Selling directly fresh and local products, looking at a new localized rurality: the case of PROVE Project in Portugal

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Keywords: rural development; alternative food networks; direct selling; community-supported agriculture

Abstract
In Portugal, changes in the market of agricultural and food products have led to a huge concentration of supply in four large distributors, who represent about three-quarters of sales. This process excludes or hinders the access to the market of a large number of small-scale producers. These developments contribute greatly to the economic exclusion of small producers, the abandonment of agricultural areas, the decline in the number of farms, and the stagnation of the rural economy in many regions. The survival of these small producers and the revitalization of rural areas require innovative measures in several domains, looking at a new localized rurality. Organization and market access are fundamental. The Project PROVE, supported by the Portuguese Leader network, is a direct/proximity selling experience, through baskets of fresh fruits and vegetables, having as objectives: to support producers in the promotion and marketing of their products; to ensure the freshness and quality of the products; and to strengthen the ties between rural and urban communities. This paper presents the results of a study that analyzed the contribution of this project to sustainable development and maintenance of local territorial dynamics. The information presented is the result of document analysis and questionnaire interviews to 56 producers in different regions of mainland Portugal. The results show that farmers increased the area and diversified the production, and improved marketing conditions and household income.

1. Introduction

The agro-industrial food system supported by the EU’s Common Agricultural Policy and the World Trade Organization’s Agreement on Agriculture, and built on the agricultural productivist paradigm and the industrialization and standardization of food provisioning and consumption dominates the economic, political and social dynamics, practices and procedures. In Portugal, food supply is currently concentrated in four large distributors representing ¾ of the total sales. This concentration has become more pronounced mainly since the end of the 80’s. The traditional trade had 74% of the total agro-food sales in 1987. This value dropped to 16,7% in 2004, with hipper and supermarkets, integrated in large distribution chains, representing 80% of the total agro-food sales in 2004 (Palma et al., nd). Similar trends are observed in other countries (Knickel et al., 2008; Lyson & Green, 1999; McMichael, 2000).

Despite the referred scenario, the increasingly environmental damages of the conventional food system along with the growing consumers’ awareness and concerns about healthy nutrition has lead, in many western societies, to the emergence of local or alternative food systems or networks. In contrast to the conventional paradigm, alternative agro-food networks (AFNs) are territorially embedded and, as such, reflect and valorize (economic and socially) the distinctive characteristics of the rural areas where they are located (Hinrichs, 2000;

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Marsden et al., 1999; Renting & Wiskerke, 2010; Sonino, 2007). Such embeddedness, in addition, allows to (re)introduce in the food system environmental and social sustainability. Environmental sustainability, because AFNs shorten the distances between production and consumption, reduce waste and packaging and are based on traditional/non-industrial agricultural varieties, breeds, methods and technologies; social sustainability, because AFNs reinforce consumers’ trust. Although not so often mentioned by the wide set of literature and debate on the AFNs, these food systems help to maintain rural landscapes and are also important sources of consumers nutritional information (about local and seasonal vegetables and fruits not available in the supermarkets) and education (through the changes introduced in the consumers’ diets and culinary recipes based on local vegetables), as the Portuguese Project PROVE (Promover e Vender/Promote and Sell), a direct/proximity selling experience, through baskets of vegetables and fruits, reveals.

This grassroots initiative, currently supported by the European Agriculture Fund for Rural Development, integrates a LEADER network and has emerged within the territorial influence of ADREPES, a Local Action Group (LAG), in 2004. The lessons learned from this local/territorial experience were progressively adopted by other seven LAGs (the first phase of the Project) and, more recently (2011), by eight additional ones. Since the main goals of PROVE are to support producers in the promotion and marketing of their products, to ensure the freshness and quality of the delivery vegetables and fruits and to strengthen the ties between rural and urban communities, LAGs promote PROVE by disseminating the initiative, at the territorial level, near potential consumers and, simultaneously, by stimulating small and very small family farmers to integrate it. In order to better present the advantages to participate in PROVE and to mobilize potential producers, LAGs organize visits to producers and farms already enrolled in the project. In addition, LAGs also provide other logistic support to producers who accept to integrate PROVE, such as training and consultancy on how to organize and constitute themselves into small groups (2-4 producers), how these should work (for example, how to plan the productive activity in order to guarantee a diversified PROVE basket, how to reward each producer accordingly to his individual contribution to the basket), where the delivery place of the PROVE baskets should be located, and in helping to solve conflicts among producers.

