and its related undertakings. Topics of this trainings were small-scale food producing and SFSC preparation in an appropriate and targeted manner and farm-house-keeper training. These trainings were hold in accordance to grant application possibilities.

Furthermore, Kislépték and other local development associations organizing regularly non-formal trainings or info-days for helping their members based on needs and financial possibilities. Generally, these trainings are held in food processing, hygiene, trademark and marketing, agritourism, SFSC. This organizations are also frequently organizing study tours to raising awareness of national and international best practices. Publications are made also at occasions to ensure exchange of experiences. This short, thematic trainings were more suitable for information transfer than for competence development.

#### 3.3.5. **Human resources aspects to enhance SFSCs**

In order to enhance SFSC animation, the following human resources aspects would be required:

- ⇒ TASKS: SFSC animation tasks separately will not be supported by the state in the nearest future in Hungary. But there are several supported rural development tasks as agricultural consultancy, farmers of the village, LEADER local action group's activities, Naturpark activities.
- ⇒ COMPETENCIES: Knowledge on agriculture, networking, legal information, IT. Most important is communication skills to translate for farmers and other stakeholders in market.
- ⇒ STAFF TRAINING: adult training is enough, special diploma is not necessary
- ⇒ CONTRACTUAL RELATION: SFSC animation could be a social task of municipalities as it is a not- for-profit local development activities. Now, mostly volunteers do these jobs.
- ⇒ TYPE OF INCOME: In Hungary the most fitted solution is governmental running however some international example (Dutch, British) proved that animation can be a for profit task.

### 3.3.6. Organizational and structural background SFSCs and sustainability assessment

- ⇒ In terms of INFRASTRUCTURE: legislative background; dialog between authorities, supportive control authority attitude, well-functioning LEADER local action groups, financial incentives (e.g.: consignment contract); hygiene discipline, nationwide network.
- ⇒ In terms of MANAGEMENT: well-developed communication skills, organizing skills, social skills, strategic thinking, credibility, conflict management skills, willingness to cooperate, ability to plan capacity requirements, resource management skills, IT skills, business approach, flexibility, mobility, motivation. Basic knowledge of small-scale food processing and farming, marketing knowledge, knowledge of new trends in diets and tourism.
- ⇒ In terms of IT DEVELOPMENT: nationwide platform which is capable for information sharing, training, promotion, and to meet supply and demand, IT supported tools to solve recent financial and hygiene problems, IT training tools which are available for any stakeholders independent from geographical distance.
- ⇒ In terms of PRACTICAL NEEDS FROM STAKEHOLDERS: effective governmental support, promotion, harmonizing legalization and needs, predictable resources, reliable information systems, conflict and risk management, social senses.

## 3.4. Report on SFSCs in Poland

### 3.4.1. Definition of SFSCs in Poland

Legal changes introduced in Poland in 2016–2017 enabled farmers to legally sell their own food products, both unprocessed and processed. Recently, the provisions regulating the sale of food by farmers-producers on the domestic market have been changing in order to adapt them to the needs, conditions and the possibilities of small farms and hence to allow consumers direct access to food produced by farmers. The most important change in this respect is the implementation of sales in form Agricultural Retail Trade (RHD) on January 1, 2017, which combines the sale of raw materials and processed products from the farm. The form of conducting this activity falls under the definition of short food supply chains.

Currently, various forms of production and sale of food for individual farmers are allowed in Poland. The choice of form depends on the individual decision of the farmer, which should be tailored to his situation and to the type of food marketed. The chosen form of sale specifies legal requirements that must be met individually by each farmer-producer placing food on the market, primarily in the field of food safety. The most popular activities include:

- ⇒ DIRECT DELIVERIES OF PRIMARY PRODUCTION PRODUCTS OF PLANT ORIGIN - i.e. cereals, fruits, vegetables, herbs, cultivated mushrooms, originating exclusively from their own crops or breeding of primary production producers, not being special departments of agricultural production, and other raw materials derived from personally harvested herbs and undergrowth, as well as foods in pickled or dried form. Only products of plant origin made from own raw materials are allowed for sale, and sales can be carried out only in a limited area. The rules for conducting this sale are

set out in the Regulation of the Minister of Health of June 6, 2007 on the supply of direct foodstuffs.

