



**Council of the Baltic Sea States Expert Group on Sustainable Development, CBSS-Baltic 21**

**Funding activities and projects in cooperation with civil society actors in Belarus and in Russian Federation**

In cooperation with the Swedish Ministry for the Environment

**Project title: Formation of new local food markets**

**Project acronym: FOOD**

## **Recommendations for local food market formation**

### *Guidelines for developing a network of bilateral cooperation between farmers and consumers*

The objective of the development of a network of bilateral cooperation between farmers and the consumers of their products is to create new forms of generating and using value added in farmers' farms by involving other rural and urban citizens into this project. A bilateral cooperation network should contribute to the creation and the broadest possible use of more diverse forms of farm product sales.

Maintaining sustained demand for farmers' products and development and implementation of a preorder system should be at the heart of all action. Here, a maximum use should be made of the online possibilities in both organising e-commerce sales and creating opportunities for establishing a direct contact between the producer and the user.

In developing direct sales, a great potential lies in a wide range of tourism measures: sales of products produced by neighbouring farmers at rural tourism guest houses, various fairs, exhibitions, product sales during cultural and educational events or tours dedicated to introduction of a special product, e.g. wine, beer, dahlia routes.

Instruments of the platform dedicated to direct and virtual communication between the members of the cooperation network should seek to:

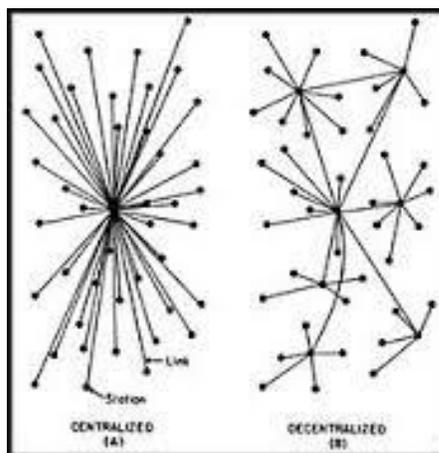
- create opportunities for the sellers and potential buyers to find each other;

- help the consumers and the farmers to obtain information about the points of sale and the respective conditions;
- communicate the consumers' needs for certain products and thus to provide the farmers with information about new sales opportunities;
- help the consumers to make their choice by making product quality assessments publicly available;
- assist with signing up and processing orders;

### *Structure of the bilateral cooperation network*

The structure of the cooperation network should focus on the development of permanent, long-term relations among the network members. That is the main precondition in pursuance of the network viability.

Cooperation groups should represent the key elements of the cooperation network. The bilateral network of cooperation between farmers and the consumers of their products should operate as a decentralised network that includes cooperation based on different objectives.



**Fig. 1 Structural difference between centralised and decentralised networks.**

In terms of the organisational structure, cooperation groups differ from structural units in a traditional organisation. They emerge if there is a need and cease to exist when the activity of their members declines or their tasks are accomplished. Groups can be initiated and coordinated by any



existing or potential member of the network. Furthermore, groups can be created without the blessing from the management, unlike in traditional organisations.

Most of the cooperation groups are formed on the sales location basis. That is a factor, which is important for the consumer, who is the buyer, and the farmer, who is the seller. The points of sale, where the member of the network can acquire desired products, can be very diverse:

- a family farm;
- rural tourism guest houses;
- farmers' markets;
- pick-up points;
- shops;
- fairs and the like;
- door-to-door delivery.

The members of the cooperation network can also create groups based on other features, e.g. a group of consumers looking for high quality, rare products and producers of such products, a group of farmers who are intent on selling larger batches of goods and consumers who are willing to buy a large quantity of products at a slightly lower price, a group of farmers selling a particular product and their regular customers, etc.

Since the activities of the bilateral cooperation network are decentralised, the members should premeditate the best ways of organising sales and agree on certain rules to be observed by all the members of the network. It is highly important to agree about the following things:

- the procedure of becoming a cooperation group member;
- the procedure of initiating a new cooperation group (the groups can be open to anyone willing to join them or closed, when certain rules set by the group are used to select its members);
- the procedure of placing orders (it can differ from one group to another);
- the terms of payment for the purchased products (they can differ from one group to another);
- the procedure of remuneration for cooperation group organiser's work (it can differ from one group to another);



### *Networking platform instruments*

A bilateral cooperation platform should offer instruments that would create conditions for the most efficient cooperation between the network members, enable its development and simplify the process of organising joint activities. The platform instruments can be oriented towards direct and virtual cooperation between the members. Performance of as many as possible functions by the instruments of the online platform should be sought.

### *Key requirements for the online platform*

The platform should collect and provide information that is grouped to make it handy for three groups with different interests:

1. farmers, who are offering their products;
2. consumers, who are willing to buy products from the available range;
3. consumers, who want to initiate a new cooperation group.

An online platform search interface should be available for searching information on points of sale by regions, including the exact address and the range of products.

### *Bilateral cooperation network creation process*

With growing demand for organic and fresh food produced in the areas where the consumers reside, the current situation is highly favourable for the farmers who seek direct sales of some of their agricultural and food products to the end consumers.

The easiest way to start the development of a bilateral cooperation network is to use the forces of the currently existing NGOs. They have accumulated a lot of useful information and organisational experience and they have a great number of cooperation ties.

### *Stages of the bilateral cooperation network creation process:*

Stage 1. Search for farmers willing to participate in the cooperation network and collection of information about their product and service range.

Stage 2. Identification of potential regular consumer groups (guests of rural tourism guest houses, restaurants, housing associations, municipalities) and involvement of their representatives in the process of the bilateral network development.

Stage 3. Running seminars for potential members of the cooperation network, where the participants are introduced to the advantages of the bilateral network and the requirements related to the new method of sales (health and safety regulations for field-crop and animal products, taxes, consumers' rights, etc.).

Stage 4. Building regional initiative groups comprised of representatives of the producers and consumers. Identification of their preferences regarding the options and services provided to the network members by the platform.

Stage 5. Development of instruments of the online platform dedicated to direct and virtual communication between the members of the cooperation network. Mostly, cooperation ties should be maintained via the online platform on a special website.

Stage 6. Introduction of the cooperation instruments offered by the platform to the potential members of the cooperation network, discussion and testing.

Stage 7. Update of the platform instruments with regard to the comments and proposals of the cooperation network members.