6

Theorising food quality: some key issues in understanding its competitive production and regulation

Terry Marsden

Introduction

Recent debates concerning food quality offer an important window on the changing nature of broader social, political and economic relations. Not least, this has reinforced a more serious concern with understanding food consumption processes; through more theorisation and conceptualisation of social and natural factors in the context of wider consumption trends and processes (see Goodman 2002). In this chapter my aim is to re-examine some of the key issues associated with the production and regulation of food *quality*. These are, as will become clear, highly influenced by consumption dynamics; but, for the moment, I regard it as important to analytically separate these spheres in order to attain the requisite depth of treatment of the ways in which quality foods are constructed and regulated – albeit in the consumers’ interest.

I examine ideas of quality in the context of the development and regulation of food supply chains with reference to some European research and some further examination of the current British experience. These research experiences demonstrate how, in recent years, contestations over aspects of food quality and assurance have come to play a key role in both preserving and reallocating power relations within particular types of food supply chain. In particular, evidence and arguments are drawn here between, first, the uneven emergence of what are increasingly called ‘alternative’ food supply chains and networks which are developing within the interstices of the (more conventional) retailer-led supply chains. I represent this dichotomy as a battle for knowledge, authority and regulation between food chain actors and their consumers. This is competitively fought around distinct conventions, and social and technical definitions of quality; the outcome is to empower, or disempower particular sets of supply chains actors. Put simply, the strict and hygienic quality definitions in conventional supply chains, for instance, have tended to empower corporate retailers over and above primary producers. Alternatively, the uneven development of ecological and regional quality conventions are put in place partly in order to re-empower the latter over the former. One important theorisation of food quality thus becomes associated with the ways in which different supply chain actors

compete for the authority and legitimacy of defining its particular character. As this chapter shows, this is becoming a highly competitive and contested process; one which is shaping not only consumer decisions, but the competitive 'spaces', boundaries and markets themselves in which both established conventional players and 'alternative' food actors are situated.

A growing aspect of these competitive relations in supply chains concerns the actual *use* of quality conventions and how these begin to reshape the allocation of economic and political power in food supply chains. Usage can then, in turn, affect aspects of rural development at the level of food production and aspects of food consumption in the urban realm. Quality definitions and conventions can therefore reflect and redistribute aspects of economic and social power (Marsden 2003). It becomes necessary, therefore, to examine how notions of quality are constructed and used by the different actors in supply chains and how these notions then have both rural development and food consumption effects. The chapter starts by examining the growing significance of 'short supply chains', with reference to some Europe-wide evidence. These are developing apace in some member states, but remain marginal in others (especially the UK). Thus far, the literature documenting this process has tended to concentrate on the success stories, sometimes underestimating both the obstacles to and the potential vulnerability of these new ventures.

The second part of the chapter – the case study of the retailer-led conventional chains in the UK, even during a severe crisis of confidence in them on the part of the British consumer during the BSE and foot-and-mouth disease affairs – examines how different 'quality logics' actually *collide* in the competitive world of food consumption and production. In particular, I argue that it is necessary to examine the wider context of governance and consumer relations within which corporate retailers are engaged.¹ This is associated not only with food quality regulation: it is bound up with engaging in the politics and regulation of economic competition itself. In conclusion, this preliminary analysis leads on to identify a need to define the theoretical implications for understanding food quality in relation specifically to rural development policy.

First, however, I explore and attempt to conceptualise the diversity and impacts of short food supply chains (SFSCs). These are bounded, as the second part of the chapter indicates, by the competing private sector and regulatory forces associated with retailer-led food governance. This competitive dialectic, played out in EU member states like the UK, is in part centred on the battleground of 'quality'.

Short-circuiting for quality: the morphology and dynamics of SFSCs

Throughout Europe new rural development practices are emerging which could represent important building-blocks for new ways to sustain farming and food production. These can be seen as counter-movements, in the sense that they are constructing and articulating new strategies which confront the

more conventional extended retailer-led supply chains. It is still too early to judge their viability and efficiency in delivering goals of sustainable agriculture and rural development. This is due partly to the lack of empirical data of sufficient reach and quality, but also to the relatively early developmental stage of many of these practices. Nevertheless, it is important to seek an improved insight to their potential. In particular, it is necessary to go beyond the particularities of individual cases and gain a wider overview and comparative analysis of their reach and impact. How many farms are involved in various activities? Does this involvement generate extra income and employment? And what factors condition their successful evolution and continuity?

The reconfiguration of supply chains is an important mechanism underlying the emergence of new rural development practices. For producers, the involvement in new forms of supply chain offers possibilities of retaining more added value on farms and in rural areas. It holds potential for shifting food production out of its 'industrial mode' and for breaking out of the long, complex and rationally organised industrial chains (Marsden et al. 2000) within which primary producers capture a decreasing proportion of total added value. At the same time, new food supply chains could be an important vehicle for creating more effective linkages between agriculture and society. They bring consumers closer to the origins of their food and in many cases involve a more direct contact between farmers and the end-users of their products. A key characteristic of emerging supply chains is their potential capacity to re-socialise, or re-spatialise, food, thereby allowing the consumer to make different value judgements about the relative desirability and quality of foods on the basis of their own knowledge, experience or perceived imagery. Commonly such foods are defined by the locality or even the specific farm where they are produced; and they serve to draw on an image of the farm and/or the region as a source of quality. In this, often more direct linkages emerge between farming on the one hand and rural nature, cultural landscapes and local resources on the other – what the French call the '*terroir*' of agricultural production (see Allaire and Sylvander 1995).

For these reasons, rather than the unspecific adjectives 'new' and 'alternative', I prefer the term 'short' as a common denominator for the types of food supply chain that are emerging within rural development. On the one hand, SFSCs short-circuit the more anonymous and closed long supply chains characteristic of the industrial and retailer-led mode of food production. On the other hand, producer–consumer relations are 'shortened' and redefined by giving clear signals on the provenance and quality attributes of food, potentially constructing more transparent chains in which products reach the consumer with a significant degree of value-laden information. Also, SFSCs can be an important carrier for the 'shortening' of relations between food production and locality, possibly enhancing a re-embedding of farming towards more environmentally sustainable modes of production (see van der Ploeg et al. 2002).

The unexpected emergence of SFSCs demonstrates that we urgently need better conceptualisations of the ways in which such 'quality' and alternative

markets are socially constructed. In neo-classical economics ‘the market’ appears merely as external to the social world and its outcome is thought to correspond to a singular distinctive logic or ‘magic hand’. The emergence of new food markets, however, indicates that SFSCs are not simply the result of some kind of external, elusive ‘free market’. They result, rather, from the active construction of networks by various actors in the agro-food chain, such as farmers, food processors, wholesalers, retailers and consumers. To understand developments on food markets we therefore need to explore a ‘sociology of the market and competition’ (Marsden and Arce 1995) that attempts to unravel the distinct patterns of social interaction between different actors in the agro-food chain. This is in line with the approach proposed by van der Ploeg and Frouws (1999) who, following some elements of actor network theory, analyse food supply chains as *arrangements of interlocking projects* of different actors in the agro-food chain.