- ⇒ DIRECT SALES OF ANIMAL PRODUCTS - i.e. raw milk, raw cream, eggs, unprocessed bee products, unprocessed fishery products or subjected to killing or certain treatments, live land snails, carcasses and offal of poultry and lagomorphs slaughtered on a farm, carcasses and offal of wild game. As part of this form of activity the sale is carried out to the final consumer or to establishments conducting retail trade directly supplying the final consumer (e.g. shops, canteens, canteens, agro-tourism farms or restaurants). Only animal products made from own raw materials are allowed for direct sale, and sales can only be carried out in a limited area. Requirements hygiene, sanitary and veterinary are defined in the Regulation of the Minister of Agriculture and Rural Development of 30 September 2015 on veterinary requirements in the production of products of animal origin intended for direct sale.
- ⇒ RETAIL - ALL TYPES OF FOOD, BOTH NON-ANIMAL AND ANIMAL ORIGIN, AS WELL AS COMPOSITE FOOD, i.e. containing foodstuffs of origin non-animal and animal. Within the retail trade, production, including food processing and sale, is only possible to final consumers. Hygienic and sanitary requirements for this type of activity are determined by European Union regulations, especially Regulation (EC) No 852/2004.
- ⇒ MARGINAL, LOCAL AND LIMITED ACTIVITIES - PRODUCTION AND SALE OF WORKED OR PROCESSED ANIMAL PRODUCTS such as: dairy products, fishery products, raw meat products, minced meat, meat products as well as the possibility of cutting and selling fresh beef, pork, sheep, goat, horse, poultry, fresh game meat and farmed wild animals. Hygiene requirements food for this activity is determined by European Union regulations, including in particular Regulation (EC) No 852/2004 of the European Parliament and of the Council of 29 April 2004 on the hygiene of foodstuffs. The manufacturer may sell food to the final consumer and deliveries to other retail establishments for the final consumer, where sales may be carried out in a limited area. Conditions for conducting this activity defines the regulation of the Minister of Agriculture and Rural Development of March 21, 2016 on detailed conditions for the recognition of marginal, local and limited activities.
- ⇒ AGRICULTURAL RETAIL, according to the content of art. 3 clause 3 point 29 b of the Act of 25 August 2006 on food safety and nutrition, agricultural retail trade within the meaning of Art. 3 clause 7 of Regulation No 178/2002 consists in the production of food originating in whole or in part from its own cultivation, breeding of the food business operator and sale of such food.
- ⇒ THE FINAL CONSUMER referred to in art. 3 clause 18 of Regulation No. 178/2002, or to establishments conducting retail trade intended for the final consumer. This form of activity was introduced on January 1, 2017. On this date, the provisions of the Act of November 16, 2016 amending certain acts to facilitate the sale of food by farmers entered into force (Journal of Laws, item 1961).

Agricultural retail trade has become one of the forms of food retailing for which specific tax preferences have been introduced in Polish legal regulations. Approved plants - production and sale of processed animal and vegetable products are specified in the Act of 25 August 2006 on food and nutrition safety. Hygienic and sanitary requirements are set out in European Union regulations, including especially EU Regulation 852/2004 and Regulation 853/2004 (products of animal origin).

Changes in regulations governing the production, distribution and sale of food in recent years have increased the possibilities of selling processed products to farmers as part of their agricultural activities. These changes were motivated by the desire to allow farmers running small farms to sell on the market and consumers direct access to food produced by farmers. Farmers also have opportunities to take action jointly and collectively to create so-called short food chain systems that increase sales opportunities for small farms.

### 3.4.2. Definition of “intermediaries”

In Poland there is a very structured agricultural advisory system. The entire Poland is divided into 16 voivodship and in each of the region there is one main Agricultural Advisory Centre (AAC). Those institutions are under supervising of the Ministry of Agriculture. Advisors working at these centres are persons who can advise in SFSC. They are specialized in different areas of interest, SFSC is one of these areas. Apart of this public system there are several private enterprises that advise for individual farmers/ producers. In other words, there is no restriction regarding who can provide of advice in Poland.

On August 22, 2017, the long-awaited regulations came into force limiting the scope of the obligation to conclude written contracts for the supply of agricultural products. Pursuant to the new provisions, the requirement to conclude written contracts applies only to deliveries of specific groups of agricultural products from farmers running a farm in Poland. The purpose of the amended regulations is to protect agricultural producers operating farms in Poland, therefore the scope of the obligation to conclude written contracts is limited to the first stage in the food supply and processing chain.

