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How growth of a local organic box scheme influenced supplying farmers

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Local food systems typically only involve a small amount of farmers and consumers. To analyse attempts to scale up local organic food systems, we explored a box scheme in Austria that had grown significantly, and interviewed 19 supplying farmers. Interviewees valued the way the products were marketed directly to consumers and the fair prices. The box scheme has managed growth by strengthening cooperation with larger vegetable farms and importers. Nevertheless, for the identity of the box scheme, small local producers were central.

Keywords: local food system, scaling-up, box scheme, organic agriculture, Austria

1 Introduction

Two major challenges are currently facing the organic sector in Europe. One is to scale up organic production and consumption while retaining the authenticity of the values embedded in organic agriculture. The other challenge is to enhance the ability of organic farms to adapt to change, since change is pervasive both in agricultural policy and on agricultural markets (Darnhofer et al., 2010). The adaptability of a farm is influenced by the marketing strategy the farmer pursues (Björklund et al., 2009). Many farmers engage in a diversity of market strategies involving short and long food chains. Short/local food chains connect farmers and consumers and tend to strengthen the profitability and economic resilience of small entrepreneurs (Renting et al., 2003). However, localised food systems typically only involve a small amount of farmers and consumers (Mount, 2012). Attempts to scale up local organic food systems need to be analysed. This research explores the implications of growth of a local organic food system in Austria. We analysed how supplying farmers evaluated this marketing channel, how they were influenced by its growth, and possible ways the local organic food system could continue to grow.

2 Material and Methods

The paper presents the case of Adamah Biohof, an Austrian organic box scheme close to Vienna (Milestad and Kummer, 2012). We carried out semi-structured interviews with 19 supplying farmers (14 men, 5 women), and a feedback workshop with 11 representatives of Adamah Biohof. The interviews and the feedback workshop were digitally recorded, transcribed and analysed thematically according to similar analytical codes (Bernard, 2006). Adamah Biohof is an organic farm offering a vegetable box scheme delivering about 5,700 boxes/week to households in and around Vienna. The box scheme started in 2001 with 50 boxes/week, and has grown about 10-30 % per year. Adamah is one of the biggest organic box schemes in the German-speaking countries, and currently employs 80 to 120 persons, depending on the season (all data from spring 2013). The boxes are not only filled with produce from the farm, but also with products from approximately 100 organic farms in

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Eastern Austria, and with imported products purchased via organic traders. Adamah puts emphasis on consumer contact and information. Box subscribers are provided with a leaflet in every box, containing information about the purchased products and the producers behind the products. Adamah calls this strategy '*biological food with a biography*' (in German: "*Bio-Lebensmittel mit Biographie*"). Additionally, consumers can buy at the farm shop or on farmers' markets. Adamah receives feedback from the consumers via direct contact and/or via telephone or e-mail.

3 Results

Interviewed farmers saw various advantages in marketing via Adamah. Most often the farmers stated the comparably good prices they received, and the high flexibility that the box scheme provided, as the content of the boxes was variable and changed from week to week. Marketing via the box scheme also served as an advertisement for the supplying farmers, as information leaflets in the boxes contained presentations of products and supplying farms. Other advantages that were mentioned concerned personal and straightforward contact to Adamah, proximity and short transports, and contact to consumers: receiving customer feedback from Adamah, and being able to provide information to the leaflets. Another advantage that interviewees mentioned was the specific feature of Adamah as a mid-sized company, in the supposed continuum between (small scale) direct marketing and (large scale) mainstream marketing. Interviewees were also asked for disadvantages related to marketing via Adamah. Two farmers criticised the slow processing of payments. This problem was due to a deficiency in accounting during a certain time period, which led to prolonged time spans for payments. This problem was solved during the course of the research. One interviewed farmer saw the comparably high retail prices of the products in the boxes as problematic, worrying that Adamah customers could find his products as too expensive. Another interviewee mentioned that marketing via small channels meant more work than marketing to mainstream retailers.

Altogether, the main reason for supplying Adamah was because producers valued the way Adamah marketed the products directly to consumers, and that they received fair prices. The producers were not bound by contracts but were highly flexible when trading with Adamah, concerning amount, product range, or properties of the products (that did not have to fulfil standardised requirements demanded by the mainstream market). It is interesting to note that no farmer mentioned the absence of written and/or binding contracts as an advantage of Adamah, but did so in the opposite situation, i.e. farmers that also marketed via retailers found it a drawback that these retail companies insisted on contracts. The flexibility for the farmers through the absence of contracts seemed more valuable than the security of knowing the amounts they would be able to sell via Adamah. Regarding the growth process of the box scheme, interviewed farmers stated that producers that could provide larger quantities became more important in the box scheme. Some diversified and/or small-scale producers had dropped out because their products were not needed any more. In the feedback workshop, Adamah representatives confirmed that collaboration with some smaller producers had ceased, not least due to the prolonged payment periods mentioned above. Additionally they stated that cooperation and coordination with small producers was sometimes time consuming. These practical organisational problems were seen in opposition to the credo of the company to provide local organic products '*with a biography*', i.e. making transparent where products come from and how they were produced. The interviewed farmers thought that the way the products were marketed by Adamah was successful and promising, and they were satisfied with this specific marketing channel. Farmers that supplied Adamah had a high diversity of marketing channels, and most of the producers only delivered a relatively small share of their produce to Adamah. Therefore, they could react flexibly if Adamah did not buy their products and could fall back on other trade partners or on direct marketing. Nevertheless, 16 of 19 interviewed producers wanted to deliver a higher quantity because of the advantages Adamah provided.

4 Conclusions

Since the interaction between producers and consumers is what produces many of the qualities and legitimacy in local food systems, scaling-up is not simply a matter of increased volume, since interaction may not be safeguarded in such systems (Mount, 2012).

Adamah has managed growth by strengthening cooperation with larger vegetable farms and importers, leaving some smaller farms without knowing if Adamah wanted their products next year or not. At the same time, most interviewed farmers wanted to continue to deliver to Adamah, and would also be able to deliver more. Most producers in the Adamah food system used a diversity of market channels. For the farmers, there were pro's and con's with both - short and long food chains. They valued the independence and flexibility, as well as the close relation to consumers in local food systems, but also the possibility to sell large quantities at once through conventional channels. The latter comes at a price, however, since a significant portion of the added value for farmers in local organic food networks comes through the elimination of intermediaries (Renting et al., 2003; Sonnino & Marsden, 2006). Adamah represented a local alternative that was large enough to be able to buy more from each farmer, and still offered a better price than retailers did. Adamah is currently at the crossroads. One possible way forward is to continue to develop cooperation with larger producers, and leave the smaller ones behind. Logistics, communication and organisation would be less complex and consumers' demands for organic produce can be satisfied. However, this route may deteriorate legitimacy, since consumers may expect that small, local farmers are supported in the Adamah box scheme. The other possible growth route is to source larger volumes from many small farms. This would demand new organisation, communication and logistics. However, it may help Adamah to maintain an alternative identity within a context of hybridity (Mount, 2012).

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