Literature review WP 2

United Kingdom

Kate Corcoran, Ron Wilson

University of Edinburgh - IERM
United Kingdom

Review report

SELECTION OF SCIENTIFIC AND RECENT (SINCE 1980) PAPERS, PUBLICATIONS, MEMORIES AND STUDIES IN THE COUNTRY (INCLUDING INTERNATIONAL AND NATIONAL MEETINGS HELD IN ENGLISH)

2001

Sparkes, A. ; Brychan, T.
The sustainable development of local agri-food SMEs and the improvement of the Welsh farming environment.
Outlook on Agriculture, 2001, vol. 30, nº 1, pp 37-44.
Welsh farmers, their surrounding communities and the downstream agri-food producers are suffering their worst fall in incomes since the 1930s and their future prospects appear discouraging. Environmental changes have forced a major re-evaluation of agri-food assistance measures devised by policy makers, local and regional government, and the National Assembly of Wales, to be implemented through their agencies. This paper reports on possible innovative and sustainable solutions to current Welsh agri-food problems, which will be economically, environmentally and socially complementary. The paper will consider mechanisms to provide solutions to the sustainable development of local agri-food small to medium-sized enterprises (SMEs) including community and education projects (through valley-wide agri-food regeneration strategies), technology transfer education policy linking colleges to agri-food SMEs, and support to help agri-food SMEs develop Websites. Such solutions may also involve the promotion of good practice among farmers and agri-food producers, diversification in terms of processing alternative farm produce, and the use of the Internet to market Welsh speciality foods. The paper concludes by arguing for the adoption of appropriate benchmarking standards applicable to those areas requiring assistance to provide economic, environmental and socially relevant solutions.

Quality Meat Scotland.
Consumer survey commissioned by the UK Meat and Livestock Commission in England, Wales and Scotland.
British Marketing Research Bureau (BMRB), 2001.

2000

Hinrichs, C.G.
Embeddedness and local food systems: notes on two types of direct agricultural market.
Journal of Rural Studies, 2000, vol.16, nº 3, pp 295-303. Pergamon-Elsevier Science Ltd. Oxford.
Direct agricultural markets, predicated on face-to-face ties between producers and consumers, are often seen as central components of local food systems. Activists and academic analysts often assume that trust and social connection characterise direct agricultural markets, distinguishing local food systems from the 'global food system'. This article examines that premise about direct agricultural markets, using the concept of social embededdness from economic sociology to analyse the interplay of the economic and the social. Specifically, it draws on Block's (1990) elaboration of the concepts of marketness and instrumentalism to qualify the concept of social embededdness. Taken together, and augmented by consideration of how they relate to power and privilege, these concepts provide an analytical framework that more accurately describes the social relations of two types of direct agricultural market - the farmers' market and community supported agriculture. In providing and alternative market, farmers' markets create a context for closer social ties between farmers and consumers, but remain fundamentally rooted in commodity relations. In attempting to construct an alternative to the market, as reflected in an explicit emphasis on community and in the distinctive 'share' relationship, community supported agriculture moves closer towards the de-commodification of food. Nonetheless, in both types of direct markets, tensions between embededdness, on the one hand, and marketness and instrumentalism, on the other, suggest how power and privilege may sometimes rest more with educated, middle-class consumers than with farmers and less-advantaged consumers. Recognition how marketness and instrumentalism complicate social embededdness is critical for understanding the viability, development and prospects of local food systems. © 2000 Elsevier Science Ltd. All rights reserved.

Ilbery, B. ; Kneafsey,M (a).
Registering regional speciality food and drink products in the United Kingdom: the case of PDOs and PGIs.
AREA, 2000 (Sept.), Inst. British Geographers, London, vol. 32, nº 3, pp 317-325.
Regional food products are of contemporary interest as people are increasingly concerned to know where food comes from and how it is produced. Geographers have been slow to examine the link between product and place and this paper provides initial insights into the uptake of a European regulation designed to protect and promote high quality regional food and drink

products in the United Kingdom. The early adopters of EU quality marks are shown to use them to protect their names from cheaper imitations rather than as a marketing device. Bureaucracy and costs of implementation, together with a lack of consumer knowledge, are likely to prevent rapid future adoption in the UK.