The dimensions of SFSCs

A first step concerns the development of a better understanding of the morphology and dynamics of SFSCs and to come to grips with the empirical variety of SFSCs throughout the European countryside. How can we understand the different ways in which consumer demands and producer supplies are articulated to specific (organic, regional, artisanal, etc.) production ‘codes’? And why is this in many cases accompanied with new market structures, while in others supply and demand are articulated by conventional and more intermediated market mechanisms? In addressing these issues it is important to go beyond a simple description of product flows and focus our analysis of SFSCs on the *type* of relationship between producers and consumers in these supply chains, and the role of that relationship in constructing value and meaning, rather than solely on the type of product itself.

On the basis of an inventory of SFSCs in Europe for the IMPACT research programme two interrelated dimensions were found useful for describing the empirical variety of producer–consumer relations within SFSCs. A first dimension concerns their organisational structure and the specific *mechanisms* involved in these to variably extend relations in time and space. A second dimension concerns the different *quality definitions* and *conventions* involved in the construction and operation of SFSCs. In the first dimension three positions are distinguished, corresponding to different mechanisms for extending SFSCs across longer distances in time and space (see figure 6.1). It is important to note that a single farm business might be involved in supplying one or more of these distinct supply chains.

The first category of SFSCs is essentially based on *face-to-face* interaction, as a mechanism for aligning producer–consumers networks. Consumers purchase products directly from the producer/processor, and authenticity and trust are mediated through personal interaction. This category coincides largely with a narrow definition of direct sales, be it through roadside sales, ‘pick your own’, farmers markets or farm shops. Marketing concepts like box

Figure 6.1 Different mechanisms for extending SFSCs in time and space

schemes, mail order and home deliveries offer some possibilities to extend the reach of this form of SFSC, but mostly these remain restricted to individual farms. The internet now provides opportunities for new variants of face-to-face contact through online trading and e-commerce.

A second category of SFSCs extends its reach beyond direct interaction and is essentially based on relations of *proximity*. Obviously, extending SFSCs over longer distances in time and space supposes the creation of new institutional arrangements. Most common is the cooperation between producers, who, for example, widen their product range by exchanging products between farm shops or combining individual products under a regional quality hallmark (Banks 2001; Roep 2001). Consumer cooperatives and ‘community supported agriculture’ are examples of consumers combining their buying power to facilitate the extension of SFSCs (Alonso Mielgo et al. 2001; Mormont and van Huylbroeck 2001). Networks are based mainly on *spatial* proximity, so that products are sold in the region (or place) of production, and consumers (e.g. tourists) are made aware of the ‘local’ status of the product at the point of retail. The articulation of activities in space and time by organising specific events, fairs or thematic routes (Brunori and Rossi 2000) may contribute to the regional identity of products, attracting customers and thereby enhancing a further stretching out of SFSCs. Producer–consumer networks may also be based on *cultural* proximity, as exemplified by the sale

of regional specialities to emigrants (LEADER 2000). Proximate SFSCs often include intermediate actors in the agro-food chain, who then take over the role of guaranteeing product authenticity. Examples are local shops and restaurants (for regional products), but also specialist retailers like 'whole food' and dietetic shops that play an important role in the marketing of organic products.

A third category further enlarges the reach of SFSCs to *extended* relations in time and space. Here products are sold outside of the region of production to consumers who may have no personal experience of the locality. In most cases products are exported from the region to national markets, but some extended SFSCs may span large distances covering the globe. Examples of these are well-known regional specialities like Champagne wine or Parmigiano-Reggiano cheese (de Roest and Menghi 2000), but also 'fair trade' products like coffee and tea. These global networks are still distinctively 'short' FSCs in that, despite the large distances travelled, they reach the consumer embedded with a special sort of value-laden information which is, for example, printed on packaging or communicated at the point of retail. This enables the consumer to make local connections with the place/space of production and, potentially, the values of the people involved and the production methods employed. This successful transmission of information allows products to be differentiated from more anonymous and standardised commodities, commanding a premium price if the accompanying information is considered valuable by consumers.

Such extended SFSCs depend critically on institutionalised conventions, codes and mediators enabling a lengthening of producer–consumer networks which may be 'acting at a distance'. Sometimes networks are aligned on the basis of 'reputation effects' (Shapiro 1983), but here it is difficult to safeguard the exclusivity of the product, and markets become prone to imitations, substitutions and potential downward pressure on prices. Extended SFSCs tend, therefore, to involve the creation of more formalised institutional codes (e.g. labels), which specify regulations for production, processing and other stages of the agro-food chain. The authenticity of products, rather than being founded in networks of trust and confidence, is backed up by securing a formal juridical basis for brands and labels, involving independent external bodies for control and certification. The rising transaction costs resulting from this, together with the relatively high transport costs, accentuate the importance of economies of scale and may turn larger (conventional) market parties into 'obligatory passage points' within extended SFSC networks. It is important to recognise, however, that the new production codes and certification procedures are largely independently created, that is, they fall outside of the more conventional hygienic quality regulation implemented by governments and corporate retailers. Yet, once developed, they may come into direct competition with the conventional sector.

The specific quality definitions and conventions involved in the operation of new food networks represent a second dimension which differentiates

empirical expressions of SFSCs. This dimension relates to the quality definitions (by the producer and the consumer) of the product rather than the spatial definition of the chain. All SFSCs operate, in part at least, on the principle that the more embedded and differentiated a product becomes, the scarcer its presence in the market. Product differentiation implies the construction of transparent market relations around specific sets of quality definitions that are shared by all parties involved, and are sufficiently translated to convince consumers to pay premium prices. When looking at the empirical variety of SFSCs, two main categories of quality definitions may be distinguished, as shown in figure 6.2.

The first category of SFSCs stresses mainly the link between quality attributes of the product and its *place* of production or producer. Specific characteristics of the place of production (natural conditions, cultural and gastronomic traditions, etc.) or the production process (artisanal, traditional, farm-based, etc.) are crucial parameters to the definition of the product's quality, and in many cases are claimed to result in distinctive and typical tastes or appearances. The clearest examples are regional speciality foods with EU protected origin indications. Farm/cottage foods tend to stress the artisanal nature of the production process and the experience and capacities of the producer, but in many cases they tacitly refer also to cultural heritage and (local) traditions. Quality definitions based on 'fair trade' are also included for their emphasis on links with producers, where considerations of ethics and justice are paramount.

The second group of SFSCs defines quality in terms of the links of food production and consumption with *bio-processes*. This group includes, first of all, products that, in response to public concerns over ecology, distinguish themselves with environmentally sound production methods like organic and integrated production. Apart from clearly specified labels, there is a vast range of products with more general claims to being 'natural'. These draw in part on romantic images of traditional farming, but they also express a tendency towards the valorisation of multifunctional forms of agriculture, for example, for their contribution to rural nature and landscapes. This category

Figure 6.2 Different quality definitions employed within SFSCs

also includes products conceived as more healthful and safe. While such claims are rarely made explicit, there appears to be a widespread common-sense idea among consumers that products with less chemical substances (or that are free of GMOs) are more healthful (Nygard and Storstad 1998). The third type of quality definition included here concerns 'free-range' products, which are distinguished by their production's respect for the natural behaviour and welfare of animals.

It should be stressed that in reality clear distinctions between various quality definitions often are unavailable and boundaries between categories become blurred. This results from associations made by consumers, but also because several SFSCs actively create interlinkages between distinct quality aspects. This is, for example, the case with some regional products. For instance, as a part of product imagery they can stress the role of farming in safeguarding rural landscapes; conversely, they can stress environmentally sustainable products as part of their marketing strategies, thus extending product identity with a regional dimension. Quality conventions involve, therefore, more than merely the language of production regulations: they refer also to the perceptions and discourses of the actors involved and are influenced by their personal (lay-)knowledge, interests and cultural backgrounds. However, important struggles occur between actors – not least around quality conventions involved in SFSCs, but also in attempts to construct compromises and coalitions.

