

SUSTAINABLE PROJECT 1: ESSAY 1

Local food production and cosmopolitan localism

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Introduction

This paper has been prepared as part of a broader project examining the potential role of social technologies in supporting the market for locally produced fresh produce (for example, fruit and vegetables). The project seeks to understand the motivations and barriers to key customer groups and producers engaging with such technologies through semi-scripted interviews undertaken with representatives of each group of interest.

In preparation for these interviews, research was undertaken to gain perspective on research already undertaken into the market for fresh fruit and vegetables in Australia, as well as to connect the project to broader themes of interest related to the propagation of social innovations. This paper is a brief and non-exhaustive reflection on this exploratory research.

First it examines some of the drivers behind the emerging trend towards local and organic produce and the related growth of farmers markets: sustainability, health and safety, quality and taste, and food as experience. It then explores local food production as a form of social innovation, considering its potential for expansion using social technologies.

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Drivers toward locally grown fresh produce

The development of the global industrial-commercial food system “has allowed millions of people access to a vast array of food from all over the world” without restrictions imposed by “local environmental factors or seasonality of produce.” (Gaballa & Abraham 2008, p. 1) Indicative of this is the significant growth seen in major grocery retailers’ fresh food sales (McKinna et al Pty Ltd 2007, p. 4) which “now account for between 20–25% of grocery sales” (Price Waterhouse Coopers 2007, p. 18).

Despite these developments, there is considerable interest in alternative food systems, especially locally-centered food production models (Department of Agriculture 2006, p. 7; Manzini 2007, p. 235; Winter 2003, p. 24). A signifier of this interest is the over 150 registered farmers’ markets now operating across Australia (Australian Farmers’ Market Association n.d., para. 3). Organic produce is also experiencing strong consumer demand, with 70 per cent of organic food consumers purchasing at least once a week and approximately 60 per cent of households buying organic produce on occasion (Hendy 2010).

There are a number of drivers generating demand for locally produced and organic food — ranging from environmental and animal welfare to health and safety, socio-economic to quality and taste (Coster & Kennon 2005; Hendy 2010; Hogan & Thorpe 2009, p. 1; Lockie 2008, p. 194; McKinna et al Pty Ltd 2007, pp. 4–5; Winter 2003, pp. 24, 9).

The following sections provide an overview of these drivers. It is noted that in the reviewed literature, supported by initial anecdotal evidence from the author’s inquiries into the topic, there is a conflation of the idea of “local” with (non-certified) “organic” produce in consumers’ minds. In part in acknowledgement of this conflation, and in part due to the limited space afforded in this paper, each of these constituent parts is considered as a representation of a broader trend towards low-input (e.g. chemical-free/organic) seasonal local produce in the remainder of this document.

Sustainability

The CSIRO estimates that food-related emissions make up approximately 30 per cent of the total greenhouse gas emissions of an average Australian household (Cubby 2010, para. 8). This suggests a strong need to incorporate food production in considerations of the key sustainability issues of climate change and peak oil (Gaballa & Abraham 2008, p. ii).

The concept of “food miles” has been adopted by some consumers as a short-hand method of determining the environmental impact of food items. This is perhaps in response to insufficient information available to consumers to make informed choices about the ecological footprint of their food purchases (Sophie Gaballa & Abraham 2008, p. 24). “Food miles” is a term that refers to the distance a given food product travels between the point of production and consumption (Gaballa & Abraham 2008, p. ii). Some environmental, community and farmer groups also encourage consumers to purchase food with lower “food miles” with the intent of reducing transport energy use in the food supply chain (Hogan & Thorpe 2009, p. 1).

To put food’s carbon impact into perspective, it is estimated that the food miles for a typical food basket (including imported products) in Victoria is over 70,800 kilometres (km), “equivalent to travelling nearly twice around the circumference of the Earth (40,072 km), or travelling around Australia’s coastline three times,” with emissions “equivalent to 2,832 cars driving for one year.” (Gaballa & Abraham 2008, p. 23) Cubby (2010) examined a comparable basket purchased in the Sydney metropolitan region using a methodology under development by the CSIRO and the Department of Climate Change. The resulting conservative estimate was 80,919 kms. Coster and Kennon estimate that the average food miles across three farmers’ markets in Victoria were approximately 12 per cent the average food miles for food at Victorian supermarkets (Coster & Kennon 2005, p. 23).