Ilbery, B. ; Kneafsey,M. (b).
Producer constructions of quality in regional speciality food production: a case study from south west England.
Journal of Rural Studies, 2000 (April), vol. 16, nº 2, pp 217-230. Pergamon-Elsevier Science Ltd. Oxford
Within the context of recent concerns over potential health threats from BSE, E.coli and genetically modified organisms, food quality is of increasing importance in contemporary British Society. Thus food producers, retailers and government institutions are engaged in an attempt to reassure consumers that their food is of high quality and safe to consume. Yet, the concept of 'quality' is one which is contested, constructed and represented differently by diverse actors operating within a variety of regulatory and market arenas. The aim of this paper is to focus on one set of actors who interact to construct notions of quality within a niche markets arena, namely small producers of regional speciality food products (SFPs), in the south west of England. It emerges that, despite new regulatory frameworks and consumer concerns, producers usually define quality in terms of product specification and attraction rather than through official certification schemes or associations with region of origin. Food quality, however defined by producers, is essentially self-regulated and constructed within the context of maintaining stable relationships between producers and buyers. Furthermore, marketing is based on low-cost methods which demand a high personal input of time and energy from the entrepreneur. Quality, therefore, must be understood as a contested notion which is constructed by actors attempting to build stable and lasting networks between themselves and others within the market arena.

Ilbery, B. ; Kneafsey, M. ; Bamford, M.
Protecting and promoting regional speciality food and drink products in the European Union.
Outlook on Agriculture, 2000, vol. 29, nº 1, pp 31-37.

Marsden, T. ; Banks, J. ; Bristow, G.
Food Supply Chain Approaches: Exploring their Role in Rural Development.
Sociologia Ruralis. 2000, Vol.40, nº4, pp 424-438.

Morris, C. ; Young C.
'Seed to shelf', 'teat to table', barley to beer' and 'womb to tomb': discourses of food quality and quality assurance schemes in the UK.
Journal of Rural Studies, 2000, vol. 16, pp 103-115. Pergamon-Elsevier Science Ltd. Oxford.
In the current restructuring of agro-food systems, quality is seen as increasingly important and in the United Kingdom this is evidenced by the growth of quality assurance schemes (QAS). The aim of this paper is to critically examine the process of introducing quality through quality assurance schemes in the UK. This is carried out by identifying and analysing key discourses that surround this process from both the farming and food industries. Drawing on Farmer's Weekly as a data source, four main discourses are identified and analysed. These are discourses of organisational change within the agri-food chain, discourses surrounding the definition of quality: discourses of farmer acceptance of, and resistance to, QAS: and discourses which construct a particular representation of consumers. The implications of each of these discourses for the development of QAS are also discussed and key issues for further research are identified.

Wilson, N. ; Van Ittersum, K. ; Fearne, A.
Co-operation and co-ordination in the supply chain: a comparison between the *Jersey Royal* and the *Opperdoezer Ronde* potato.
67· EAAE Seminar, Le Mans, 1999/10/28-1999/10/30, EAAE, European Association of agricultural Economists, La Haye, In: Sylvander, B. (éd); Barjolle, D. (éd); Arfini. (éd) The Socio-economics of origin labelled products in agri-food supply chains: spatial, institutional and co-ordination aspects, *"Actes et Communications"* nº 17-2, Paris, INRA Editions, 2000/11, 2 vol., pp 95-102
Co-operation and co-ordination along the supply chain are important factors influencing the performance of products. There is a considerable body of literature which suggests that modern business practices, concentrating on the final consumer, bring benefits to the market orientated producers. The article attempts to discover the ability of participants to adapt to changing market signals in the supply chain and to identify their strategic objectives. To examine the influences of co-operation and co-ordination two cases will be examined. Semi-structured in-depth interviews were conducted with representatives from the actors within the supply chains and the surrounding social, economic and political system. Both the Jersey Royal (from the UK) and the Opperdoezer Ronde(from the Netherlands) are early potatoes, with limited production and a small market share. They are both PDO products, which could allow for non-commoditised relations between the members of the supply chain. However, the similarities end there. The marketing of the Jersey Royal is highly organised in terms of supply chain co-operation, whereas the Opperdoezer Ronde producers have little co-operation or co-ordination. These case studies examine the influence of the differences in co-operation and co-ordination on the product performance of both products.