Clearly, while both the scale and the quality dimensions give some framework for mapping the diversity of SFSCs, neither dimension maps onto the other directly. Figure 6.3 exposes the relationships between the scale (figure 6.1) and quality dimensions (figure 6.2). This further demonstrates the 'quality battle' occurring between the more highly intermediated and extended quality supply chains (often retailer-led), and the local face-to-face, or proximate, regional and ecological product chains. This multidimensional matrix demonstrates two important tensions for the development and evolution of SFSC's. First, and possibly increasingly, regional–artisanal or ecological–natural quality product definitions can be adopted by distinct types of supply chain. Organics sales in the UK, for instance, are dominated by corporate retailer sales (70 per cent plus), and overseas (extended) procurement (c. 70 per cent of all retailer supplies (see Smith and Marsden forthcoming). The implication of this is that regional and ecological quality definitions are vulnerable to substitution, duplication and intense competition between extended, proximate and face-to-face chains.

Second, this multidimensional SFSC matrix suggests, perhaps more positively for smaller and local producer interests, that attempts and struggles to capture more value in SFSCs through shortened chains, and in redefining the quality of products around local–ecological criteria, represents a growing process of *social and economic diversity and fission* in producer–consumer relations. This is diametrically in contrast to the (more post-Fordist) process of retailer-led standardised differentiation associated with conventional

SFSCs scale	Quality parameters	
	Regional–artisanal paramount	Ecological–natural paramount
face-to-face (direct producers– consumers)	typical products (e.g. speciality cheeses) on-farm processing farm shops farm producer	organic box schemes farmers markets organics
proximate (some intermediation)	farm–cottage foods regional labels wine routes special events local–cuisine restaurants new cooperative marketing arrangements	free-range GMO free
extended (high intermediation)	designation of signs (CPDO–PGI) fair trade products ethical products regional brands in supermarkets	retailer organics (+70% in UK) integrated pest management systems free range GMO free 'slow food products'

Figure 6.3 Opening up the quality food spectrum: the SFSC battleground

chains. In the latter, it is not that quality criteria are irrelevant, rather it is that they are standardised and conventionalised *outside* of the local and ecological context in which they are produced and processed. In the context of the overall finite nature of the food markets, one point of vulnerability for these conventional chains, as I show, becomes the degree to which the actors and institutions involved in developing SFSCs are given the agency and support to exploit their new found diversity. As I indicate with reference to the UK case, these vulnerabilities for the conventional system play an important part in shaping contemporary food regulation more broadly.

Some empirical evidence on the incidence and impact of SFSCs in Europe

It is important to recognise that the typologies developed here have been constructed from a detailed and largely qualitative analysis of comparative case studies from across the seven European countries. This enables a better understanding of the underlying mechanisms and evolutionary dynamics of

SFSCs. However, any attempt to obtain a wider overview is seriously hampered by the lack of official quantitative data of sufficient reach and quality (Knickel and Renting 2000), and therefore necessarily has to remain exploratory. In fact, the only type of SFSC for which in recent years some more standardised data are emerging concerns organic farming. For all other fields, any comprehensive overview is lacking, which obviously represents a major obstacle for an appropriate monitoring and analysis of new rural developments.

In spite of this limitation, the IMPACT project² attempted to obtain an overview of the spread and impact of SFSCs in seven European countries, altogether representing some 75–85 per cent of farming in the EU-15. Where possible, data were used from official (national) statistics and secondary sources, but to obtain an overview of SFSCs a wide range of methods (including surveys, expert consultation and ‘grey’ data) had to be applied (Renting et al. 2002). Table 6.1 gives an overview of the incidence of different types of SFSC as obtained through the application of this ‘toolbox’. The figures give an impression of the range and diversity of SFSCs throughout Europe, both with respect to their incidence and the types of activity in different national settings. We need to keep in mind that there are probably still various ‘blind gaps’, and therefore actual numbers might still be considerably higher. Also, for reasons of data availability, the year 1998 was taken as the reference point, and since then SFSCs appear to have expanded significantly. In view of the lack of sufficient data, a differentiated typology of SFSCs, such as that set out above, could not be applied. Rather, data were collected according to three much broader categories in different, empirically defined, fields of activity: organic farming; quality production; and direct selling. As a result, while the category of direct selling largely coincides with face-to-face SFSCs, organic farming and quality production may cover all three types of SFSC and are defined mainly by the type of quality definition employed.

Nevertheless, despite these inconsistencies between the qualitative and the quantitative analysis, on the basis of these provisional estimates of the incidence of SFSCs, a range of indicators for their socio-economic impact were calculated (see table 6.2). The number of farms involved in SFSCs were first of all related to the total number of farms (Eurostat data for 1997) so as to compare the degree of dissemination of the activity. The same figures were also related to the number of farms above a minimum of two ESUs (economic size units), in order to correct for (the sometimes substantial) number of ‘farms’ that only involve hobby activities. The impression is that SFSCs are taken up mainly by medium-sized farm businesses; a minimum production level is often necessary to make the activity viable and finance investments, while large volumes are sometimes at odds with the specific and differentiated processing and marketing structures involved.

To explore the national economic importance of SFSCs, their socio-economic impact was also expressed in terms of the net value-added generated. This was the most appropriate measure for socio-economic impact, because it

covers both family labour and employed labour remunerated by the activity. It therefore expresses rural development benefits, at both farm and regional levels. The *additional* net value-added generated on top of conventional agricultural production (ΔNVA) was used to express the rural development gains of SFSCs in comparison to more conventional productivist development trajectories. Even more than for estimates of the incidence of SFSCs, impact figures have the character of 'best educated guesses' and are strictly exploratory. Again this is the result of the unavailability of adequate data. The data presented have been elaborated on the basis of farm economic studies, representative sets of farm accounts and expert opinion. While their accuracy can certainly be further improved, the data do give us a sufficient measure with which to explore the extent of the shift in the production base of European farming from productivist agriculture to rural development-based SFSC activities.

The results make clear that SFSCs have developed substantially in all countries, although large differences occur. In terms of the number of farms involved, SFSCs are most developed in Mediterranean countries like Italy, France and Spain, but also in Germany. Activities of direct selling and quality production especially are widely developed there, sometimes reaching shares of 20–30 per cent of the total number of farms. These figures increase again when we take farms with a minimum economic size of two ESU as the reference point. SFSCs are much less developed in the UK and the Netherlands, and Ireland is clearly lagging behind, with very small numbers of farms involved in SFSC development: in the first two, SFSCs have sometimes reached shares of 5–10 per cent, while in Ireland figures never surpass 1 per cent. In terms of the number of farms, organic farming is generally much less developed than are other SFSCs, with the highest shares in Italy and France (1–2 per cent). However, we need to keep in mind that since 1998 the number of organic farms in some countries has increased rapidly.

