A meeting point between agricultural producers and consumers: the Italian Solidarity Purchasing Groups case study

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Abstract: Short food chains represent an important opportunity to reduce the number of intermediaries between food supply and demand and to create a strong relationships between producers and consumers. Among the several types of short food chain, one interesting experience is that of the Solidarity Purchasing Groups (SPG). They were born to answer to the need of food self-sufficiency expressed by the urban contexts and, at the same time, they try to face the question of the ethical and social aspects of the food system. As other kind of short food chains, SPG express the growing interest in food safety and quality, as well as the need for new social and productive relationships.

The Purchasing Group is made of consumers buying together food and other goods directly from producers, without intermediaries, and then it redistributes stuffs among the group participants. Without ethical implications, the main objective of PG is to obtain favourable terms of purchase. Otherwise, if the group is interested in understanding the ethical and social aspect of the production system as well, such as the working conditions, the right remuneration for the producers, the environmental impact of production, the valorisation of local and typical productions and traditions, then the purchasing group becomes a solidarity one.

SPG are playing an important role in managing the dynamics among rural and urban areas. They contribute to create or maintain a viable productive environment in the peri-urban areas, allowing small farmers located in these areas to have access to the market, to programme the production, in some case to set in advance kind and quantity of production, and have a secure and stable economic return. For bigger farms, as for other kind of short supply chain, SPG are an opportunity to diversify the sources of income.

The aim of this work is to investigate the social, environmental and economic aspects driving consumers and producers to join a SPG. The analysis was conducted through interviews and questionnaires to consumers and producers in 5 Italian cities and related peri-urban areas along our country. Furthermore, our study allows to assess the impact that this kind of innovation on the retail chain has on the urban system of food and on the geography of agricultural production.

Keywords: short food chains, Solidarity Purchasing Groups, urban system

Introduction

Last decade of the 90es and the beginning of the new century see the spreading of new buying experience and networks driven by consumers, within the wider context of the shortening of food chain phenomenon. Emerged new types of producer-consumer cooperation in food networks, partly in opposition to dominant globalization and concentration trends in food markets.

From the recent literature, we know that there is a particular interest in community-led initiatives connected to sustainability, linking food to lifestyle, environment and culture. The most famous approach comes from Seyfang: she proposes a model of grassroots innovations to describe innovative networks of activists and organisations that lead bottom-up solutions for sustainable development; solutions that respond to the local situation and the interests and values of the communities involved (Seyfang and Smith, 2007). With reference to sustainable consumption, she asserts that consumers have developed their awareness on the responsibility they have towards global problems, such as environment, equity, justice. She then points out five dimensions characterizing the sustainable consumption: localisation,reducing ecological footprints, community building, collective action, building new infrastructures of provision. In this perspective, SPG represent a perfect example of grassroots innovation, a new model of managing the food economy, through the harmonization of social, economic and environmental values.

Brunori et al (2012) refer to Altenative Food Network as drivers for system innovation, because "they try out concrete alternatives to the conventional ways of producing, selling and consuming and at the same time, as they create tensions at the interface of the context in which they operate, they trigger processes of change at a higher level". According to the authors, AFN are drivers for system innovation and alternative consumers can be considered as second level innovators, as "they aim at reshaping the worlds of consumption, production and distribution according to principles that are alternative to the dominant ones".

SPG potentially represent a shift in the role of consumers from passive endusers and mere buyers of food towards 'citizen consumers' that intend to regain control over the ways in which their food is produced and provided and actively reshape their relations with food production. As such, they also embody possible changes in food governance mechanisms and renewed relations between civil society, market and public policy.(Renting *et al*, 2011).

The active role of consumers is underlined by Cembalo et al (2013) too, as they conclude in their work that "consumers not only express more and more modern instances pertaining to the sustainability of the agro-food system, but also, when they do not find answers on the market, they themselves generate organized forms which satisfy needs which are getting more and more complex and less and less linked to mere accumulation of goods".

Fonte (2013) adds to the theoretical debate, the interesting point that an emerging food practice should be scaled up and stabilised, and "the relation between stability and change is conceptualized through the dialectical relation between reflexivity and routine. A new practice is institutionalised when reflexivity is expressed as new routines". In her study on SPG's in Italy and in Rome, she remarks that SPG's "have to be conscious about how to enhance social and environmental sustainability, but also necessitate routinisation of food buying activities so that such complex procedures be rendered practicable".