2. Objectives and Methodology

The overall objective of this article is to contribute to the AFNs debate by exploring the different strategies and goals followed by PROVE producers and the importance of this project to sustainable rural development and the maintenance of local territorial dynamics. Topics covered in the study include the characterization of producers and farms, the motivations to participate, the impacts of the project on the farm and family, perceptions regarding the consumers, advantages and disadvantages of this method of marketing, and the requirements and success factors. The research was based on structured interviews, using a questionnaire and a complementary qualitative interview guide, to 56 producers, out of the 58 involved in this initiative in June 2001.

3. Experimenting the Transition to Local or Alternative Food Networks

The unsustainability of the global agri-food system is today a major concern. Many studies confirm it, but two in particular can be cited, given their scientific and institutional importance: the study done by a large team of scientists for the UK government, called Foresight (2011), and the study of a group of experts produced for the European Commission (EC, 2011). The evidence compiled in these works is clear: The agri-food system has contributed to climate change, produces greenhouse gases and other pollutants, is largely dependent on fossil energy, is strongly consumer of drinking water, has led to loss of arable land and fertility, has
caused erosion of biodiversity, has produced risks to health, and has generated social and territorial disparities. These findings lead to inevitable conclusions: we must take seriously the limits of the planet; the scarcity of resources will define the future of food security; we need to better understand the complexity of farming systems; we must improve the diversity of the food system and its ability to respond; and we must be attentive not only to production but also to consumption patterns and their dynamics.

The transition to a new agri-food system is a work in progress, result of many projects that germinate around the globe, thanks to the initiative of international institutions, civil society organizations, community groups, national and local governments. These counter-movements, as McMichael (2000, 31) underlines, express the crisis of development: “While they do not have necessarily the same historical, cultural, philosophical point of departure, nor goal, these movements express a certain unity in rejecting or re-framing the discursive claims and material practices of the global corporate food regime (which also expresses the crisis of development)”.

Authors like Lyson (1999) draw the attention to the existence of accumulated evidence showing that, in regions that have been hit hard by global competition, agriculture and food systems are being re-localized, and claim that the balance between local self sufficiency and global dependency should be re-established in favour of the former. Marsden et al. (1999, 301) also point in the same direction expressing the opinion that in a variety of case studies the “emergence of a re-embedded set of alternative supply chains and networks is highly spatially diverse and is unfolding at different speeds across Europe”.

A wide range of activities based upon local relationships between producers and consumers (e.g. community supported agriculture schemes, farmers’ markets, farm shops, consumer cooperatives, food policy councils, community gardening activities, farm to school programs, etc.) and the diversification of agricultural activities towards food processing on the farm and subsidiary services like tourism have emerged(Izumi et al., 2010; Koc & Dahlberg, 1999; Renting et al., 2003; Scheffer et al., 2008), and some authors say that we now have a "hybrid food geography", still dominated by the agro-industrial model, but increasingly tempered by initiatives anchored in a integrated territorial paradigm (Renting and Wiskerke, 2010: 1903):

- Embedded in and based upon the distinctive features of the territory, and integrated with other activities such as nature & landscape conservation, tourism, care and education;
- Reinforcing the capacity of food systems to valorise specific territorial resources and social relations of proximity;
- Built around highly differentiated food quality definitions reflecting differences in farming systems, networks, cultural traditions, consumer preferences; and
- Promoter of short distances between production and consumption and advocating changes in diet composition (fresh and less processed food, reduced meat consumption, etc.) combined with more physical activity.

From a conceptual perspective, movements and initiatives which favour the local sphere in agri-food production and consumption are inspired by a variety of authors, among them Kloppenburg et al. (1996), who established the concept of “foodshed”; Feenstra (2002), who proposed the concept of “local food system”; Murdoch et al. (2000), who talked about “alternative supply chains”; and Muchnik (2009), who developed the broader concept and perspective of “localized agri-food system”. According to Muchnik, a localized agri-food system is a “type of organization of agri-food activities, in which territorial dynamics plays a decisive role in terms of the coordination between stakeholders and the development of production activities”, and for Murdoch et al. (2000), an alternative supply chain covers newly emerging networks involving producers, consumers and other actors that embody alternatives
to the more standardised industrial mode of food supply.

