

## **Short food supply chains: a panacea for development in lagging regions? Evidence from a Delphi survey**

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### **Abstract**

There is now considerable public and political interest in the nature and development of agri-food systems. In particular, attention has been drawn towards processes of 'relocalisation' and the evolution of 'alternative' food chains. As political rhetoric adopts increasingly 'regional(-ised)' overtones, it seems appropriate to consider how these chains might sit within such a (d-)evolving institutional landscape. In theory, short food supply chains (SFSCs) - definable here by the reduced number of links in the chain; rather than geographical distance *per se* - help regional economies to retain 'value added' and, by implication, are highly desirable in such re-scaling processes. However, in practice, it is far less clear what will actually happen, where and how. For instance, can SFSCs provide a panacea for development in lagging regions? Using the Delphi technique, this paper tries to answer this question, forecasting likely developments in two lagging regions of the UK: West Wales and the Scottish-English borders. At a superficial level, the answer appears to be "yes". Results do indeed predict that developments will include continuing opportunities to shorten the food chain, and improve traceability and integration with other supply nodes and non-food sectors. However, while most panellists willingly accept the socio-economic values that can be gained by localising, shortening and synergising the food chain, they also recognise a number of important barriers to the emergence of such development pathways. These include the small number and size of 'alternative' producers in both locales, with most still locked into industrial forms of production; the restrictive influence of bureaucracy; the shortfall of key intermediaries in both regions' food chains; and the poor provision of key physical infrastructures (e.g. roads, railway and telecommunications). The Delphi technique also uncovers a contingent and contested institutional terrain, with contradictions about future food chain developments emerging within, as well as between, rounds.

## EXECUTIVE SUMMARY

Kevin Morgan and Adrian Morley

1. World summits like Rio and Johannesburg might have a useful role to play in putting sustainable development on the political agenda, but they can never be a substitute for the truly important things, like how we weave sustainable practices into the warp and weft of everyday life – into what we eat, how we travel and how we treat our waste for example. These prosaic, habitual and taken-for-granted features of everyday life will be the real measure of our sustainable lifestyles.
2. Paradoxically, the scope for creating sustainable local spaces – be they homes, localities, cities or regions – is predicated on complementary action at the highest and remotest spatial scales, like securing reform of the WTO's Agreement on Agriculture and the EU's Common Agricultural Policy. Localisation, in short, needs to be defended globally.
3. From farm to fork the conventional food chain constitutes one of the greatest challenges to sustainable development today. This awesome logistical phenomenon prides itself on having 'liberated' food production from nature and her seasons and its proudest boast is that it produces 'cheap food' at 'ever lower prices'. On a narrow economic reckoning this may be true, but on a wider, more sustainable measure the conventional food chain contains hidden costs that show up elsewhere – in burgeoning health bills, in environmental damage and in economic costs to producers and rural economies.
4. Locally-sourced nutritious food offers a number of benefits – what we call *the multiple dividend* – including healthier diets, local markets for local producers, lower food miles as well as a better understanding between producers and consumers, the two ends of the food chain which have become divorced from each other and need to be re-connected. Re-localising the food chain is one way to reconnect it.
5. Enormous barriers block the growth of local food chains, including EU procurement regulations that prohibit explicit 'buy local' policies; UK local government legislation which has the same

effect; health auditing conventions which have difficulty in accounting for the health gains of nutritious food; catering cultures that are biased to a few large firms in the spurious belief that 'bigger is better'; tendering procedures that are too complex for small local suppliers; and lack of logistical and marketing capacity on the part of local producers.

- 6 Although EU public procurement regulations constrain local action, they are not set in aspic: slowly but surely they are becoming less economic and more alive to social and environmental considerations. EU member states, especially Italy and France, have well-developed local food economies, spawned by enlightened and pro-active public sector catering policies which prioritise local and organic food. Creatively interpreting EU regulations these countries specify 'quality' considerations (like fresh, seasonal and organic food) and the use of 'lots' (to allow small producers to enter the tendering process) and through such innovations they practice 'buy local' policies in all but name. Time and effort are devoted to these things, and higher transaction costs are accepted, because these countries value food and care about its taste and its links to health and culture.
- 7 Schools and hospitals should be the priorities for a concerted local food campaign in the UK because pupils and patients are the most vulnerable sections of society. Locally-produced nutritious food, including organic food, can help us address the spiralling costs of diet-related diseases like heart disease, cancer, diabetes and obesity. Ill-health due to unhealthy diets is estimated to be 50 times greater than ill-health due to food-borne diseases and food-related ill-health is now on a par with smoking as a cause of illness and death in the UK. Local food should be more forcefully integrated into the 'healthy schools' programme and the status of nutrition should be elevated in healthcare strategy. Locally-produced nutritious food would also enhance the community demand for *Meals on Wheels*, a service that is sometimes criticised for serving 'muck in a truck'.
- 8 Public sector procurement has played an enormously important role in re-localising the food chain in many EU member states and it should be encouraged to do so here in the UK too. Although the UK public procurement process is finally being modernised, ostensibly to secure better value for money rather than lower prices, many procurement managers feel they are

operating in an uncertain regulatory environment and this has fostered a risk-averse culture in which local sourcing is perceived to be a risky and possibly illegal activity.

- 9 Nothing less than a local food action plan is necessary to orchestrate the actions – to reform the regulatory regime and stimulate and calibrate demand and supply – that need to be ‘joined-up’ if we are to avoid the spectacle of organic food, where some 75% of the UK market is currently being supplied by imports. Arguably the most important action of all, however, is the need to improve the *social environment* of food choice to make it easier for consumers, especially parents and children, to buy nutritious local food. This of course pre-supposes reform of our woefully inadequate food labelling system, which is bewildering when it should be enlightening and empowering.
- 10 The central conclusion is that public policies should become part of the solution not part of the problem and they can do this by fostering rather than frustrating the growth of short and sustainable food chains in the UK to allow us to secure the multiple dividend.