There are striking differences in the specific types of SFSC that are most developed within the various countries. In Italy, Spain and France, SFSC development appears to a large extent to build on activities of regional quality production and direct selling with long-lasting traditions. National and EU legislation for the juridical protection of quality production (e.g. PDO and PGI) here appears to have served as an appropriate institutional stimulus for the consolidation (if not revival) of these activities. The difference lies with the UK, The Netherlands and Ireland, where PDO–PGI products have hardly been developed. In The Netherlands, the UK and, to a certain extent, also Germany, SFSC development more often is based on 'modern' quality definitions stressing, for example, environmental sustainability or animal welfare, while new and innovative forms of marketing (e.g. farm shop groups, box schemes, farmers markets) also more often play a critical role in SFSC development. The fact that in these countries the productivist agricultural model developed more strongly, threatening the survival of traditional production and marketing systems, plays an important role. For organic farming, less striking differences between countries occur. In several, such as

Table 6.1 Estimated incidence of Sassi in seven European countries (1998)

	Netherlands	England & Wales	Germany	Italy	Spain	Ireland	France
Organic farming	962 certified farms	1,125 certified farms	9,200 certified farms	43,698 certified farms	7,392 certified farms	900 certified farms	8,140 certified farms
Quality production (i.e. s+p+ extended supply chains)	1,600 farms with quality beef label 850 farms with free range eggs 150 farms with free range meat 690 on-farm dairy processing 90 on-farm goat or sheep milk processing 30 farmer groups with regional products (400–500 farms) 1,500–2,000 small scale food producers	700 farms with speciality products, including meat (203), cheese (98), yoghurt (70), ice-cream (77), wine (63), fruit juice–cider (77), pickles–preserves (56), water (7), bakery products (42), and beer (21) 1,100 farms with (regional) quality beef label 550 farms with (regional) quality sheep label	190 on-farm dairy processing 21,000 farm distilleries 1,000 fruit processing 11,000 farms with quality wine 130 farms with free range eggs 150 cooperative quality projects 60–80 projects regional quality meat (3,500 farms) 50 projects regional quality crops	30 PDO cheeses (40,000 farms) 24 PDO–PGI meat products (6,000 farms) 24 PDO–PGI olive oils (2,000 farms) 443 DOC–DOCG–IGT wines (154,000 farms) 25 PDO–PGI fruits, vegetables and cereals (1,800 farms) 6 other PDO–PGI products (1,000 farms)	113 Designated PDO–PGI product, including wines (156,000 farms), olive oil (27,000), cheeses, fresh meats, vegetables (c. 2,000), fruits (c. 11,000), legumes (320), honey, raisin (4,100), rice (6,700) and tubers (750) various other regional labels of autonomous communities	30 farms with house cheese 130 farms with other farmhouse–cottage foods (breads and cakes, jams and preserves, meat products) 59,400 farms with quality wine of which 33,000 AOP 630 other labels e.g. Label Rouge and IGP (51,000 farms)	Over-all 182,500 farms (census 2001), covering: 543 AOC–AOP labels 8,000 farms and 4,500 processors AOC–AOP cheese and beef
Total Farms	5,880	2,350	44,370	204,800	207,870	160	102,500

<i>Direct selling</i> (specifically face-to-face chains)	4,715 farms with on-farm sales (roadside sales, farm shops) 33 organic farmers markets (100 farms) 100 farms with box schemes 120 farms with home deliveries 500–1,000 farms with washing, cutting, pre-packing	2,850 farms shops 250 farmers markets (5,000 farms) 1,450 pick your own 3,450 farms with farm gate–roadside sales	24,000 farms with direct sales 110 cooperative farm shops 240 regional marketing projects (7,200 farms) 200 farmer markets (1,600 farms) 1,100 farms with meat packets 500 farms with home deliveries–box schemes 2,000 pick your own	800,000 farms, of which: wine (185,000 farms) cheese (c. 125,000) olive oil (280,000) vegetables and potatoes (85,000) fruits (49,000) meat (c. 300,000) eggs (175,000) honey (10,000)	153,000 farms, including farmers markets door- to-door selling farm gate sales 21 producer– consumer associations of organic products	650 farms with markets stalls 80 farms with box schemes 56 farms with roadside sales	102,000 farms (census 2000), of which c. 40,000 farms with farm gate sales (no production c. 60,000 farms with on-farm processing for direct sales
Total Farms	5,935	12,750	36,510	800,000	153,000	786	102,500

Table 6.2 Socio-economic impact levels (in millions of Euros) of SFSCs in seven European countries (1998)

	Netherlands	UK	Germany	Italy	Spain	Ireland	France
<i>Organic farming</i>							
Δ NVA (Euros)	23m	25m	845m	214m	42m	2.1m	31m
% of total NVA	0.3	0.2	0.8	1.1	0.2	0.1	0.1
N	962	1,472	9,200	43,698	7,392	900	8,140
% of total N	0.9	0.6	0.6	1.9	0.6	0.6	1.2
% of N over 2 ESU	0.9	0.8	2.1	3.5	1.0	0.7	0.7
<i>Quality production</i>							
Δ NVA (Euros)	85m	54m	209m	865m	142m	16m	887m
% of total NVA	1.3	0.5	2.0	4.3	0.8	0.6	3.5
N	3,000	3,200	40,000	143,000	224,000	160	182,500
% of total N	2.8	1.4	7.5	6.2	18.5	0.1	26.8
% of N over 2 ESU	2.8	1.7	9.3	11.5	28.8	0.1	32.7
<i>Direct selling</i>							
Δ NVA (Euros)	68m	318m	678m	328m	262m	17m	840m
% of total NVA	1.0	3.0	6.4	1.6	1.5	0.1	3.3
N	6,000	14,700	35,000	800,000	153,500	790	102,000
% of total N	5.6	6.3	6.5	34.6	12.7	0.5	15.0
% of N over 2 ESU	5.6	7.9	8.1	64.4	19.8	0.6	18.3

The Netherlands, UK, Ireland and Spain, organics continue to be relatively weakly developed. The lack of sufficient domestic demand, but also the restricted state and institutional support, are important factors. Only in Italy and Germany does the organic sector appear to have left behind its initial low development base.

With regard to the socio-economic impact of SFSCs, as expressed in the Δ NVA³ compared to conventional agriculture, again very different stages of development occur. Germany, Italy and France are the countries where SFSCs have reached the highest socio-economic impact levels: we can estimate here that organic farming, quality production and direct selling add some 6–10 per cent to the total NVA realised in agriculture. The Netherlands, the UK and Spain obtain an intermediate position with c. 2–4 per cent, while in Ireland less than 1 per cent is added to total NVA by the development of SFSCs. These figures at first sight may seem low, but it needs to be stressed that they refer only to the Δ NVA generated by SFSC activities. Data referring to the total NVA associated with SFSC activities are unfortunately unavailable for most countries. However, for Italy it is known that the total NVA (including primary production) of organic farming, quality production and direct selling amounts to 5,395 million Euro, or 29 per cent of the total NVA of the agricultural sector as a whole, suggesting a significant share for SFSC developments.

Evolutionary dynamics and potentials of short supply chains

SFSCs, with their focus on consumers' needs and relatively extensive modes of production, may hold some of the keys to future developments in European farming in a context where existing support measures are increasingly under debate in the present WTO round, and given the enlargement of the EU and the current mid-term review of the CAP. However, a major question remains whether this represents a long-lasting counter-movement or a more short-term set of aborted initiatives.