While food miles is recognised as an incomplete measure of food’s environmental footprint (Choice Magazine 2008; Cubby 2010; Hogan & Thorpe 2009; Sophie Gaballa & Abraham 2008, pp. 2–3) — a US study found that transportation may account for as little as 11 per cent of food’s total greenhouse gas emissions, with what would be considered food miles accounting for as little as four per cent (Choice Magazine 2008, para. 16) — it is clear that in many circumstances locally sourced produce has the potential to significantly reduce emissions in the food supply chain.

Health and safety

When reviewing the consumer market for fresh vegetables in Tasmania, McKinna et al Pty Ltd (2007, p. 5) determined health and wellbeing as the dominant purchase driver, reenforcing Winter’s (2003, p. 29) similar findings in the context of England and Wales. A report recently released by the Biological Farmers of Australia indicates that concerns about health and the environment are the most common reasons for consumers turning to organic produce, with 91 per cent of Australians placing importance on chemical-free produce (Hendy 2010, para. 3).

This may be considered a reflection of a more general trend towards the purchase of “natural” products, as highlighted by Boyle (2003, p. 17):

...the growing feeling some people have — the reverse of a generation or so back — that natural processes are more effective than unnatural ones. Hence the suspicion of ‘unnatural’ developments like genetically modified food, and burgeoning interest in ‘natural’ childbirth, ‘natural’ death, ‘natural’ pest control, even ‘natural’ yoghurt — and ‘natural’ health.

He goes on to note “If a manufacturer tells you about where their product is made, or the person who made it, it is more likely that it is the result of an equal exchange. ... Anonymity is suspect if you’re looking for authenticity.” (Boyle 2003, pp. 20–1) Thus, a sense of trust may be engendered when the perceptual distance between the producer and consumer is reduced. The fact that producers attending farmers’ markets are likely to change their farming practices in response to customer demand (Coster & Kennon 2005, p. 30) demonstrates some strength in this trust bond.

Socio-economic

Consumers also demonstrate an interest in supporting local farmers and the local economy through their purchasing habits (McKinna et al Pty Ltd 2007, p. 5; Winter 2003, p. 29). Winter notes that buying *local* produce figures more highly in many consumers’ minds than *organic* (2003, p. 29), suggesting of a “defensive politics of localism rather than a strong turn to quality based around organic and ecological production.” (Winter 2003, p. 23)

Major retailers’ practice of discounting high-volume items while maintaining margins on lower volume products has increased their economies of scale with a subsequent rationalisation of the industry (Price Waterhouse Coopers 2007, p. 14). This has resulted two leading grocery retailers Coles and Woolworths command nearly 50 per cent of the fresh produce market, and close to 80 per cent of the total retail market, one of the highest market concentrations of grocery retailers in the world (Wardle & Baranovic 2009, p. 477). This concentration shifts price negotiating power towards large retailers (Price Waterhouse Coopers 2007, p. 15) placing significant downward pressure on farm-gate prices (Coster & Kennon 2005, p. 2; Wardle & Baranovic 2009, p. 478). Additionally, as at 2007 Australia was a net importer of vegetables, creating significant competition with associated price pressures for local producers (McKinna et al Pty Ltd 2007, p. 4).

Initial interviews conducted by the author with producer group representatives indicate that major grocery retailers have strict standards on size and produce quality in place that can result in produce that deviates from these standards, but is still of good quality in other respects, not finding its way to market through mainstream channels. Alternative food markets, such as farmers’ markets, provide an outlet for selling such excess stock while providing producers with a higher proportion of sale than sales through retail outlets (Coster & Kennon 2005, p. 2; Department of Agriculture 2006, p. 7). They also provide opportunities for producers to test new products and marketing techniques, increasing both market intelligence and building marketing skills (Coster & Kennon 2005, p. 2; Department of Agriculture 2006, p. 7) with flow on economic benefits.

Current food and agricultural practices are recognised as being heavy in their use of fossil fuel inputs (Sophie Gaballa & Abraham 2008, p. 1) which add to the input cost burden of producers. The expected introduction of carbon pricing and petroleum price instability caused by anticipated reduction in supply (commonly referred to as “peak oil”) are economic threats that low-input farming methods (e.g. chemical-free and organic) and lower food miles help address.