At present, three factors determine whether there is an obligation to conclude a written contract (meaning if you answer yes to the three questions above, you must sign a written contract, but a negative answer to even one of the questions eliminates this obligation):

- ⇒ product status, i.e. whether the product is listed in art. 1 clause 2 of Regulation 1308/2013 establishing a common organization of markets in agricultural products (excluding),
- ⇒ supplier status, i.e. is the supplier a farmer within the meaning of art. 4 point 1 lit. a) Regulation (EU) No 1307/2013 of the European Parliament and of the Council establishing provisions on direct payments to farmers under support schemes under the common agricultural policy in the territory of the Republic of Poland,
- ⇒ so-called status first buyer, i.e. whether the buyer is a processor or a distributor (not selling products to final consumers),

A written contract does not have to be in the form of a document. The so-called electronic form (e.g. by exchanging text messages or e-mails), without the need to use a secure qualified signature. This contract must be kept for two years from the end of the calendar year in which the last delivery was made as part of its implementation.



### 3.4.3. Definition of “SFSC animator”/ “SFSC facilitator”

According to law there is no restriction about the SFSC animation in Poland. The implicit requirements are:

- ⇒ to have sufficient knowledge about law,
- ⇒ to have relevant capacity to be an animator,
- ⇒ to have relevant teaching skills to do that activity.

The Polish agricultural advisory system trains all their staff working in these institutions to develop knowledge, skills and competences relevant to the topic they are dealing with.

### 3.4.4. Organisations, services, education and training

The following organisations support farmers’ cooperation in SFSC:

- ⇒ family farms,
- ⇒ umbrella organization or sectorial federation,
- ⇒ association or foundation (non-profit),
- ⇒ cooperatives.

In Poland there are also a few organisations who help farmers to launch SFSC, like universities (in the meaning of providing opportunity to study), public bodies (AACs), national authorities (Agency of Modernisation and Development of Agriculture) and service providers (e.g. some transport providers, labels, etc.). All these organisations are both public or private and in most of the cases they are for profit oriented.

In Poland training programmes available to manufacturers focus on:

- ⇒ general business skills, such as planning, financial management, marketing, risk management
- ⇒ skills needed to cooperate with others
- ⇒ issues related to branding and labelling
- ⇒ negotiations and contracts
- ⇒ the needs of SFSC systems in the field of IT
- ⇒ the use of technological solutions in the production /development of products
- ⇒ logistics and best practices in the field of health and hygiene

Management and logistics models and guidelines for high-quality local brands are available for replication. The institutions support the communication activities of potential beneficiaries of SFSC systems, and the results and operation of SFSC systems are monitored in order to assess the social, economic and environmental benefits of the functioning of the SFSC system. The institutions also maintain databases that enable networking between producers and other members of the SFSC system to build new partnership networks.

Most of the trainings available in Poland deal with food safety. This is the topic realized by all AACs and other public institutions. Lectures on this topic are also provided by universities.

Those farmers who would like to launch SFSC can get free or for-fee advise in the following topics:

- ⇒ legal consultation – free (AAC),
- ⇒ accountancy consultation – for-fee (some of AACs or private),
- ⇒ cooperation facilitation – depends on circumstances free or for-fee,
- ⇒ access to credit – banks, for-fee,
- ⇒ access to subvention – EU and national funds,
- ⇒ tender writing – for-fee (by private companies),
- ⇒ business management – for-fee (by AACs or private companies).

### 3.4.5. Human resources aspects to enhance SFSCs

In order to enhance SFSC animation, the following human resources aspects would be required:

- ⇒ TASKS: the tasks necessary to support SFSC animation is first of all setting up strategy of work. It should be well planned activities which would encourage potential beneficiaries to start working for SFSC.
- ⇒ COMPETENCES: the crucial competences for that task is to have overall and detailed knowledge in the topic of SFSC. The animator must be fully professional in this topic. Regarding the skills he/she should have many soft skills e.g. communication, teamwork, negotiations etc.
- ⇒ STAFF TRAINING: this is always a big issue. The best option is to have distance learning however the biggest challenge is to elaborate/invent some motivation tool. The common problem with e-learning is lack of support and motivation.
- ⇒ CONTRACTUAL RELATION: it should be full/part time work contract.
- ⇒ TYPE OF INCOME: the salaries if possible, should be paid from project devoted to this topic.