As I show, this is associated not just with their particular internal economic and social strengths or vulnerabilities: it is bound up with their economic and institutional competitive relations to the conventional (and more corporate-controlled) sector. If SFSCs are able to play a significant role in the process of rural development, it is important to identify and analyse the evolutionary patterns and obstacles in their development, considering their long-term impact and future potential. This requires much more in-depth and longitudinal micro-analysis of case studies, as well as the necessary broader typological and comparative analysis attempted here. In particular, more attention is needed on the temporal, spatial and market evolutionary dynamics involved in SFSCs, so as to gauge whether they are economically, socially and environmentally more sustainable over the long term (see Marsden et al. 2000a). The analysis thus far suggests that sustaining rural development through the evolution of these more diverse supply chains must be based on both *institutional support* and new types of *associational development*

involving a range of actors operating within the chains and their surrounding networks. Quality supply chains need new and innovative forms of institutional and associational regulation to protect their competitive position. Furthermore, these relationships must alter and reconfigure over time and space. Here, concerning these interactions between the farm, the institutions and the associational realm, there is no one dominant model of development. Such findings have important theoretical as well as policy-relevant implications. Are we witnessing the development of new rural economic relations emerging from the deepening crisis of industrial agriculture? If we are, it would seem that new institutional practices and interventions will be needed both to stimulate and to foster these diverse trends.

Such theoretical and conceptual questions surrounding the evolutionary dynamics of SFSCs need to incorporate the role of retailer-led governance. This is particularly the case in the UK where, I argue, the restricted quality prism of SFSCs is related in part, to the continued institutional and regulatory dominance of retailer-led food governance.

Case study: retailer-led food governance in the UK – keeping competitive control of quality

Unlike SFSCs, retailer-led or conventional chains are characterised by significantly higher levels of standardisation of product which are usually dictated by the retailer and national government agencies rather than by groups of producers or food processors. In addition, these chains are distinctive, not only in the sense that they are ‘longer’ or more complex; what marks them out as analytically distinct is rather their organisational and operation of supply chain power. This involves both a standardisation of product and a hyper-restrictive and bureaucratic framework within which production, supply and manufacture and packaging are organised. In these contexts quality becomes defined in more commercial (rather than regional or ecological) terms. And, in relation to the growing concerns over food quality since BSE and related food health scares, it increasingly also has to take on board sets of hygienic quality conventions (such as the stripping away of fats, offal, poorer quality meat cuts, etc.) so that a ‘cleaner’, more reliable, consumer-oriented supply system can be assured.

It is necessary at this juncture to provide some background on the mechanisms by which the corporate retailers have maintained their ‘quality-constructed’ market dominance over recent years, given the significant growth in consumer concern associated with food scares, and the growing media and political concern about retail power. Since we completed our decade of work on corporate retailer power in the 1990’s (culminating in the text *Consuming Interests*, Marsden et al. 2000b), it is clear that the aforementioned development of SFSCs activated by those who are tacitly or explicitly attempting to short-circuit the conventional chains represents a more profound challenge to the retailers. Moreover, the setting up of the

FSA (in the UK) and similar organisations in other member states, as well as the new EFSA for the EU as a whole (Flynn et al. 2003), suggests a more complex publicly regulated quality framework for food which could potentially pose a significant threat to such retail power.

However, our most recent evidence suggests that this is far from being the case. Moreover, it would seem that it is the mutating nature of corporate retailer power itself, coupled as it is with its continued authority over conventional supply chains and consumption, which is the abiding characteristic of this most recent phase of food regulation. If this thesis is correct, and our emerging evidence suggests that it is, at least for the UK, it raises questions (and possibly a series of answers) over how these relationships impinge on the uneven development of the short supply chains outlined above. Is the maintenance and market dominance of corporate retail power (together with a supportive state), and the private-interest quality food regulations that go with it, a major reason for the thus far fledgling development of alternatives in the UK? How are the corporate retail chains reacting to the development of SFSCs which are based more on local and regional, rather than national and international, sets of market and regulatory arrangements? What do these competitive conditions tell us about the potential economic durability and evolution of the alternatives in the medium to long term? How significant is state policy in setting the rules for these competitive relationships?

In order to attempt to understand these competitive dynamics, I begin to address these questions by examining the role of corporate retailers in the UK with respect to the livestock crisis associated with BSE and beef and lamb prices, and farm incomes, which ensued between 1997 and 2001.

Background: the devalorisation of red meat production in the conventional sector

The Welsh Affairs Select Committee (WASC) of the House of Commons in the UK led an investigation into the role of the retailers in the livestock farming crisis during 1997–98 (HOC 1998). This followed a considerable amount of direct action on the part of livestock farmers, involving the forced dumping into the Irish Sea of retailers' shipments of beef from Ireland, and the broader protest about the widening price disparities between retail and farm gate prices (price spreads). To the livestock farmers and their unions it seemed that the all-powerful retailers were profiting from a crisis. WASC concluded that the 'producer had borne the brunt of the reduction in returns' (para. 19) and that there

is a very strong case, we believe, for an independent study of the retailing pricing of meat products, perhaps as part of a wider examination by the Office of Fair Trading, to establish what level of wholesale and retail costs are now being passed on to the producer by the supermarkets. Research commissioned by the retailers, however impartial, is unlikely to convince. (para. 20)

After a considerable amount of political lobbying and a growing media concern about the relatively high retail prices, a Competition Commission (CC)

enquiry was established, running from April 1999 until July 2000 (Competition Commission 2000). The terms of reference were multifaceted, but concentrated on three areas where there were allegations of unfair competitive practices being employed as a result of retailers' powerful market position:

- the public perception that the price of groceries in the UK tended to be higher than in other comparable EC countries and the USA;
- an 'apparent disparity between farm gate and retail prices, which was seen as evidence by some that grocery multiples were profiting from the crisis in the farming industry';
- continuing concern that the large out-of-town supermarkets were contributing to the 'decay of the high street in many towns' (p. 3).

For the purposes of this analysis I concentrate on the second of these areas. The CC's report did not suggest any curtailment or serious intervention by government into retail buyer or selling power, other than the need to establish a more consistent code of practice between the large retailers and their suppliers. This decision was taken despite evidence that 'the existence of buyer power among some of the main parties has meant that the burden of cost increases in the supply chain has fallen disproportionately heavily on the small suppliers' (p. 4). Moreover:

There appeared to us to be a climate of apprehension among many suppliers in their relationship with the main parties. We put a list of fifty-two alleged practices to the main parties . . . we found that a majority of these practices were carried out by the main parties. They included requiring or requesting from some of their suppliers various non-cost-related payments and discounts, sometimes retrospectively; imposing charges and making changes to contractual arrangements without adequate notice; and unreasonably transferring risks from the main party to the supplier. We believed that, where a request came from a main party with buyer power, it amounted to the same thing as a requirement. (p. 6)

Furthermore:

These practices, when carried on by any of the major buyers, adversely affect the competitiveness of some of their suppliers with the result that the suppliers are likely to invest less and spend less on the new product development and innovation, leading to lower quality and less consumer choice. This is likely to result in fewer new entrants to the supplier market than otherwise. Certain of the practices give the major buyers substantial advantages over the smaller retailers, whose competitiveness is likely to suffer as a result, again leading to a reduction in consumer choice. (p. 7)

Despite these findings it was concluded that 'taking all the above matters into consideration, we are satisfied that the industry is currently broadly competitive and that, overall, excessive prices are not being charged, nor excessive profits earned' (p. 7).

By the year 2000, then, the existence and operation of retail buyer power in conventional supply chains, during a period of heightened concern over

food quality and food consumption, as well as declining farm gate prices, was not seen by the CC as a necessary justification for imposing any further regulation on the corporate retailing sector. The power of the retailers' arguments concerning the already burdensome regulation on the corporate retail sector effectively won the day.