In more or less 20 years, in Italy, the process of reconnecting producers and consumers in some innovative way shows some interesting results: actually there are around 63.000 farms selling through direct sales and 40% of Italian families regularly buy food directly from the producer.

First experiences of SPG can be found around the 90s in the North area of the country. In 1997 the SPG network was born, aiming at connecting the several SPG, promoting their diffusion , exchanging information on food and producers, sharing events. In 2008, the Italian budget recognized the existence and the important role of SPG. Actually, according to a research by Coldiretti and Censis for 2012 7 million of Italians, around 19% of total population, are part of SPG, 2,7 million stably. From the SPG national network we learn that there are around 800 SPG registered in our country.

They developed as groups of families who share a critique of the dominant model of consumption and try to build an alternative solidarity economy, changing the way they buy their food (Fonte *et al*, 2011).SPG in Italy are characterized for a strong ethic and social dimension, promoting a social and economic sustainable model. The document published in 1999 by the official Italian SPG network on its website (www.retegas.org) underline that "the act of shopping ....can have a strong and clear social, economical and political value. Gaining awareness of this power may allow us to influence the way firms source, distribute and produce". More than obtaining low prices and favourable purchasing conditions, that would be a mere manifestation of individual utility and preferences, SPG stress the concept of solidarity, declining it in terms of equity among different areas of the world (fair trade) and among producers (big and small farms) and ofprotection of natural resources (organic farming, in season products and km 0 products).

As a confirm of this approach, referring to Seyfard theory, a recent study on the Italian PG (Fonte *et al*, 2011) tested the five dimensions of sustainable consumption from the PG point of view. They found out that the three first dimensions are strongly connected in PG:local, organic and small producers are preferred, allowing to pursue the environmental safeguard, to sustain local economies and to build confidential and strong relationship among producers and consumers/citizens. Moreover, a collective action can be recognized not only in the collective purchasing, but also in the SPG management, in participation to SPG networks, and in the promotion of social and political events. Finally, SPG represent a new model of infrastructure within the urban context, with still some logistic difficulties, that should require more institutional support.

The SPG's structure is very different among cities, highly flexible and complex, for number of families participating, organizational rules, management and choice of producers.Usually consumers joining a PG collect information on producers through personal contacts, doing researches on the nearby territories, sharing information with other PG and then they choose on the basis of several criteria: food safety, environment respect, therefore organic products are preferred as well as food miles (km 0 products), small and local productions supporting and improving local economies. There are contact persons for each producer, taking care of changes and updating prices and eventually solving problems. Orders are usually managed by internet and email. Product are delivered in a prearranged day and time in an arrange place, a public place as well as a private shop or similar. Participants to SPG organize recurring meeting to discuss news and organize events, and in addition, meetings are organized among PG within the region or at national level.

Objective and methodology

The work is part of a broader research aimingat identifying policy interventions that can, on the one hand, promote the dissemination of the experiences of short food chain in different peri-urban areas and, on the other hand, enhance the positive impact that these forms of retail chain can have on environment, society and the local economy.

The methodology that has been adopted is a quali-quantitative one and it aims at the definition and quantification of indicators assessing the positive impacts that the different forms of short food chain have on the three dimensions of sustainability: environment, society and local economy.

In detail, the methodological approach has been divided into 4 steps:

STEP 1. Identification of indicators that are useful for the quantitative assessment of short food chains, and their impact on the area. The set of indicators have been identified through a participatory methodology from the experience of a previous project (D. Marino, C. Cicatiello, 2012). In the chosen of indicators the previous project identified those most frequently used in studies on sustainability (ECNC, 2000; EC, 2001; EEA, 1998; INEA, 2004, OECD, 1999, 2000, 2001) and those most frequentlycited in the literature on short chain regarding environmental, social and economic impacts (Battershill and Gilg, 1998; Ilbery and Maye, 2005; DEFRA, 2005; Aubryet al.,2008). These indicators have been discussed into two focus groups (one composed by researchers working on the issue of short supply chains and the other one by stakeholders in the supply chain) in order to define indicators of greater accuracyand to respond to the need to integrate the analysis conducted on the basis of the documentation available in the literature and networking with qualitative information which identifiesindividual impacts of short chain on producers and consumers (Figure 2.1).