### 3.4.6. Organizational and structural background of SFSCs and sustainability assessment

- ⇒ In terms of INFRASTRUCTURE: the community has to have the place where they will have their headquarter. There will be implemented process of preparation products to sell (quality control, packaging, preparation for transport, etc.). As an infrastructure there will be necessary also some truck which will be used to deliver orders to customers.
- ⇒ In terms of MANAGEMENT: there must be someone hired, who will be a general manager of this company. It is necessary to coordinate all activities by one experienced person.
- ⇒ In terms of IT DEVELOPMENT: it is absolutely necessary to have good and professionally prepared website and on-line selling system or ordering system.
- ⇒ In terms of PRACTICAL NEEDS FROM STAKEHOLDERS: there must be organised consistent and clear system of ordering and delivering products.

## 3.5. Report on SFSCs in France

### 3.5.1. Definition of SFSCs in France

There is an official definition of SFSCs (“circuits courts”) that was created in 2009 by the Ministry of Agriculture. This is a marketing method which includes at most one intermediary between the producer and the consumer. They may be local as well as regional, but according to the French authorities, for the application of agro-environmental and climatic measures of aid to short circuits, under the common agricultural policy they have selected a radius of 70 kilometres.

### 3.5.2. Definition of “intermediaries”

The intermediary between the producer and the consumer according to the regulations in France can be:

- ⇒ organizations for the promotion and animation of short circuits (CIVAM, ASARD.),
- ⇒ organisation who organize the link between farmers and producers, but without directly selling the products themselves - example: producers’ shop (part of them),
- ⇒ retailer (GMS, shop sale, grocery store), the catering (traditional catering, farm inn, collective catering).

The transaction between farmers and intermediaries is defined as:

- ⇒ animation: mostly associations who have links with farmers, to develop new initiatives and propose new practices. Ex.: GRAB, CIVAM (see below on 3.5.4.)
- ⇒ organisation, services: associations or private companies who organize/supervise sales, operations to promote producer’s products and develop new projects. Ex.: <https://www.1001repas.com>, <https://www.agrilocal76.fr>, [www.grap.coop](http://www.grap.coop),
- ⇒ retailer, basket (delivery), distance selling who buy products from local producers and sell directly to consumers (including collective catering).

### 3.5.3. Definition of “SFSC animator”/ “SFSC facilitator”

There is no legal definition for SFSC animator/ animation/facilitation in France.

### 3.5.4. Organisations, services, education and training

In France NGOs, local craft programmes, public and semi-public organisations, regional and local municipalities, as well as private sector organisations support farmers who would like to enter in SFSC.

- ⇒ NGOs (working with public, national or European funding mostly):
  - **CIVAM: MECICO Project-2013**, this project aimed to strength farmers’ professionalization, to increase the synergy between the several actors and to provide farmers’ with the opportunity of expanding their profits and improving their economic and decision-making independence.

Carried on by the FNCIVAM and the AffIP, it gathers around twenty local and national partners. <http://metiers-circuits-courts.org>

- **RMT Network - Mixed Technological Local Food Network** (<https://www.rmt-alimentation-locale.org/rmt-presentation>) offers trainings to producers', artisans' and even actor's. However, the training remains scattered, little known and rarely suitable. The RMT aim is to check the available trainings, for capitalizing data and results for the trainers, for proposing new training modules and backing.
- **CUMA** is a kind of cooperative farming association which allows farmers to gather their resources in order to obtain farming equipment. This model could be the basis of the local goods transformation such as (mobile slaughterhouse, collective processing workshop, fixed or mobile...).
- **AFOCG** over 30% of AFOCG's members have chosen selling within short supply chains. This situation changed the exploitation process by introducing a new pursuit. And, it led to settle several trainings either for particular projects or collective sale ones. Questions around cost and sale prices, organization within the farm and its viability or even negotiation come up regularly.