1999

DTZ Pieda Consulting.
The UK Speciality Food and Drink Sector.
Food from Britain, MAFF, 1999

1998

Marsden, T. K.
New rural territories: regulating the differentiated rural space.
Journal of Rural Studies, 1998, Vol. 14, pp 107-117.

Wilson N. ; Fearne, A.
The main report: Jersey Royal potatoes. European project FAIR 1 CT 95-306, 'PDO and PGI products: market, supply chain and institutions'
Progress report, 1998, University of London, Wye College.

1997

Kuznesof, S. ; Tregear, A. ; Moxey, A.
Regional foods: a consumer perspective
British Food Journal, 1997, vol. 99, nº 6, pp 199-206.
Investigates consumer perception of “regional foods” in England. Results show understandings of regional foods to be a complex dynamic of interrelated concepts. Regional foods are defined by place and human-related factors. An implicit factor in attitudes towards regional food is the perceived authenticity of the various product attributes by the consumer. Regional foods are characterised as “regional products” (high-value, speciality or hand-crafted products) and “regional recipes” (dishes readily associated with home preparation and cooking). Proposes that findings have implications for marketing, in particular product differentiation and communication. Implications are discussed for food producers and retailers, and recommendations are made for further research.

1995

Marsden, T.K. ; Acre, A.
Constructing quality - emerging food networks in the rural transition.
Environment and Planning, 1995, vol. 27, nº 8, pp 1261-1279. Psion Ltd. London
In this paper some of the main reasons for a renewed examination of the relationships between globalisation, the state, and rural development are analysed. It is suggested that there is a need for conceptual development that will allow a study of transitional and regional 'food networks' and an analysis of how these networks are embedded in social and political processes and practices. The approach is deliberately integrative and broad based, with existing tensions in the current literature identified.

DISCUSSION REPORT

INTRODUCTION

Relatively little literature of either an analytical or a descriptive nature exists with specific respect to the supply chains of origin labelled products (OLPs) in the United Kingdom. Perhaps this is less surprising given the small number of products (34) with either Protected Designation of Origin (PDO) or Protected Geographical Indication (PDI) status in the UK in comparison to other EU states (Ilbery, Kneafsey & Bamford, 2000). This is despite a speciality food and drink sector of around 3,100 producers employing around 10% of the industry workforce and often with a regional emphasis (DTZ, 1999).

However, for a variety of reasons, the revival of interest in food from a particular place of origin is a growing influence on food purchasing behaviour in Britain (Kuznesof, Tregear & Moxey, 1997). Parallel (and partly instrumental) with these shifts in consumer attitudes, has been a steady decline in real income terms in British agriculture. Food supply chains are consequently being reshaped and restructured (Marsden, 1998) incorporating an increased emphasis on product differentiation on the basis of quality and place of origin and the complex interplay between these two elements.

1. THE POSITION OF OLPS IN THE UK

The British public have been recently exposed to a series of high profile food related incidents and issues which have inevitably impacted on their perception of the quality, safety and reliability of supply of their 'daily bread'. Public health concerns over BSE (bovine spongiform encephalopathy), E. coli and genetically modified (GM) foodstuffs, coupled with fuel protesters blockade of refineries and the ongoing Foot and Mouth Disease (FMD) crisis cannot fail to have dented consumer confidence in the governance of food production and delivery systems. Consumer credibility of associated product information has also suffered.