It then took the Government eighteen months to produce the outline details for the Code of Good Practice between Supermarkets and Suppliers (DTI 2001), which is still under review (following the *Report of the Policy Commission on the Future of Farming and Food*, published in January 2002) and is creating considerable concern among producers. Meanwhile, the onset of foot-and-mouth disease (FMD) and the closure of livestock export markets dealt another blow to the conventional primary producer sector, while retail profits and prices spreads between the farm gate and the retail outlet continued to increase.

Regulating competition and the farm crisis in the conventional sector

By the end of 2001, following the CC's findings, the crisis of conventional livestock farm incomes had significantly deepened. It is important to recognise that despite the efforts of many producers and processors to create short supply chains, and a rise in local and regional quality food chains (as outlined above), these have still remained marginal in the British case. Corporate retailers have become more concerted in their efforts to develop green and quality food labels themselves, but these have been established under nationally and internationally organised principles. The construction of food quality has become more embedded into the competitive market relations which exist between conventional and alternative chains. Indeed, the role of national government, and its particular interpretation of European competition policy, becomes an important vehicle in continuing to marginalise, or 'damp down', alternative supply chain initiatives.

Overall, the evidence examined in our recent research, and that of a review of the more recent situation with regard to government committee enquiries (see HOC 2002) suggests that the conclusions reached by WASC in 1997 are still applicable and that, if anything, the position in the supply chains of conventional producers has *weakened* in relation to the corporate retailers. Perversely, this has the effect of continuing to 'lock in' the majority of producers to conventional support mechanisms (such as Hill and Livestock Compensation Allowances – HLCA – payments) rather than trying or attempting to adopt an alternative strategy.

Meat and Livestock Commission (MLC) data for 2000 and 2001 show an increase in the price spreads for lamb and beef, with increases in the retail prices and profits, and reductions in producer prices. Moreover, there are at least allegations by farmers and union leaders that the retailers profiteered from the onset of foot-and-mouth disease, given their price-setting behaviour during and after the outbreaks. Three major points can be made in assessing the current retailer–farmer relationships.

- The CC's report, while seemingly comprehensive and thorough, raises questions about the degree to which it *adequately* addressed both consumer and producer concerns. Its terms of reference did not take account of the overall supply chain relationships; and the timing of the inquiry excluded the data more recently presented by the MLC on price spreads. From the point of view of WASC's findings in 1997, the CC's report's brief was set *both* too narrowly, in terms of its exclusion of a full investigation of supply chain relationships and the supermarkets, *and* too broadly, in the sense that it did not adequately focus on meat supply chains, as recommended in WASC's report (HOC 1998).
- Price spreads have increased and little has changed in relation to the conclusion reached in WASC's report that 'the producer has borne the brunt of the reduction in returns' (para. 19). Moreover, it is clear that the CC's report found considerable evidence of 'unfair practices' operating between retailers and suppliers, as well as examples of individual retail buyer power, even though they did not represent wholesale 'cartel' activity. The CC looked in some considerable detail at retail margins in lamb and milk, finding variable degrees of increased and some reduced margins over the period. It did not study beef, finding that lamb margins had dropped on average by 35 per cent over the study's period. Milk margins had risen very strongly. The study finished at the end of 1999 showing strong growth in retailer margins in milk, some in lamb, but without information on beef.
- There are four interrelated reasons given for the growth in meat price spreads: retailer profiteering; the growth in costs in the chain related to dealing with the BSE crisis; the reduced amounts of meat materials that actually have a market price, or have a deflated market price (e.g. hides, skins, skin materials, poorer cuts); and the change in the balance of cuts – with the moves of supermarkets focusing on the higher quality cuts. It is important to recognise that whichever of these four factors is paramount, the burden of costs tends to fall *disproportionately* on the producer and the independent processor sector – in particular, the smaller producers and processors who are least able to absorb these increases in costs. Retailers, on the other hand, have a stronger 'power of selection' in opting for quality supplies and in 'burying the costs of crises' in the meat supply chains. Moreover, it should also be noted that under conditions of a strong pound retailers are free to import more cheaply while producers are disadvantaged in export markets. Through the operation of all four of these factors (rather than just one of them), the tendency is for both the price spreads and the market power to widen between retailers and their suppliers.

These tendencies have continued the downward pressure on conventional farm gate prices as well as discouraging moves towards many of the alternatives suggested in the first part of the chapter. (By 2000, there were 1,200 fewer dairy holdings in Wales than there had been in 1996, just before the first inquiry began.) What evidence is there, then, to suggest that these

actions and processes on the part of retailers and government tend to continue to marginalise alternative food networks and chains in the UK?

The evidence does suggest at least that more could be done by UK Government, which is far from uninfluential in marginalising alternatives, however much it promotes market-based solutions to the problems of the agro-food sector. This covers several areas, and it represents an important factor in ensuring that local producers and processors can compete more openly and evenly both across the UK and across Europe. Some key issues are relevant here.

First, a more concerted attempt to progress PGI–PDO status for selected UK products is required. The delays and problems here (in comparison with other member states) is stark, and there is also confusion and ambiguity (even on the part of the CC) concerning the compatibility, or otherwise, of the operations of European, other member states' and the UK's competition policies. The milk producer groups suggest, for instance, that competition policy is being applied unevenly not only across the UK supply chain but across Europe as a whole, to the detriment of producer and processor organisations. As they argue:

The competition commission's report into Milk Marque recommended its subdivision into three regional co-ops. This artificial structure is proving over-restrictive and may be unsustainable. Farmers would prefer larger co-ops with processing capability. However, there is considerable uncertainty whether this would be permitted by the competition authorities. The question this raises is why shouldn't such a structure be permitted given the degree of consolidation in both the processing sector and the retail sector?' (HOC 2002)

This is leading to import penetration in the UK at the same time as producers are unable to protect products through PDO–PGI designations. At the very least it would seem that the full benefits of the privatisation of milk marketing (since 1994) have not been fully realised. This has tended to increase the market power of the more concentrated retailer and corporate milk processing sectors.

Second, the competition authorities and government agencies (not least DEFRA) have not thus far examined closely how competition rules could *facilitate* rather than obstruct producer and processor innovation and (SFSC) business development. How could producer and processor organisations empower themselves in supply chains (e.g. through vertical integration activities) without contravening European and national competition policies? DEFRA's report *Strategy for Sustainable Farming and Food* (2002: 22) recognises the obstacles of competition policy in relation to cooperative developments, arguing that 'there are other potential obstacles to the development of cooperatives – for example, the £20,000 maximum share-holding . . . a recent review has suggested that this limit be removed'.

Third, government actions concerning food safety and quality regulation, associated with BSE and FMD, have also increased the financial and regulatory burdens on the upstream sectors in a disproportionate manner as compared to

those on the retailers; yet the ‘cost-compliance’ justification for not extending regulation (used, e.g., by the CC) associated with any new forms of regulation seems to apply only to the retailers. It is increasingly clear that if this situation continues government policies will increasingly compromise local and regional producers and suppliers, and make the economic, social and environmental goals of rural development and sustainability more difficult to achieve. More emphasis and encouragement from government could be given to ‘power-sharing’ and collaboration across food supply chains, thereby stimulating short-supply chain developments. Many of the initiatives established over the period since 1997–98 have been resourced and based largely on producer and processor subscriptions.