All these perspectives stress the importance of spatial dimension and of new territorial food governance mechanisms. In fact, as Marsden et al. (1999, 299) point out, focusing on local and regional issues “is the beginning of a process of rebuilding more agro-ecological systems which begin to integrate space and nature into production processes”, and the “promotion of the food sector at the regional level (i.e. farms, firms, retail, outlets, etc.) will entail the successful promotion of regionalized ‘associations’, ‘networks’ and supply chains”. In this sense, as the same authors argue “… regional spaces become defined as active collective ‘learning’ spaces within which ecological, social and economic sustainability can be given priority and alternative agro-food strategies can take hold” (Marsde, et al., 1999, 300).

Based on case study research, Hultine et al. (2007) identified key elements for successful “community-based local food systems”, including: (1) the existence of catalyst farmers, willing to contribute with their creativity and expertise; (2) good communication between stakeholders, including local governments, leaders and institutions; (3) long time horizon to achieve success, allowing the construction of trust relationships with the community and the involvement of consumers and other actors; and (4) a democratic and collaborative leadership, providing a strong sense of direction and stability. Knickel et al. (2008, 264) also provided an analysis of limiting and enabling factors of collective farmers’ marketing initiatives, based on a comparative study of the situation in 10 European countries, stressing, for instance: little policy support for alternative pathways in development and limited experience with decentralized policies (as a limiting factor); and increasing attention to alternative pathways at local and regional level (as an enabling factor).

4. Presentation of Results

4.1 PROVE: basic quantitative indicators

In June 2011, 58 PROVE producers, organized into 21 groups located within the territorial area of eight LAGs from north to south of Portugal, were identified. In the north, dominated by small and very small scale farms, there were 50% of the groups and 60% of producers. Most groups consisted of of 2-4 producers who sold 1875 baskets per month, with a total of 5675 kg, to 1642 consumers, generating a total monthly income of 7414 euros. The average revenue per producer/month was128 euro, ranging from a minimum of 114 euros to a maximum of 912 euros. Table 1 summarizes these quantitative results.

Table 1 – PROVE Basic Quantitative Indicators (June 2011)

<table>
<thead>
<tr>
<th>Prod./Group</th>
<th>Consumers/Group</th>
<th>Baskets/Prod./Month</th>
<th>Sales/Prod./Month (kg)</th>
<th>Income/Prod. (euros)</th>
</tr>
</thead>
<tbody>
<tr>
<td>2,8</td>
<td>78</td>
<td>32</td>
<td>98</td>
<td>128</td>
</tr>
</tbody>
</table>

4.2 PROVE Groups: live cells with different dynamics

The groups are the living cells of PROVE. Its constitution has the support of a variety of local partners (Parish Councils, Town Councils, associations, cooperatives, schools, etc.) and LAGs in particular, which play an essential role in disseminating the project, raising consumer awareness and involvement, and identifying basket distribution places. The groups located in the outskirts of urban centers show more dynamic, due to the expanded market and the greater potential for growth. One of the groups sells about 100 baskets per month. The ones more distant from urban centers sell in small towns, 15 to 20 baskets, with greater survival difficulties in the short-term. For the groups to function properly, the cooperation and
understanding among its members appears to be vital.

4. 3 PROVE Producers: some indicators of characterization

The typical producer is a woman with secondary education and aged between 40 and 60 years. In fact, 62% of PROVE producers are women, in the age groups of 40 to 60 years (51%) and 31 to 40 years (26%). About 79% of the respondents have studied up to the sixth grade and 21% hold higher education degrees. Their agricultural competencies result mainly from the knowledge and experience acquired by working on the farm. Nevertheless, 17% of producers have higher technical education in the field of agriculture. Most producers devote at least 70% of their time to the farm, and for 62% this is the sole employment. For one third, the farm is the main source of family income.

4. 4 PROVE Farms: structure, production and markets

Prove holdings are characterized by their small size. The average area is 3 ha and 75% have less than 4.5 ha. About 26% have between 1.5 ha and 4.5 ha, and only 10% have more than 9 ha. Family labor dominates in 76% of the cases, and families tend to have 3 to 4 people. These farms have a great diversity of crops and the majority follows conventional agriculture practices. In general, they focus their activity almost exclusively in agricultural and animal production, and only very few develop other activities, such as tourism and leisure ones. PROVE farmers deal almost exclusively with vegetable and fruit production, but larger farms are also involved in other activities, such as wine and animal production. As a rule, only part of the farm surface is allocated to PROVE production. A very small holding (up to 1.5 ha) allocates more than 75% of the area for production exclusively sold under the PROVE framework. On holdings above 1.5 ha, more than half of the producers devote up to half the area to PROVE. As the area increases, decreases the part dedicated to PROVE production. Such results make sense, as the production marketed through PROVE has a reduced weight in the case of larger farms. On the other hand, it also shows that there is potential for growth in production if there is demand for a higher number of baskets.