For the consumer, the reconnection of food stuffs with their places of origin embodies assumptions about quality, safety and reliability. Recent surveys (QMS, 2001) have demonstrated strong preferences amongst UK meat buyers for regional supplies with their associated image of wholesomeness and quality in comparison to imported products.

For the supplier, interest in OLPs has been primarily concerned with product protection and promotion. In particular, early aspirants to PGI and PDO status perceived them as a means of guarding against imitation, but saw little advantage for incorporating the EU symbols into promotional literature and labelling (Ilbery & Kneafsey, (a)). Recent enquiries reveal that current mark holders are still uncertain about the marketing benefits of PGI/PDO status, but believe there may be some, as of yet undefined, future potential benefits.

Although some form of quality assurance is part and parcel of the OLP concept, small producers of regional speciality food products (SFPs) 'define quality in terms of product specification and attraction rather than through official certification schemes' (Ilbery & Kneafsey, (b)). This may help to explain the large disparity in numbers between the SFP producers and registered PGI/PDO status holders referred to previously.

2. THE PRESENT AND POTENTIAL ROLES FOR OLPS IN THE UK

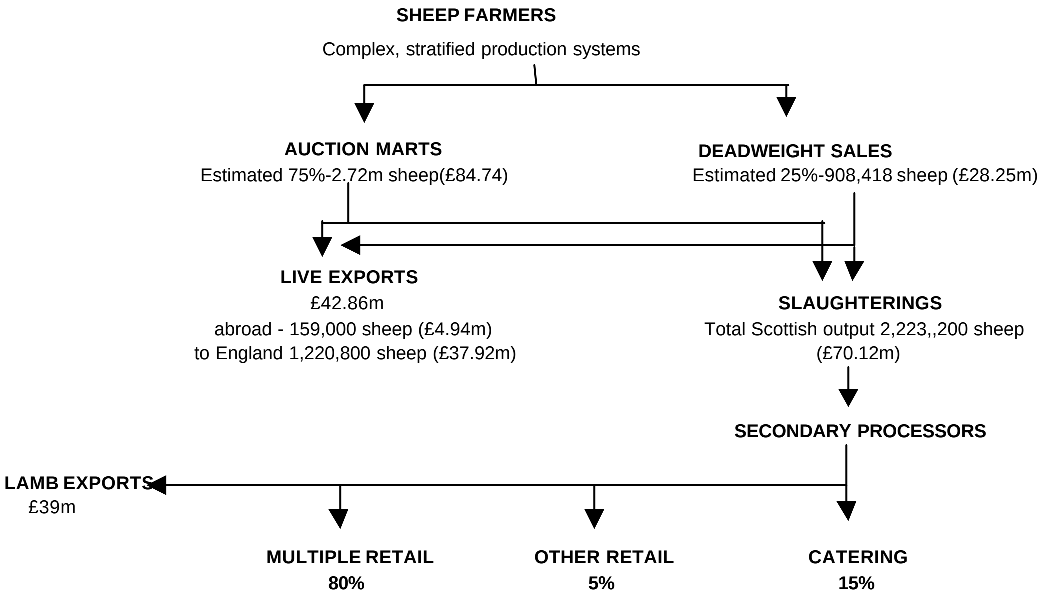
Although there is a growing interest in Britain for regional products, as yet consumers are not sufficiently informed nor perhaps interested in yet a further certification mark. However, lack of recognition of the EU marks for PDO, PGI and TSG (Traditional Speciality Guaranteed) is not simply confined to the end consumer, but also extends to processors, wholesalers and retailers. Indeed, within Britain where a few large supermarket chains dominate food retail outlets, the use of regional and/or speciality food and drink lines might be there to provide not only product differentiation (and thus enhance consumer choice) but also to reinforce the image of the company. This would be evident where the supermarket chain dictates a product specification unique to themselves. Such a product is more likely to carry a company logo than a EU certification mark.