Quality and taste

Quality and taste figure prominently in consumer’s decisions to purchase local produce (Winter 2003, p. 29), with time-poor consumers seeking the convenience of pre-packaged products that also deliver on quality and flavour (McKinna et al Pty Ltd 2007, p. 4). Local provenance is also equated to freshness in the minds of consumers (Winter 2003, p. 29).

The freshness of produce is also a consideration for waste reduction. Twenty six (26) per cent of respondents in Brand Story and Horticulture Australia’s (2010, p. 3) review of consumer fruit and vegetable purchasing habits indicated that “[v]egetables spoil before I have chance to use them”

was a barrier to purchasing. Buying local produce that lasts longer (i.e. is of higher quality) has multiple benefits, reducing waste and therefore cost — offsetting the price premium sometimes associated with produce purchased from local markets — and increasing convenience (e.g. less trips for shopping, food available when needed etc.).

Food as experience

One may also consider the shift towards locally grown, seasonal produce may be in part a reflection of a general trend towards “food as experience”, a trend illustrated by the popularity of TV programs MasterChef and series featuring Jamie Oliver. Looking beyond their entertainment value, such programs have the potential to increase the efficacy of consumers in using fresh produce in their regular cooking practices. Thirty six (36) per cent of consumers note “lack of inspiration” and “lack of knowledge” as a barrier to vegetable purchasing (Brand Story & Horticulture Australia Limited 2010, p. 14) highlighting the benefits of increased food knowledge. The programs also promote local, seasonal produce and in some cases advocate viewers seek to learn about the provenance of their food, which may explain mainstream retailer adoption of marketing and sourcing practices aligned with these messages.

Additionally, attendance at farmers markets is often a social activity with the atmosphere and experience being a reported benefit by consumers (Coster & Kennon 2005, pp. 2, 26). This is supported by the author’s early research interviews, with respondents identifying pleasurable experiences related to market attendance and food activities in general as a significant part of the attraction to local produce. These connections may have the effect of emotionally tying locally-sourced produce to more positive social and culinary experiences.

Manzini (n.d., para. 7) notes that social innovations compensate for the restrictions of more sustainable behaviours with a corresponding increase in other qualities valued by the community, such as:

the quality of physical and social environments with the rediscovery of commons; the quality of relationships with the rediscovery of communities; the quality of being active with the rediscovery of individual and social capabilities; the quality of time with the rediscovery of slowness. All these new qualities are based on some traditional ones, re-interpreted in the present context.

Many of these qualities can be equated to an improved experience for the consumer (and producer), which when received by participants acts as an incentive for further engagement in the innovation.

Scaling the local

Significant questions remain open as to whether or not such locally-centred initiatives can be scaled to support mainstream demand while maintaining their positive characteristics. Despite their many benefits, farmers markets are generally recognised to only fulfill part of consumers’ requirements (Coster & Kennon 2005, p. 31).

The Australian Farmers’ Market Association (n.d., para. 1) defines a farmers’ market as (emphasis mine):

a predominantly fresh food market that operates regularly within a community, at a focal public location that provides a suitable environment for *farmers and food producers to sell farm-origin and associated value-added processed food products directly to customers.*

The Victorian Farmers' Market Association translates this to mean "that the person they are transacting with is the person who grew or made the produce." (Victorian Farmers' Market Association 2010, para. 1) Indications are that, at best, farmers' markets account for 20 per cent of income for producers, meaning the remaining proportion needs to be sold through alternative channels such as direct marketing (e.g. to restaurants) or wholesale channels (Coster & Kennon 2005, p. 30). Coster and Kennon (2005, p. 30) also note that producers for which farmers' markets contribute a significant portion of income require notable increases in labour to support them. Such requirements imply significant constraints on the scalability of the farmers' market model in fulfilling mainstream demand.

Limitations of scale are also illuminated by mainstream retailers' adoption of organic produce. While Biological Farmers of Australia reports that 92 per cent of organic products are sold via retail outlets — with supermarkets representing 60 per cent of those sales — the "organic sector holds just 1% of total market value." (Hendy 2010, para. 7–8) These statistics demonstrates the currently limited reach of organic produce in the market and the immense increase in scale required to meet mainstream demand.

Consumer preferences also need to be considered, as for some customers the appeal of organic/local produce is part of socio-political identity building. As Martin Hayward notes (quoted in Boyle 2003, p. 13):

Mass marketing has become a very hard thing to do because people don't like to be seen as "normal" any more — they all want to be seen as individuals, ... The bigger you become, the less appealing you become. It's a dilemma: somehow, you have to find a way of exploiting the behind-the-scenes benefits of being big, yet at the point at which you touch the consumer, you have to be seen to be small.