⇒ Local craft program / transformation: GRAB, GAB: Brings together the "organic" farmers in a region. Delivers educational tools and training for farmers around short circuits. For example: <https://produirebio-normandie.org/wp-content/uploads/2016/01/FT-COMMUNICATION-WEB.pdf>

⇒ Public or semi-public organisations:

- Chambers of Agriculture: offer marketing training for farmers.
- Naturparks (Parc Naturel Régional = Natural Régional Park = Territory with specific natural characteristics) These PNRs are different from the National Parks (France), which aim is to preserve nature. Their animation team has different missions: to valorise the natural characteristics and to develop the economy. It is the reason why they are motivated to develop local products upon the short food supply chain. For more details visit: <https://www.parcs-naturels-regionaux.fr/en>. In a dynamic territory, with numerous initiatives from agricultural stakeholders, the Park will not occupy a prominent place and will have to assert itself in a role of territorial coordinator. Conversely, in a less dynamic context, the Park could play a role as the initiator of territorial procedures. Result of the November 2017 conference:
  - support for PNRs which is predominant in matters of marketing and promotion, but which is not accompanied by territorial cooperation,
  - limited funding from PNRs on agricultural production and practice (currently, the link between PNRs and sustainable agriculture is weak),

- the study highlights a wide variety of positioning of the Parks in their actions on short supply chains. This diversity can be explained by the role of the park (initiator or coach), the tools offered (networking, communication), the context and the organisation of the Park's governance system.
- ⇒ Regions are also involved in SFSCs via EAFRD programs – e.g.: the 2020 Normandy Region call for projects, whose objective is to encourage "cooperation" between actors.
- ⇒ Cities and/or agglomerations, ex: Rouen with the PAT.
- ⇒ Private Sector: which aim is to organize link between consumers and producers, for ex. producers' shop, groups of consumers (e.g.: CSA).

These organisations are providing different national, regional programs and services for farmers who want to launch SFSCs, e.g. initiatives to sell local products (retailers, deliveries) and different trainings, e.g. Savoir-Faire & Découverte, training related to transformation of products for local sale or creation of local shops. Specific services available for farmers to launch SFSCs:

- ⇒ Territorial food projects: local, regional, national, European levels - Art. L. 111-2-2. (Rural and maritime fishing code - October 13th, 2014) - The territorial food projects mentioned in section III. of Article L. 1 are developed in concert with all the stakeholders in a territory and meet the objective of structuring the agricultural economy and setting a territorial food system. They participate in the consolidation of territorialized sectors and in the development of the consumption of products from short circuits, in particular those issued from the organic production.
- ⇒ Localim - a toolbox with cards, practical guide to facilitate the purchase of local food products for public collective catering.
- ⇒ IEMGs - Economic and environmental interest groups (GIEE) allow official recognition by the State of the collective commitment of farmers in modifying or consolidating their practices with a view to economic, environmental and social performance. This is a very good action to support a territorial food project approach but the communication on this possibility remains unclear.
- ⇒ SCICs - is a form of cooperative, existing since 2001 (1), which falls within the field of social and inclusive economy. Its purpose is to produce goods or services that are socially useful and meet the collective needs of a territory. It enables all the stakeholders - local authorities, farmers, associations, individuals, etc. - to join together in the form of colleges and around a common project, to undertake business in a different way, in agreement with cooperative rules. It therefore makes it possible to integrate strong project governance and to guarantee democratic and transparent management. Example: Peggy Peralta.
- ⇒ TPCEs - goal is to promote cooperation between social and inclusive economy enterprises, commercial enterprises and local authorities, research poles and training organizations. They

enable the pooling of premises, services and skills in sectors such as integration, early childhood, renewable energies, recycling or even organic farming. They can be privileged tools for the relocation of sectors.

- ⇒ Integration actions - collective "tools", "organic" platforms, e.g. Auvergne bio distribution: Association which connects public buyers (schools...) with local producers and craftsmen. Its role is: to gather goods (meat, dairy products, fruit, vegetables, cereals), produced on our Auvergne territory so as to deliver them. The buyers launch their invitation to tender on the association's internet platform to local suppliers. Then they are able to position by themselves. [auvergnebiodistribution.fr](http://auvergnebiodistribution.fr)
- ⇒ The association Agrilocal.fr aims to promote short distribution channels, the development of local agriculture and the craft trades of the food industry and the strengthening of the local economy, particularly through collective catering and all out-of-home catering. The association provides an internet platform for local actors, in compliance with the public procurement code, which encourage exchanges between buyers in the catering sector and suppliers of agricultural products. [agrilocal.fr](http://agrilocal.fr)

Organisations which helps farmers to get into SFSCs are:

- ⇒ ONGs – e.g. CIVAM,
- ⇒ public actors as Chamber of Agriculture,
- ⇒ private sector, which aims to organize link between consumers and producers for ex. producers' shop, groups of consumers – e.g. CSA,
- ⇒ initiatives to sell local products – e.g. retailers, deliveries.