Therefore, independent producers, especially with high value niche market outlets or export potential, may have a greater incentive to seek PDO / PGI status than those seeking to sell to large retailers.

Whether the benefits of PDO /PGI status outweigh the costs of attaining it, will be partly dependent on volume of produce, the supply chain(s) involved and the perceived dangers of imitation.

3. FOOD SUPPLY CHAINS THAT SERVI CE OLPS IN THE UK

Figure 1: Flows of Output from the Scottish Sheep Sector in 1998



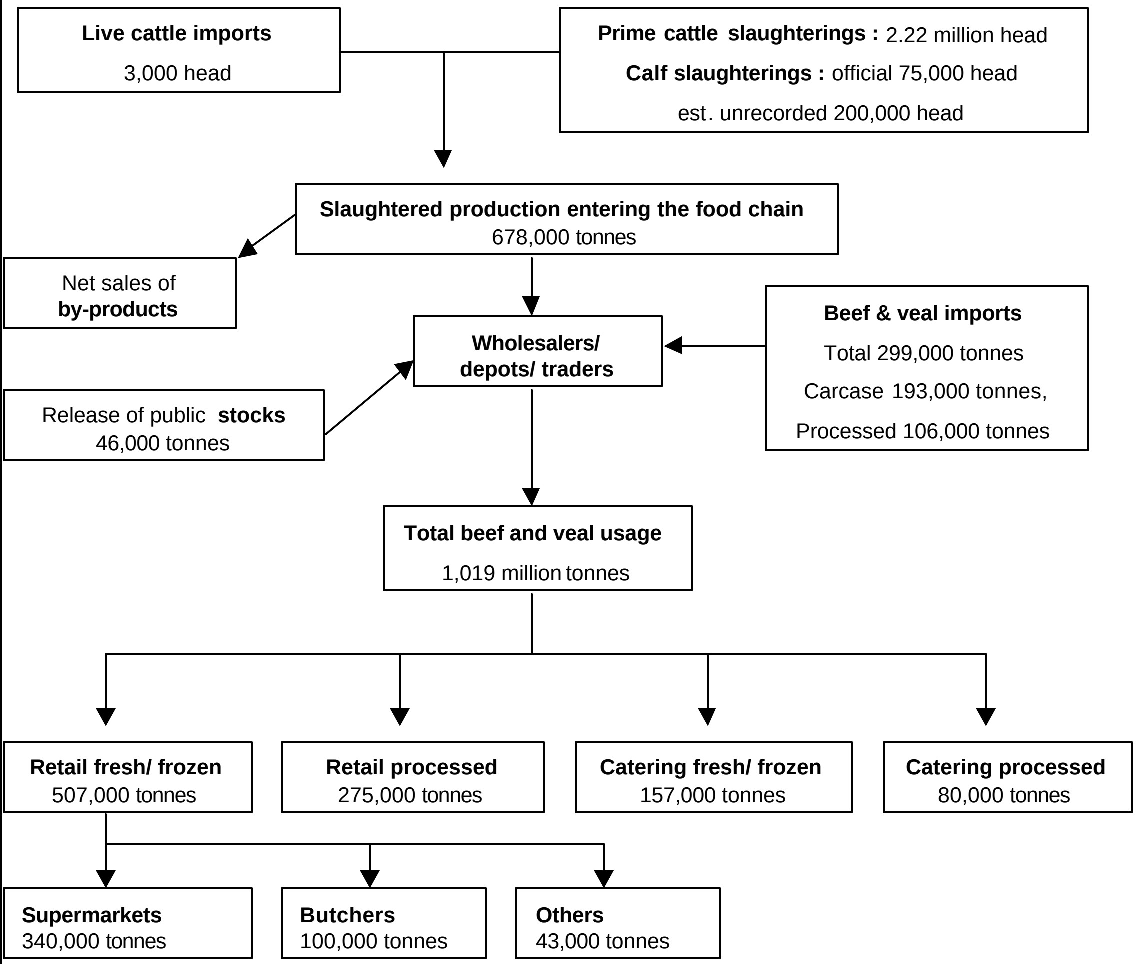
Modified after: Dewer Durie, 2000; QMS (1)