STEP 2. Application of indicators identified in Step 1 to five case studies through interviews and questionnaires to producers, consumers and officers.

STEP 3 Analysis of the scenarios at local and national levels and their impact on the development of short supply chains and evaluation of policies and instruments adopted.

STEP 4. Identification and implementation of policies, actions, and tools for the development of short supply chains and identification of the most efficient and effective tools for the development of short supply chains on local area.

Figure 2.1: Indicators of sustainability

		Consumer
Environmental	A1	I buy here products made with low impact techniques.
	A2	To buy here I don't have to move so much.
	A3.a	Buy here allows me to reduce packaging to throw in the trash.
	A3.b	Since buying here I waste less food.
	A4	Since buying here I am more aware of the environmental impact of consumption.
Social	S1	Buy here allows me to establish a personal relationship with the farmers.
	S2	I like the fact that here I purchase products that originate from my territory.
	S4	I think buying here improves the quality of my diet.
Eco-nomic	E2	My participation in this reality helps sustain the economy of my country.
	E3	I think that the products they purchase here have a good quality/price ratio.
		Producer
Environmental	A1	More attention to the consumption of resources employed on the farm
	A2	Selling of products from traditional agricultural varieties or animal breeds
	A3	Reduction of food miles
	A4	Selling products without packaging
	A5	Perception of environmental sensitivity of consumers
Social	S1	A personal relationship with the consumer
	S2	Selling of products to local community
	S3	Informing consumers about the nutritional value of products
	S4	More work as a result of participation in the short food chain
Economic	E1	Changing in the production
	E2	Increasing of income
	E3	Increasing of linkages with the local economy
	E4	Higher prices compared to other food chains
	E5	Improving of the company's prospects for growth

The study involved 5 Italian cities and it is related to peri-urban areas along Italy, identified around the following towns: Trento (North East), Turin (North West), Rome (center), Pisa (Center), Lecce (South).

9 in-depth interviews were carried out according to a predetermined track to the organizers in order to understand the mechanism of transfer of the products, the area covered by the economic activity; 34 interviews were carried out to producers (mail or telephone interview) to measure, through their perception, the impact on the area, and 186 interviews were finally carried out to consumers (the survey was carried out online and consumers are invited via email to follow a link from which directly answering to questions) to measure, through their perception, the impact of different organizational arrangements in the area (Table 2.1).

Information collected through the questionnaire were organized into a database where farmers and consumers have been classified at the local level.

Table 2.1: Number in sample interviewed

city	experience	producer N°	producer %	consumer N°	consumer %	organizer N°	organizer %
Lecce	Carlo Mileti	1	3	10	5	1	11
Lecce	Daniela De Blasi	1	3	9	5	1	11
Pisa	Cascina	4	12	18	10	1	11
Pisa	San Zeno	4	12	24	13	1	11
Rome	Podere Rosa	7	21	24	13	1	11
Rome	Slow Food	10	29	13	7	1	11
Turin	GAC - Piossasco	3	9	17	9	1	11
Trento	Credenza	3	9	58	31	1	11
Trento	GasTone	1	3	13	7	1	11
Total		**34**	**100**	**186**	**100**	**9**	**100**

Results

Table 3.1: Number in sample interviewed

city	experience	producers			consumers		
		Number	Interviewed	%	Number	Interviewed	%
Lecce	Carlo Mileti	8	1	13		10	
Lecce	Daniela De Blasi	16	1	6		9	
Pisa	Cascina	60	4	7	60	18	30
Pisa	San Zeno	40	4	10	40	24	60
Rome	Podere Rosa	20	7	35	80	24	30
Rome	Slow Food	13*	10	77	120	13	11
Turin	GAC - Piossasco	50	3	6	45	17	38
Trento	Credenza	55	3	5	140	58	41
Trento	GasTone	15	1	7	35	13	37
Total		**277**	**34**	**12**	**520**	**186**	**32****

Source: SPG's Organizers interviews
(*) From http://www.slowfoodroma.it/news/s-gas-cosa-aspetti-aderisci-ora
(**) Except SPG of the city of Lecce

Interviews reached the 12% of SPG's producers and over than 30% of consumers (table 3.1); the producers were surveyed mainly in the area of Rome (17) while consumers in that of Pisa (90).