Some of these organisations are profit oriented (commercial organisation as Ruche qui dit oui, retailers, catering), but there are also non-profit organisations, associations which are financed by the state (e.g. CIVAM).

Those farmers who want to launch SFSC can apply for different services, like:

- ⇒ Animation (to group the farmers): mainly included in Territorial food project.
- ⇒ Services: organisation, accountancy, logistic, and it can be done by public actors, NGOs or private actors, for ex. GRAP ([www.grap.com](http://www.grap.com), CSA...)
- ⇒ Sale: retailers, distance selling, baskets.

At the moment in France, there are no specific training programs for "facilitators" or SFSC project managers.

### 3.5.5. Human resources aspects to enhance SFSCs

In order to enhance SFSC animation, the following human resources aspects would be required:

TASKS:

- ⇒ Lead the strategy of the territorial, local food strategic plan, and its operational program.

- ⇒ Propose and implement sustainable governance, prepare, facilitate and coordinate monitoring bodies.
- ⇒ Implement strategic and pre-operational studies.
- ⇒ Participate and contribute to networks of shareholders (European, national and local), organize and facilitate actions to raise awareness and mobilize food and consumer stakeholders.
- ⇒ Contribute to the emergence of structuring projects and mobilise technical and financial partnerships with the support of the « external finance » manager.
- ⇒ Prepare all documents: draft deliberations, partnership agreements, technical reports, reports and carry out administrative and budgetary monitoring.
- ⇒ Ensure transversality and articulation with other partners, services.
- ⇒ Implement promotions and communication actions.
- ⇒ Ensure a territorial, watch and beyond on the themes of food, agriculture, the local economy, health, etc.

#### COMPETENCES:

- ⇒ Very good knowledge of the three sectors: public, private and civil society, including a good understanding of their expectations and potential contributions to the partnership, as well as of potential conflicts of interest and ways to deal with them.
- ⇒ The animator should also be able to assess the skills of people involved in the partnership, their leadership potential and factors which affect their involvement.
- ⇒ An excellent understanding of the local strategy, the process through which it has been developed, its key objectives and activities envisaged, and how the different partners can contribute or be involved in it.
- ⇒ Very good knowledge of local development methods and opportunities, in particular of issues related to community development, job creation and business development, diversification of local economies, sustainable development etc.
- ⇒ Project management skills, including resource management and evaluation, needed both to identify projects with a high potential to achieve strategic objectives, and to carry out the animator's own activities (e.g. community meetings), which should be managed in a professional way.
- ⇒ A wide range of social skills, including those of a facilitator (acting as a catalyst to identify potential partners and ensure cooperation of different actors), motivator (engaging and mobilising potential partners, understanding the potential and dynamics of civic groups), supporter (capable of reaching out and involving also the most disadvantaged groups), educator (stimulating and managing active learning processes), integrator (developing community bonds and communication) etc.
- ⇒ Practical skills related to such issues as organisation of meetings, moderation of workshops/discussion, methods of ensuring public participation etc.

#### STAFF TRAINING:

- ⇒ Qualification and training required: Bachelor's level in the field of territorial development (urban planning, planning, geography, economic development, etc.)
- ⇒ Experience: professional experience in project management and good knowledge of the local government sector; good knowledge of agricultural networks and sustainable food.
- ⇒ Required skills/abilities: mastery of the project management method; ability to facilitate meetings, manage networks; knowledge of the functioning of local authorities and local actors; good knowledge of the agriculture sector; writing, analytical and synthesis skills; public speaking skills, public speaking skills
- ⇒ Knowledge-to-be expected: ability to develop strategic vision and demonstrate strength in proposal; capacity for autonomy and initiative; interpersonal fluency and teamwork skills

TYPE OF INCOME: Public or mixed public-private.