4.5 PROVE Farmers: Motivations to Participate

An easier access to the market and improvement of marketing conditions constitute the main motivations (79%) to join PROVE. Direct contact with consumers is the second reason given by 66% of producers. Environmental concerns and health motivation were mentioned by 57% of individuals. The analysis of farmers, their holdings, modes of production, objectives and perspectives, allows us to construct the following typology, that highlights the diversity of PROVE producers with regard to their characteristics, motivations and objectives.
Table 2 – A Typology of PROVE Producers

<table>
<thead>
<tr>
<th>Type</th>
<th>Main Characteristics</th>
<th>Example</th>
</tr>
</thead>
<tbody>
<tr>
<td>Producer Dealer</td>
<td>These are the largest producers. Strongly market-oriented and willing to diversify the marketing channels.</td>
<td>Farm with about 1 ha of greenhouses for intensive horticultural production, only a small percentage sold through PROVE. Farmer stresses that he had no problems to sell the vegetables. He also buys in Spain and Porto, and sells to restaurants, stores and canteens.</td>
</tr>
<tr>
<td>Civic Producer</td>
<td>More concerned with the environment and sustainable modes of production. They see PROVE as a civic network and an instrument to preserve traditional agriculture and rural areas. With larger farms and higher education degrees.</td>
<td>Farm with about 40 ha, following the biodynamic mode of production. Wife and husband have higher education degrees and he is university professor. The organize food events and farm visits.</td>
</tr>
<tr>
<td>Producer Diversifier</td>
<td>For them PROVE is a vehicle for selling other products, apart from the basket. They are small producers but with very diverse productions.</td>
<td>The farmer sells chickens, rabbits, ducks, eggs, honey, and sausages. She advertised these products with a leaflet inserted in the baskets.</td>
</tr>
<tr>
<td>Producer Networker</td>
<td>These producers involve very small neighbor farmers in supplying products to the baskets they deliver. The basket is made with their own products and the ones of neighboring farmers.</td>
<td>Once invited to PROVE this woman talked with her neighbors. She has a group of about 15 village people supplying the baskest with produce, small amounts of cabbage, spinach, grapes, etc. As she stressed, “this is a way to avoid food waste”.</td>
</tr>
<tr>
<td>Micro Producer</td>
<td>Part-time farmers. Produce small quantities and sell the self-consumption surplus through PROVE.</td>
<td>Retired man with a smallholding. Claims that PROVE “is to sell what is left from house consumption” and that “it is not profitable considering the time to harvest and for transportation”.</td>
</tr>
</tbody>
</table>

4.6 PROVE and the “rapprochement” between producers and consumers: advantages and disadvantages

As main advantages of this approach, producers mentioned: guarantee of product sales, increased income, direct contact with consumers, and access to new opportunities provide by the project. Less relevant aspects were also identified, such as personal contacts, access to training, and personal development. The lack of commitment to purchase by consumers is the biggest drawback felt (mentioned by 25% of the respondents), followed by small economic results and the additional workload, especially valid for the groups that sell a small number of baskets. It is noteworthy that for 21% producers there are no disadvantages.

4.7 PROVE Consumers: producers’ perceptions

PROVE producers perceive their consumers as individuals with incomes well above average - many of them civil servants and qualified professionals - who seek fresh and healthy products, and cherish and cultivate a relationship of confidence with producers (said by over 90%). The producers also believe that these consumers are more demanding than the generality of consumers with regard to product quality, the mode of production (especially the low use of pesticides) and the connection between the produce and the territory.
4. 8 PROVE: impacts

The major impact of PROVE has to do with the level and diversification of production. Indeed, most producers (between 53% and 66%) consider that the project contributed to increase the area of vegetable crops and encouraged the cultivation of new species. In addition, they also stress the improvement of marketing conditions and the increased farm and family income (albeit with relatively low values). Such changes did not lead to increases in the area of the farm or more labor needs, but stimulated a more intensive use of the available resources, land in particular. The need to grow and diversify the supply of new species is a clear response to consumer demands. Most producers didn’t make investments as a result of involvement in PROVE, although some have felt the need to install small greenhouses that enable them to increase production and extend in time the supply of fresh products. For some producers, this form of marketing constituted a chance of creating one’s own job and/or of income growth.