The dataset shows a strong heterogeneity among the Solidarity Purchasing Groups: some of them are really small with only about 20 consumers and less than 10 producers, others are really big, involving hundreds of members and more than 50 producers. According to the consumers SPG has the best results when they involved maximum 30-40 families.

All the SPG of the sample are active since several years: they were born trying to develop a direct and trustful relationship between producers and consumers, to support a sustainable economy for local and typical products. In this agreement, producers know that a part of their production is surely sold every year; instead consumers know that food and the other goods purchased through SPG are eco-sustainable and their prices are competitive in comparison with the same products sold in large retail organisation.

In general the attention is addressed to eco- sustainable productions preferably, but not exclusively, to organic one, to reduce the environmental impact of transports (food miles, often producers are located in an area within 50 km far from the centre of SPG) and the packaging impact (SPG make an effort to buy products without packaging).

Talking about social impact, SPG play an important role in managing the socialization between members and producers that meet themselves at the annual meeting of the Group, but also in other meetings organized in farms or in other member's houses to talk about responsible consumption.

SPG work in different ways according to their different size: the smaller ones have a coordinator who have to keep in touch consumers and producers and to manage the place where stuffs are stocked and distributed. The bigger ones have got different contact persons for different products and for different producers.The costs of ordinary management are usually paid with membership fee.

No one of this SPG have specific funds except cases in which local institutions give money to promote these initiatives in the territory.

Producers

Farms supplying SPG are usually quite big: their average Utilised Agricultural Area – UAA - is 43 hectare, while according to the last Census -2010- the average in Italy is less than 10 hectare. In the companies surveyed, there was a high incidence of the areas cultivated with organic production (at least 50% of UAA) well above the national average and the main productions are fruit, vegetables and livestock (principally dairy livestock).

Farms are mainly located in a hilly area (average altitude 300 m) close to the main markets and thus are characterized as "firms proximity."

With regard to demographic characteristics, the most important fact is that the average age of the interviewed entrepreneurs is rather low (40 years).This indicates that in a general situation of fragmentation of agricultural production and low profitability (Cicatiello, 2008), SPGseems to offer the opportunity to increase the interest of young people in the agricultural sector and foster generational change with positive implications from the point of view of employment. The ability of SPGto attract entrepreneurial women is lower: farmers are usually male with a farming experience of over 10 years. On average, the workforce in the farms is represented by 5 people (over than 40% is family labour); the incidence of young labour is 22% and the female labour is the 25% on total.

70% of the sample of farms have some multi-functionality activities (educational farm, direct selling, social agriculture, agri-tourism, tasting, etc.), in particular more than 50% of these farms can process their products.

The range of products traded within the SPG is wide and varied:usually fruit and vegetables, olive oil, followed by milk and dairy. Fresh products are delivered to the consumers in few hours from the storage because of well-known food security problems.

Often food is weekly delivered, but some specific products like Parmigiano Reggiano cheese, olive oil, Sicilian oranges, etc are bought only in specific period of the year.

The prices are established by the producers, but sometimes they could be negotiated between consumers and producers. Usually there is a cash payment at the delivery time.The good price is not the minimum price but the "just price": the price that is fair to both the producer and the consumer and covers all farm costs, starting from labour and including the higher cost of environmentally friendly practices (Fonte, 2013). Also for these reasons doing the price sometimes consumers can take part in the planning of the production with a "risk-quota" which is the payment of shared risk between producer and consumers due to the unexpected events.

The reasons that prompt producers to sell their products using SPG chain are principally related to the opportunities to valorise their farms, to diversify sale markets and to create a strong relationship between producers and consumers. Less important seems to be the economic aspects.

The sustainability analysis focused on sustainability declared by farmers and has been evaluated based on the scores given by the respondents on a scale of values from 1 (lowest score) to 5 (highest score).Regarding the perceived sustainability, farmers attach greater importance to the overall social and environmental dimension, while the economic aspect receives a lower rating (Table 3.2).