The supply routes for agricultural produce in the UK tend to be characterised by many small raw material producers selling individually to the processing industry who in turn supply the retail sector either directly in the case of supermarket chains or through wholesalers in the case of independent retailers. The two most salient points of the system are firstly that farmer producers do not generally have the tradition of co-operative action and secondly the greatest volume of produce is sold through a handful of large supermarket chains.

An example of the supply chain for Scottish sheepmeat is shown in figure 1. Up to the outbreak of FMD about 75% of animals were sold through the live auction rings and about 80% of the final produce reached the final consumer through the multiple retail chains. Since FMD, and the closure of live auction markets, the dead-weight route has dominated the scene and with the disappearance of exports to mainland Europe, the vulnerability of the producer in the current supply system has been painfully exposed.

A similar supply route exists for beef in the UK (figure 2), except that unlike Scottish sheepmeat imports rather than exports are an important feature.

Figure 2: The UK Beef Supply Chain 1999



Source: MLC, Meat Demand Trends, 2000/3

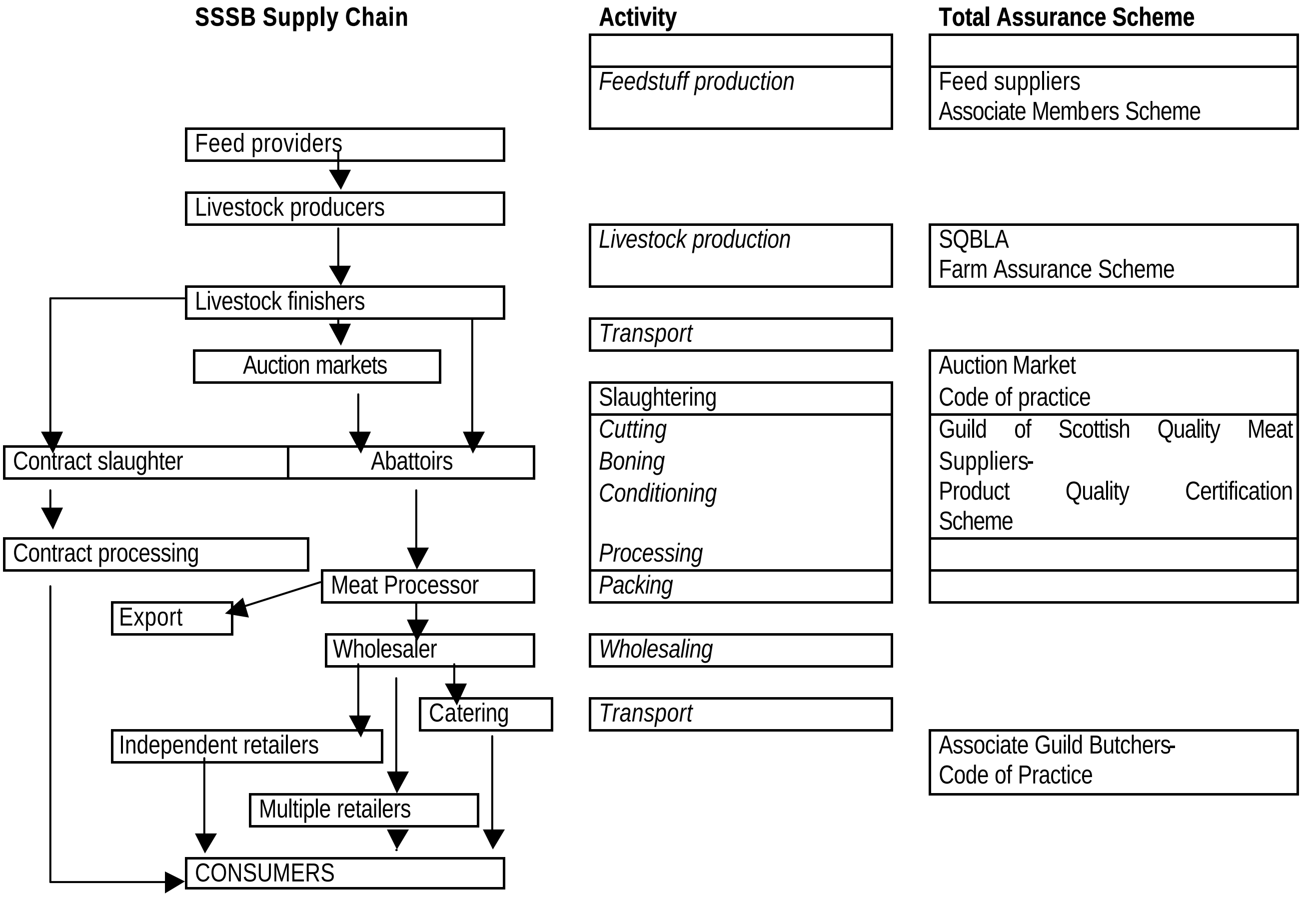
Yet again the supermarkets dominate the retail outlets.