### 3.5.6. Organizational and structural background of SFSCs and sustainability assessment

- ⇒ In terms of INFRASTRUCTURE: work on logistics, procurement and distribution.
- ⇒ In terms of MANAGEMENT: the manager should be designated by the colleagues, law awareness, coordination and management of the groups, to propose a vision of the project, to invest personal time and energy (sometimes beyond working hours), surrounded by competent people, global and long-term vision of the project, motivation, communication, and collaboration with farmers, to check the companies' accounts and representing the project to the outside world (media, trade fairs, communities, etc.).
- ⇒ In terms of PRACTICAL NEEDS FROM STAKEHOLDERS: engagement of local stakeholders, and political support for projects, good relationship with external stakeholders, such as public authorities.



## 4. CONCLUSION AND RECOMMENDATIONS

As national definitions of Short Food Supply Chains in each country are harmonized with the EU Regulation 1035/2013, there are no significant differences in interpretation of this term, except France. The presented national definitions make reference to the SFSC as a commercial relation between the *producer* and *consumer* with max. one (in Hungary and France) or as few as possible (in the Czech Republic and Romania) intermediaries, while in Poland there is no specified the number of intermediaries. In Romania and France, the term "local market" is geographically specified, defined as a marketing radius that does not exceed 40 km (in Hungary), 70 km (in France) and 75 km (in Romania) from the product's origin holding. **This harmonized interpretation can provide a solid basis for the development of a competence catalogue, business roadmap and training curriculum aimed at SFSC facilitation, applicable in all the five countries involved in the present project.**

There is no legal definition for "SFSC animators"/ "SFSC facilitators" in any of the partner countries, this position/ occupation does not exist as such in the Rural Facilitator partner countries. As there is a substantial need for this catalysing role conducive to strong and sustainable growth of SFSC's, the needs gap is filled by various entities, organisations, programmes and specialists. Public and private organisations, both profit and not-for-profit entities provide various services to facilitate the launch and management of SFSCs in each country, this report present an extensive list of these entitles in Chapter 3 ([REPORTS ON DESK RESEARCH RESULTS BY PARTNERS](#)). The services collected and presented in this report (including some best practice examples presented from each country) can help define what the future job of the "rural facilitator" could involve:

- ⇒ leading the territorial, local food strategic plan, and its operational program, implement strategic and pre-operational studies,
- ⇒ proposing and implementing sustainable governance, prepare, facilitate and coordinate monitoring bodies,
- ⇒ contributing to networks of shareholders (European, national and local), organize and facilitate actions to raise awareness and mobilize food and consumer stakeholders,
- ⇒ preparing all documents: draft deliberations, partnership agreements, technical reports, reports, carry out administrative and budgetary monitoring,
- ⇒ organizing info days, social events, conferences, meetings, study tours, other professional events,
- ⇒ organizing farmers' market and mapping other sales possibilities (online marketplaces, open farms programs, touristic events, box sales, direct sales, sales to wholesale consumers, etc.),
- ⇒ networking: organizing festivals and other open events,
- ⇒ offering legal consultancy to farmers,
- ⇒ assistance with sales practices and building up a brand,
- ⇒ managing PR and communication: editing publications, websites, databases, articles,
- ⇒ organizing training, lectures, seminars, information exchange,
- ⇒ providing administrative services (accountancy, access to credit and subventions),

- ⇒ assistance in IT and other technological solutions,
- ⇒ monitoring and reporting on the benefits of SFSCs,
- ⇒ business management, tender writing and control of projects,
- ⇒ mapping and sharing successful management and logistic models, legally sound solutions.

The main constraints of traditional food chain development are the lack of knowledge of market, lack of time for organisation and lack of investment. As a conclusion of the present research we can affirm that one solution might be a sort of “rural business angels” who can plug the gaps across the value chains, namely the rural animators or rural facilitators. These specially trained persons will be able to:

- ⇒ facilitate the access to market of small farmers because they will be able to organise farmers’ associations,
- ⇒ solve conflicts between farmers and consumers,
- ⇒ look for special supports,
- ⇒ analyse the changes of markets.

Some of the needs and constraints identified in the present research, and some aspects that the competence catalogue and training curriculum within the Rural Facilitator project should consider:

- ⇒ There are training possibilities for farmers interested in SFSC on an incidental basis (offered by local associations, NGOs), but the overarching training/mentoring processes are missing, the Rural Facilitator training should adapt such an approach.
- ⇒ Non-formal, IT based training possibilities and other IT solutions for SFSCs should be prioritized.
- ⇒ As some of the current training offer focuses mostly on knowledge development, the Rural Facilitator project should have a strong competence development focus, with special emphasis on social skills, “interpersonal fluency”, teamwork and all the skills needed for successful cooperation (communication, problem solving, conflict management, etc.).