Unless some of these issues are addressed by the UK Government it is likely that

- existing and further government funding in the agricultural sector will continue to be less than optimum in public accountability terms;
- the innovative and collaborative initiatives that have been established thus far in short supply chain developments will not spread more widely across the independent farmer and food processor population.

The CC’s exercise was large and expensive, though it has yet to demonstrate the greater accountability and transparency promised with regard to the retailers in their supply chain relationships. More government interaction with the retailers could encourage them to take greater responsibility for contributing to the achievement of wider UK agricultural, food and sustainability policy goals, as well as the more specific supply chain cost and benefits.

Conclusions: quality competition and the competitive evolution of governmental retailer-led suppliers and SFSCs

This analysis indicates the complex ways in which governmental authorities, corporate retailers and producers are currently engaged in the competitive supply chain controversies surrounding ‘quality’ food production. Recent official reports support the development of small local–regional products; and more funding is being invested in quality and organic supply chains. In addition, we can see a growth in the activity and experience associated with concerted and collaborative activities by producers and processors in attempting to capture increased economic value in the upstream parts of the chains. The complexity and diversity of the SFSC sector are likely to increase, as can be seen from its depiction in figure 6.3.

However, as demonstrated by this UK case study concerning the competition authorities and retailers, we need to recognise that corporate retailers are not inactive ‘bystanders’ in this process. As the leaders, they communicate effectively with government authorities in maintaining a competitive and inflation-secure environment for the consumer, as well as providing a certain level of quality assurance. Recent experience demonstrates that with

government assistance they have managed to expand the dominance of their supply chains during a period of crisis in the sector as a whole *and* maintain consumer confidence and governmental legitimacy.

Some of this legitimacy is based on justifications reflected in a recent British Retail Consortium statement:

The price on the shelf reflects the intricacy of the food chain as consumer needs and safety requirements are met. Value is added in various ways by those involved in the haulage, processing, packing, product testing, storage, wholesaling, distribution and marketing industries. British consumers choose to spend 43 per cent of the £133 billion they spend annually in nine multiple retailers, 28 per cent on eating out and 29 per cent in other outlets. With more than 60,000 food-retailing businesses and over 35,000 restaurants, bars and cafés, we have one of the most competitive food chains in the world. Compare this to Sweden, where the top three retailers account for 95 per cent of consumer spending on food, or Norway, where the figure is 86 per cent, or even France, where the figure is 66 per cent. A viable and competitive food and drink industry is a key component of Britain's economy. In 1950 the average household spent one third of its income on food and non-alcoholic drinks. By 2000 this had fallen to one sixth. The ability of the modern British food chain to deliver increased choice at reducing real prices has therefore been a significant contributor to improvements in living standards. Any backwards step holds huge dangers for our economy and people's quality of life. (Ali 2003)

What becomes apparent here, then, are at least three areas of contestation and competitive boundary-making between government, retailer-led and alternative food suppliers (see table 6.3). Competition policy, on the one hand, tends to reinforce the distribution of costs in the supply chain, while, on the other, the UK's FSA leaves largely intact the private-sector systems of quality regulation implemented by the retailers. Government authorities thus restrict themselves to baseline food safety through the operation of the FSA; the corporate retailers are left to develop highly competitive and sophisticated food quality hierarchies above that baseline; and alternative short supply chains begin, as I have argued in the first part of this chapter, to develop a whole host of new quality conventions and certification systems in defiance of – in many ways in opposition to – the former two.

Understanding how these dynamic competitive arrangements play themselves out lies at the root of the question of whether alternatives – defined partly in terms of the attempt to capture value at the producer's end of the chain – will develop and be self-sustaining; and/or whether they will continue to be marginalised by the 'legitimate authority' over food quality and relatively cheap food prices garnered by current government and corporate actions. In the meantime, the onset of a growing concern over food quality in the UK seems only to have reinforced a system of retailer-led governance, albeit within a more competitive and contingent state. The competitive battlefield of quality, regulation and consumption continues, and the 'legitimate authorities' which result from this will continue to restructure both rural

Table 6.3 Hierarchies in the regulation of food quality

Level of governance	Quality criteria
Local, regional and extended	SFSC conventions based on regional–artisanal and organic–ecological criteria
National and global	Retailer-led quality criteria implemented through supply chain regulation; private-interest regulation
National–EU-based	Baseline state–public regulated safety standards implemented by environmental health officers and the FSA (UK)

production spaces and (largely) urban consumption spaces. However, the quality battleground is now more complex and contingent given the arrival of a diverse short food supply sector.

Notes

- 1 This represents the first stage of research work associated with the Flagship project of Food, Regulation and Retailing which has begun under the auspices of the ESRC Research Centre for Business Relationships, Accountability, Sustainability and Society (BRASS). The author also acted as Special Advisor on agricultural and rural affairs for the House of Commons Welsh Affairs Select Committee 1997–2002.
- 2 The IMPACT project was an EU Fourth Framework FAIR programme project. The full title was ‘The socio-economic impact of rural development policies: realities and potentials’ (CT-4288) (1999–2002). The analysis on which this part of the paper is based is associated with that collaboration, and the author wishes to acknowledge in particular the assistance of Henk Renting and Jo Banks who were members of the team.
- 3 In order to explore the national economic importance of SFSC’s their socio-economic impact was also expressed in terms of the additional net value generated (NVA, see table 6.2). Given severe problems of availability of good data on impacts this was seen to be the most appropriate measure for socio-economic impact, because it covers both family labour and employed labour renumerated by the activity, expressing rural development benefits, at both the farm and regional level. The additional net value-added generated on top of conventional agricultural production was used as a measure to express the rural development gains in comparison to conventional farming activities. The data were elaborated on the basis of farm economic studies, representative sets of farm accounts and expert opinions. They are therefore very much estimations.

References

Ali, R. (2003), ‘Supermarkets’ powers’, *The Times*, 20 January, letter, p. 25.
Allaire, G. and Sylvander, B. (1995), ‘Qualité, innovation et territoire: séminaire qualification des produits et des territoires’, paper presented at INRA Toulouse, 2–3 October.