4. 9 PROVE: requirements and success factors

About ¾ of the producers recognize that to be a producer PROVE one must have motivation, good organizational skills and teamwork capacities. More than half still consider important to have a different attitude with regard to agriculture, food and environment. Despite the perceived advantages, producers recognize the need for improvements in several aspects: project communication and dissemination, increased number of consumers (to expand the business), diversification of crops and varieties produced, increased technical and logistical support (better delivery locations), better institutional backup, and promotion of on-farm events open to consumers and families (farm tours, educational visits for local schools, events for children and other activities) to bring the community closer to the farm, and build/improve relationships and mutual trust.

5. Conclusions

After less than eight years of implementation, PROVE, as a direct and collective farmers’ marketing initiative on the local scale, is spread from north to south of mainland Portugal, involving 58 producers organized in 21 groups and 1642 consumers. Inspired by alternative experiences such as the community supported agriculture schemes, PROVE represents an evolution towards the “hybrid food geography” mentioned by Renting and Wiskerke (2010).

The producers are associated in small groups that are supported by a variety of local organizations, suggesting that the project is contributing to reinforce the local social capital, by promoting interactions, social involvement and rural-urban linkages, as also shown in other studies (Sharp et al., 2002). The more dynamic groups are located closer to major urban centres, confirming that this is an enabling factor of success, as stressed by Knicket et al. (2008). However, in this initiative the partnership between farmers and local consumers is not so evident as in some theory and other community-supported agriculture cases (Hinrichs, 2000: 299). In fact, in this case consumers do not share the farmers’ risks and are not real “shareholders”. For consumers, the contract is quite simple – to receive regularly a basket of fresh fruits and vegetables and to pay for it on the occasion – and some farmers complain about their lack of commitment.

Most producers are middle age women with a relatively low level of education, who hold conventional and small family farms, growing a diversity of crops sold through different marketing strategies. Such features, particularly farm size, diversity of crops and commercialization channels have also been found in other studies on community supported agriculture (Lass et al., 2001; Strochlic & Shelley, 2004). In general, as the farm size
increases, decreases the share of products sold through PROVE.

To major motivation to be involved is economic and has to do with the desire for a larger market for their respective production and for better marketing conditions. However, direct contact with consumers is also valued by most farmers, as well as the environmental and health concerns. This combination of motivations (values), reflected in the proposed typology of PROVE producers, is relevant. In fact, as Knickel et al. (2008, 266) underlined, “Successful initiatives integrate in credible ways more than purely economic values”.

Through this direct marketing approach PROVE groups are contributing to consumer involvement and creating demand for local products. As such, the impacts of PROVE are positively evaluated by producers, who stressed the increased production and the cultivation of new crops and species, reflecting a demand-driven process. Besides, a relevant benefit is the transformation of production into income and employment, of critical importance to revitalize the rural territories and to sustain a new localized rurality, as also mentioned by Knickel (2008, 266).

The success of this approach depends on various factors. The integration of producers into a national policy initiative and decentralized (bottom-up) program promoting the brand and methodology PROVE, as happened in the USA with “Buy Fresh, Buy Local” or in the UK with the “Local Food Program”, encouraging the interaction between groups, and creating room for broad institutional support, through local partnerships involving LAGs and other actors. Another factor is trust between producers and consumers, which may develop through the continuous supply of fresh and healthy fruits and vegetables, as demanded by consumers, and the promotion of events that bring consumers and the community closer to the farms.

To find new customers, especially in urban centers nearby, is crucial to sustain the growth and maintenance of the groups, particularly those located in rural areas more distant from importante consumption centers. Partnership spirit, cooperation, good planning, quality products, diverse and nicely presented, are additional factors of success. The dynamism and openness of producers are also essential in order to meet the needs of consumers, facing different ways and locations of basket delivery, and responding to their time and opportunity constraints.

As it is, PROVE is essentially an initiative of “food system localisation as a strategy for increasing farmers’ income in rural development policy” (Pratt, 2007, cited by Fonte, 2010, 7). But each group has its own identity, and the diversity of individual motivations is obvious. In such situation it might be relevant to continue the study of PROVE groups, as well as of other similar projects, by considering the evolution of their objectives and the importance of elements such as the environmental concerns (and evolution to alternative production models, like the organic, the biodynamic or permaculture), the political resistance to the dominant agro-food system, the connections between locality and quality, and the food sovereignty issues (Pratt, 2007, cited by Fonte, 2010, 7). Additionally, and using Kimura & Nishiyama’s words (2008, 50), it importante to address a fundamental question: Can local food movements mount a fundamental challenge to the domination of the agro-food system by powerful corporations?
References