Douthwaite (2004, pp. 119–20) posits that local and global economies are complementary and that rather than one replacing the other, a rebalancing towards the local away from the dominant globalised systems is an appropriate approach. He suggests there are two possible responses to the unsustainable globalised economy: to change the way it works, or build local alternatives to it (Douthwaite 2004, p. 119). Social innovations such as farmers' markets would appear to fall into the latter category. Manzini (2007, p. 234) suggests a similar approach.

Cosmopolitan localism: small, local, open, connected

Manzini proposes one approach to scaling social innovation where small, local, open, connected (SLOC) (Manzini n.d; 2007) "creative communities" connect using internet and other distributed communications and computing technologies to create a network of social innovations. Boyle (2003, p. 59) also notes the role that Internet-based technology will play in scaling authentic experiences, an approach he terms the "virtual real".

Such networks create economies of *scope* in contrast to the more recognised concept of economies of *scale* (Manzini, lecture 15 July 2010). He notes the dichotomy of globalisation bringing us "back to the local dimension" (Manzini 2007, p. 235):

Here, the expression 'local' means something far removed from what was meant in the past (i.e. the valley, the agricultural village, the small provincial town, all isolated and relatively closed within their own culture and economy). Indeed, it combines the specific features of places and their communities with the new phenomena generated and supported worldwide by globalisation and by cultural, socio-economic interconnection.

To describe this “new sense of place and culture”, simultaneously local and global in perspective, Manzini invokes the term “cosmopolitan localism” (Manzini 2007, p. 236). Local communities are no longer isolated, but positioned as nodes within a network with connections within the community, and extending beyond the community to the rest of the world (Manzini 2007, p. 236). Citing Amin (2002), Lockie (2008, p. 195) notes a similar shift from a “politics of place”, which may manifest in the defensive localism noted by (Winter 2003), to a “politics *in* place” where “locales are seen as inter-connected sites” (Lockie 2008, p. 195, emphasis mine).

Similarly to Douthwaite, Lockie also notes how these new approaches serve as a complement global capitalism, rather than as an outright replacement to it — where local and global are “mutually constitutive levels of social organization” (Lockie 2008, p. 195, citing DuPuis and Goodman 2005). This reconsideration of the ‘local within the network’ allows society to rediscover “its capacity for local adaptation, using to best advantage whatever is locally available and exchanging within the network whatever cannot be locally produced.” (Manzini 2007, p. 238)

These new models relating to social innovation are reflective of broader trends, especially prevalent in technology-related industries, outlined by authors such as Clay Shirky (Shirky 2009, 2010), Seth Godin and Rachel Botsman (Botsman & Rogers 2010). Social technologies have the potential to catalyse “large numbers of interested people, of organising them in peer-to-peer mode, of building a common vision and a common direction,” towards more sustainable and socially-just models of production (Manzini 2007, p. 238).

Conclusion

While the global industrial-commercial food system presents consumers with a vast array of food choice, the social, environmental and economic effects of this system have generated significant interest by both consumers and producers in alternative, predominantly local, food production and distribution systems.

There are a number of drivers behind this interest:

- **Sustainability:** reduction of food miles (transportation) and petro-chemical inputs
- **Health and safety:** lack of trust in the industrial food production system that is restored through closer connections between producers and customers
- **Socio-economic:** producers seeking a higher proportion of retail sales, consumers wanting more of their spend going to the local economy, alternative markets for slightly blemished or non-conformant produce (with attendant cost benefits)
- **Quality and taste:** lower food miles equates to greater freshness, reduction of waste through longer lasting produce
- **Food as experience:** mainstream media attention to food, provenance, and seasonal produce, the positive social experience of markets and food-related activities

Despite these drivers, scaling local production to meet mainstream levels of demand remains a significant challenge. As an indication of the scaling required, organic produce currently accounts for just 1 per cent of the market and farmers' markets at best account for 20 per cent of a producer's revenue.

Trends in social technologies, most prevalent in technology-related industries, can play a role in building a cosmopolitan localism approach to propagate social innovations such as farmers' markets and alternative food networks. Small, local, open and connected (SLOC) communities conceptually move beyond defensive localism to become a constructive complement to unsustainable global capitalism.

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