- Alonso Mielgo, A. M., Sevilla Guzmán, E., Jiménez Romera, M. and Guzmán Casado, G. (2001), 'Rural development and ecological management of endogenous resources: the case of mountain olive groves in Los Pedroches *comarca* (Spain)', *Journal of Environmental Policy & Planning*, 3(2), pp. 163–75.
- Banks, J. (2001), 'Short food supply chains in the Marches', IMPACT Working Paper UK2, Cardiff, University of Wales.
- Beck, U. (1992), *Risk Society: Towards a New Modernity*, London, Sage.
- Broekhuizen, R., Klep, L. van, Oostindie, H. and Ploeg, J. D. van der (1997), *Renewing the Countryside: An Atlas with Two Hundred Examples from Dutch Rural Society*, Doetinchem, Misset.
- Brunori, G. and Rossi, A. (2000), 'Synergy and coherence through collective action: some insights from wine routes in Tuscany', *Sociologia Ruralis*, 40(4), pp. 409–24.
- Cochrane, W. (1979), *The Development of Industrial Agriculture: A Historical Analysis*, Minneapolis, University of Minnesota Press.
- Competition Commission (2000), *Supermarkets: A Report on the Supply of Groceries from Multiple Stores in the United Kingdom*, Cm 4842, London, HMSO.
- Council for Rural Areas (1998), *Trust and Care: Food Production in the 21st Century*, Amersfoort, Council for Rural Areas.
- Department for Environment, Food and Rural Affairs (DEFRA) (2002), *Developing a Strategy for Sustainable Farming and Food*, London, HMSO.
- Department of Trade and Industry (2001), 'Hewitt backs good behaviour code for supermarkets and suppliers', news release P/2001/606, 31 October, London, DTI.
- Goodman, D. (1999), 'Agro-food studies in the "age of ecology": nature, corporeality, bio-politics' *Sociologia Ruralis*, 39(1), pp. 17–38.
- Goodman, D. (2002), 'Rethinking food production–consumption: integrative perspectives', *Sociologia Ruralis*, 42(4), pp. 271–7.
- House of Commons (HOC) Select Committee on Welsh Affairs (1998), *Second Report: The Present Crisis in the Livestock Industry*, HC 447, London, HMSO.
- House of Commons Select Committee on Welsh Affairs (2002), Minutes of Evidence for Tuesday 4 December 2001 and Tuesday 11 December 2001: Farming and Food Policy in Wales, HC 427, London, Stationery Office.
- Ilbery, B. and Bowler, I. (1998), 'From agricultural productivism to post-productivism', in Ilbery, B. (ed.), *The Geography of Rural Change*, London, Longman.
- Ilbery, B. and Kneafsey, M. (1999), 'Niche markets and regional speciality food products in Europe: towards a research agenda', *Environment and Planning A*, 31(12), pp. 2207–22.
- Institute of Agriculture and Trade Policy (1998), *Marketing Sustainable Agriculture: Case Studies and Analysis from Europe*, Minneapolis, MN, Institute for Agriculture and Trade Policy.
- Knickel, K. and Renting, H. (2000), 'Methodological and conceptual issues in the study of multifunctionality and rural development', *Sociologia Ruralis*, 40(4), pp. 512–28.
- Lash, S. and Urry, J. (1994), *Economies of Signs and Spaces: After Organised Capitalism*, London, Sage.
- LEADER (2000), 'Marketing local products: short and long distribution channels', Rural Innovation: Dossier 7, LEADER Observatory, available: <http://europa.eu.int/comm/archives/leader2/rural-en/biblio/circuits/contents.htm>.
- Long, N., Ploeg, J. D. van der and Curtin, C. (1988), *The Commoditization Debate: Labour Process, Strategy and Social Networks*, Pudoc, Wageningen, Wageningen Agricultural University.

- Marsden, T. K. (1998), 'New rural territories: regulating the differentiated rural spaces', *Journal of Rural Studies*, 14(1), pp. 107–17.
- Marsden, T. K. (2003), *The Condition of Rural Sustainability*, Assen, The Netherlands, Van Gorcum.
- Marsden, T. K. and Arce, A. (1995) 'Constructing quality: emerging food networks in the rural transition', *Environment & Planning A*, 27(8), 1261–79.
- Marsden, T. K., Banks, J. and Bristow, G. (2000a) 'Food supply chain approaches: exploring their role in rural development', *Sociologia Ruralis* 40(4), pp. 424–38.
- Marsden, T. K., Flynn, A. and Harrison, M. (2000b) *Consuming Interests: The Social Provision of Foods*, London, UCL Press.
- Marsden, T. K., Renting, H., Banks, J. and Ploeg, J. D. van der (2001), 'The road towards sustainable agricultural and rural development: issues of theory, policy and research practice', *Journal of Environmental Policy & Planning*, 3(2), pp. 75–83.
- Mormont, M. and Van Huylenbroeck, G. (2001), *A la Recherche de la Qualité: Analyses Socioéconomiques sur les Nouvelles Filières Agro-Alimentaires*, Liège, Editions de l'Université de Liège.
- Murdoch, J., Marsden, T. K. and Banks, J. (2000), 'Quality, nature and embeddedness: some theoretical considerations in the context of the food sector', *Economic Geography*, 76(2), pp. 107–25.
- Nygard, B. and Storstad, O. (1998), 'De-globalisation of food markets? Consumer perceptions of safe food: the case of Norway', *Sociologia Ruralis*, 38(1), pp. 35–53.
- Organisation for Economic Cooperation and Development (1995), *Niche Markets as a Rural Development Strategy*, Paris, OECD.
- Ploeg, J. D. van der and Frouws, J. (1999), 'On power and weakness, capacity and impotence: rigidity and flexibility in food chains', *International Planning Studies*, 4(3), pp. 333–47.
- Ploeg, J. D. van der, Long, J. and Banks, A. (eds) (2002), *Living Countrysides: Rural Development Processes in Europe. The State-of-the-Art*, Doetinchem, Elseviers.
- Ploeg, J. D. van der, Renting, H., Brunori, G., Knickel, K., Mannion, J., Roest, K. de, Sevilla-Guzmán, E. and Ventura, F. (2000), 'Rural development: from practices and policies towards theory', *Sociologia Ruralis*, 40(4), pp. 391–408.
- Policy Commission on the Future of Farming and Food (2002), *Farming and Food: A Sustainable Future*, available: www.cabinet-office.gov.uk/farming/pdf/PC%20Report2.pdf.
- Renting, H. and Ploeg, J. D. van der (2001), 'Reconnecting nature, farming and society: Environmental cooperatives in The Netherlands as institutional arrangements for creating coherence', *Journal of Environmental Policy & Planning*, 3(2), pp. 85–101.
- Renting, H., Roep, D. and Knickel, K. (2002), 'An RD toolbox: methodological and conceptual issues in the study of rural development', IMPACT Working Paper, Pudoc, Wageningen, Wageningen Agricultural University–Institut für Ländliche Strukturforchung.
- Roep, D. (2001), 'The Waddengroup Foundation: the added value of quality and region', IMPACT Working Paper, NL2, Pudoc, Wageningen, Wageningen Agricultural University.
- Roest, K. de, and Menghi, A. (2000), 'Reconsidering "traditional food": the case of Parmigiano-Reggiano cheese', *Sociologia Ruralis*, 40(4), pp. 439–51.
- Schucksmith, M. (1993), 'Farm household behaviour and the transition to post-productivism', *Journal of Agricultural Economics*, 44(3), pp. 466–78.

- Shapiro, C. (1983), 'Premiums for high quality products as returns to reputation', *Quarterly Journal of Economics*, 98(4), pp. 659–80.
- Smith, E. and Marsden, T. K. (forthcoming), 'Exploring the limits to growth in UK organics', *Journal of Rural Studies*.
- Stassart, P. and Engelen, G. (eds) (1999), *Van de Grond tot in Je Mond: 101 Pistes voor een Kwaliteitsvoeding*, Leuven, Vredeseilanden-Coopibo.
- Storper, M. (1997), *The Regional World*, London, Guildford Press.
- Ventura, F. and Meulen, H. S. van der (1994), 'Transformation and consumption of high-quality meat: the case of Chianina meat in Umbria, Italy', in Ploeg, J. D. van der and Long, A. (eds), *Born from Within: Practice and Perspective of Endogenous Rural Development*, Assen, Van Gorcum.
- Ward, N. (1993), 'The agricultural treadmill and the rural environment in the post-productivist era', *Sociologia Ruralis*, 23(3–4), pp. 348–64.
- Whatmore, S. and Thorne, L. (1997), 'Nourishing networks: alternative geographies of food', in Goodman, D. and Watts, M. (eds), *Postindustrial Natures: Culture, Economy and Consumption of Food*, London, Routledge.