Table 3.2 Sustainability indicators for producers

SPG	Environmental	Social	Economic
Lecce (Mileti)	4,8	4,8	3,2
Lecce (De Blasi)	3,8	3,5	1,6
Pisa (Cascina)	3,4	4,1	2,6
Pisa(San Zeno)	4,1	4,3	3,0
Roma(Pod. Rosa)	3,5	4,0	2,3
Roma(Slowfood)	4,0	5,0	2,6
Torino (GAC)	3,7	3,8	2,9
Trento(Credenza)	3,5	5,2	2,7
Trento(GOS)	5,0	3,5	3,0

In social terms the greater commitment to work through participation in SPG results in an increase in youth entrepreneurs and family workers.

In environmental terms, the SPG trying to contact farmers who respect the environment and therefore manufacturers that produce certified organic or following a path of reducing its impacts; SPG also put in place strategies for low environmental impact (food miles, reducing impacts on waste by using recyclable and reusable packaging or buying large quantities of the product).

In economic terms, the diversification of sales channels favoured by participation in the SPG determine any changes to the business decisions in the field of multi-functionality and the opportunity to make known its own farm, as well as the direct relationship with other producers and consumers, leading to strengthen links with the local economy.

Consumers

The profile of a SPG's member is quite defined: he/she is aged 30-40 years, high school degree and in most cases he/she is an employee.He/she is been participating to the group for more than 2 years, his/her family is composed of 3-4 people and he/she became aware of the SPG by word of mouth.Shopping at SPG is usually done once a week or once or twice a month and it covers about the 20-50% of all food purchases. For this reason and because of a similar kind of supply, shopping in other short food chains is almost absent.

In the most of surveyed organizations, fruit and vegetables represent the most frequently bought food, but there is also other fresh food like meat and eggs which are very interesting even if packaging and conditioning are more difficult. Cheeses and dairy products, olive oil, wine and other processed products (pasta, rice, baked goods, marmalades, juice, etc) are other products bought in SPG "basket", while milk is not bought very often.

Looking at the table 3.3 it emerges that all the indicators have a really high score, no one is leading on the other and no one is complementary to another one: all the features investigated are very important for the consumers.

Table 3.3 Sustainability indicators for consumers

SPG	Environmental	Social	Economic
Lecce (Mileti)	4,1	4,4	4,5
Lecce (De Blasi)	4,0	4,5	4,0
Pisa (Cascina)	4,2	4,3	4,2
Pisa(San Zeno)	4,2	4,3	4,4
Roma(Pod. Rosa)	4,3	4,3	4,3
Roma(Slowfood)	3,7	4,3	4,2
Torino (GAC)	4,0	4,3	4,3
Trento(Credenza)	3,9	4,1	4,2
Trento (Gos)	4,1	4,6	4,4

Remarks

The study highlights the importance that SPG have on environmental, social and economic aspect within the short food chain models . Both consumers and producers assign quite the same value to the environmental, social and economic aspect pursued thanks to SPG.

First of all, SPG underline the importance of the environmental value of agriculture, in particular playing an important role in the safeguard of natural resources and in the use of land.

From the social point of view, SPG are funded on the direct and trustful relationship between producers and consumers; so that the consumers become an active subject in the productive and delivering process of food. In SPG the relationship allows sharing information, meeting to discuss about the production, sometime deciding and programming together the production. In same case SPGs are also a tool of social inclusion because quality products are sold at lower price, so that can be bought also by people with low revenues.

The economic aspect for farmers or areas is important too. SPG seems to be an opportunity for farms located in marginal area, maybe in crises (like for example citrus fruits) or with a very small farm dimension because they can have a continuous productive asset and a secure income source. Since the relationship between producers and consumers are based on direct contact and communications many farmers don’t adopt certification of products so may be for farmers a reduction of costs. SPG in our country are trying to reshape local and sustainable economies through a collective action, filling a gap created by the more conventional supply chains. They propose a model based on participation, sharing and networking, as an alternative to the conventional and rigid food chain relationships. As other alternative productive or organizational models, SPGs seem to work at local level, having an impact mainly on the urban system of food and the relationship with the nearby rural areas. Besides influencing in some way the geography of the agricultural production, it is however not to put aside its deep social impact.

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