The present research identified a large spectrum of knowledge and competence areas relevant for the human resource aspect of the SFSCs. Some of the partner countries also have vocational or adult training opportunities available to address some of these knowledge and competences areas, but no complex training programme for “rural facilitators” or “SFSC animators” is available as such. As it is obviously *not* possible to develop all the needed competence and knowledge areas in one training curriculum, it is the task of the Rural Facilitators project staff to prioritize and define the final competence catalogue of rural facilitators and to elaborate a training curriculum with the desired learning outcomes.

The broad spectrum of knowledge and competence areas relevant for the human resource aspect of the SFSCs as identified in the present research:

- ⇒ Knowledge concerning SUSTAINABLE RURAL DEVELOPMENT (environmental sustainability, social sustainability, local development methods and opportunities, issues related to community development, job creation, diversification of local income opportunities in the

countryside, human ecology, small-scale food production, substantial knowledge in SFSCs, ecological production, farmhouse keeping, food processing, hygiene and health, agritourism).

- ⇒ Very good KNOWLEDGE OF THE THREE SECTORS: public, private and civil society, including a good understanding of their expectations and potential contributions to the partnership, as well as of potential conflicts of interest and ways to deal with them, understanding the potential and dynamics of civic groups.
- ⇒ Knowledge and competences regarding BUSINESS PLANNING (strategic thinking, ability to plan, identifying resources, resource management, financial management, recruitment, performance monitoring, supportive supervision, tender writing).
- ⇒ Knowledge and competences regarding SALES, MARKETING and USE OF TRADEMARK (sales channels, reaching out to potential consumers, logistics, building up a brand, use of social media, new trends in diet and tourism, symbolic, material, cultural and ethical factors in food and other goods' consumption).
- ⇒ PROJECT MANAGEMENT SKILLS, including resource management and evaluation, needed both to identify projects with a high potential to achieve strategic objectives, and to carry out the animator's own activities (e.g. community meetings), which should be managed in a professional way.
- ⇒ A wide range of SOCIAL COMPETENCES, SOFT SKILLS, including "facilitator" skills, motivating skills, skills to engage and mobilize potential partners, capability to reach out and involve also the most disadvantaged groups, educator skills, ability to stimulate and managing active learning processes, "integrator" skills, developing community bonds and communication, conflict resolution, networking, communication, teamwork, negotiation.
- ⇒ KNOWLEDGE OF LEGISLATION (legal framework for SFSCs, applying legal requirements, verifying authorizations, verifying farm conditions, applying legislation regarding food security).
- ⇒ Knowledge of IT AND OTHER TECHNOLOGIES (building a website, IT marketing solutions, IT sales solutions, IT distance learning/development solutions, Technological solutions for food production and processing).
- ⇒ PRACTICAL SKILLS related to such issues as organisation of meetings, moderation of workshops/discussion, methods of ensuring public participation etc.

As for the type of training that should be provided for people who would like to become "rural facilitators", most partners agreed that an adult training course would be suitable, involving e-learning elements and having a strong focus on competence development, including soft and social skills development. Considering the complexity of the "rural facilitator" attributes, applicants at this adult education training programme should have a bachelor's level in a relevant field (urban planning, planning, geography, economic development, management, etc.) and some

professional experience in project management, local government and agricultural networks' management. Basic skills in project management methods should also be considered among the "entry requirements", as well as some writing, analytical and synthesis skills, and good communication skills. It should be also considered that these kind of complexity of knowledge would demand a "superhero", that is why each country or region must choose those training element which are crucial for their SFSC development. It means that the future learning material should provide a living repository of knowledge grouped in obligatory and optional chapters.

The range of envisaged tasks and necessary competences identified in this report is probably too large to be covered in one "Rural Facilitator Training", therefore in the next research steps, the Rural Facilitator project partnership will analyse the findings of the report to identify the core competences. Based on the competence catalogue that the partnership will develop, the most relevant training topics will be identified and a training curriculum for "rural facilitators" will be set up.