Other, shorter chain direct supply routes exist (farm gate sales, farmer's markets, direct supply to specialised food retailers etc) but only account for very low volume sales. Two examples of the supply routes for meat OLPs in the UK are shown in comparison to the routes for conventional products shown above.

Case 1 Scotch Beef

Scotch beef is one of only two meat products in the UK with PGI status. Quality Meat Scotland, essentially a promotional body, has ownership of the certification mark (together with the other PGI status product, Scotch lamb). Figure 3 indicates the supply chain for which Scotch beef together with the associated quality assurance schemes which comprise the total assurance package from 'gate to plate'.

Figure 3: SSSB supply chain activities and component assurance schemes



The main points of interest are that all actors in the chain must be a member of the appropriate approved assurance scheme or code of practice and some party must take a co-ordinating role. This part is played by QMS. The corollary is that non members may find it increasing difficult to gain access to the full range of potential outlets and this therefore exerts pressure for upgrading standards.

Scotch Beef and Specially Selected Scotch Beef are well-recognised marks both within and outside the UK and command premium prices. At present it is difficult to determine whether or not the inclusion of the PGI label (to which these products are entitled) would have any real impact on consumer purchasing decisions.

Case 2 Orkney Beef

Orkney Beef is only one of three meat products in the UK with PDO status. The certification mark (together with Orkney Lamb) is owned by the abattoir company, Orkney Meat Ltd. About 60% of the beef cattle sales in Orkney (and around 35% of lamb sales) are sold directly to Orkney Meat Ltd with the remainder being sold store or finished in mainland Scotland. All animals purchased are Farm Assured. With the exception of two local supermarkets which are supplied by Orkney Meat, the vast majority of output (75-80%) is sold to independent retail butchers in the south of England. No Orkney Beef (nor lamb) is exported to mainland Europe. The primary interest in PDO status was for product protection but some use is made of the mark in promotion, although the Orkney label would have prominence and preference.
The sharp contrast between volumes and supply routes should be noted from the above examples.

4. THE NEED FOR FURTHER RESEARCH INTO THE SUPPLY CHAINS FOR OLPS IN THE UK

Several issues require to be investigated but two main areas in particular should be examined:

1. supply chain strategies employed by a cross-section of OLPs in the UK, and in particular the volumes associated with the particular routes chosen.
2. the perception of the benefits of PDO / PGI certification to the mark holders.