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Theme 2

LOCAL MARKETS – MEANINGS AND REPRESENTATIONS TO THE RURAL

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The last two decades have seen the revival of Local Food Systems (LFS) and the Short Food Supply Chains. They are seen, today, as an engine for local development given the economic, socio-cultural and environmental benefits. In Portugal, accordingly to Baptista *et al.* (2013), Local Food System (LFS) is a set of interrelated activities in which the production, processing, distribution and consumption of food products aims to promote the sustainable use of territory' resources (environmental, economic, social and nutritional), and Short Food Supply Chains (SFSCs) is the method of distribution through direct sales from the producer to the consumer, or indirect with no more than one intermediary. The success of short food supply chains depends, mostly, from the strength of the network of collaboration between farmers, from the recognition and satisfaction of a growing number of consumers and the level of policies applied to encourage the LFS and SFSCs. However, as expressed by Hinrichs (as cited in McKelvey, 2007) “for many farmers, marketing and selling their products are the most challenging parts of the farm enterprise”. This north-American image is, still in 2015, our reality in Portugal, although there are a growing number of local food production initiatives in urban, peri-urban and rural areas and an increase of direct sales in the numerous typologies of agro-food short supply chains. A wide variety of terms and classification categories, proposed by different authorities, may also represent different realities, on local market level, as a subsistence economy, new practices of consumption or,

just, initiatives of producers to counter the instability of the markets. Kneafsey *et al.* (2013) referred, in EU, the existence of “farmers markets, farmgate sales, vegetable box delivery schemes, community supported agriculture and public procurement schemes which source food from within a defined geographical radius”.

Recent publications identify, as positive, the development of trust between producers and consumers that allows discovering customers’ needs and preferences, their changes and to describe the identity of rural communities. McKelvey *et al.* (2007) seems to express well their conclusions, supporting that consumer wants “to buy tasty, healthy food, directly to farmers with whom they can talk, ask questions and build relationships”. Empirical evidences also show that motives for buying local are the perceived quality and freshness of local food, more sustainable methods of agricultural production with smaller impacts on the natural resources, and the support that these initiatives can represent to the local economic development. However, the potential economic benefit of SFSCs is linked to “locational, structural and production characteristics of farms”, as referred by Giuca (2013). Other authors report that the importance of economic benefits depends, also, on the characteristics of producers involved, on the support and investment of institutional authorities, on the strategies of communication developed and the strength of relationship established between producers and consumers. In fact, even it is not possible to say that these benefits are directly related to the existence of SFSCs, as several studies describe, it is considered, as very positive and important, the societal benefits achieved through greater proximity to producers, which allows developing the knowledge and confidence as the basis of their economic relationship. More studies are needed as Dunning (2013) stated, investigation that measures the real impact of local food markets on economic development, health, environmental quality or societal attitudes. Some identified features are, also, less discussed in the literature but are relevant because they can represent gaps that must be minimized or great challenges to the creation or development of the LFS and SFSCs.

Within this context, this paper aims to review the representations of LFS and SFSCs perceived by actors involved, with focus on the perspective of Martinez *et al.* (2010) that “local food can also be defined in terms of social and supply chain characteristics”. It is intended to show the different dynamics that emerge from innovative offers and demands that are changing the rural territories and how the policy instruments applied have contributed to facilitate access to local markets, to strengthening ties between farmers and consumers and to enhance the benefits of LFS and SFSCs. This study was applied to a set of villages that intend

to work in a collaborative way. It describes the characteristics of local food consumers and local producers, the access to local markets, the importance of the flexibility and the dimension of markets and the opportunities and constraints that were identified on each one of the rural areas. An enquiry, through the application of questionnaires, will gather information about the way that farmers perceive and use media and social networks and describe the communication actions used to promote LFS and SFSCs (brochures, email, newspapers, outdoor advertising, radio, social media, website, word-of-mouth, magazines, review sites, social networks, ...). Attention is given also to perceive customers' response to actions of communication of farmers and local markets and their awareness about market operations. The information gathered will allow to characterize the growth in the number of consumers and sellers at the market and the increase in the range of products sold. It also describes the connections established among producers, which can lead to joint projects and the positions established between producers and other potential markets and/or the involvement of farmers in other community activities.

At a first glance LFS and SFSCs seem to match to the consumers' expectations and publics seem to have willingness to pay, and to pay more, for the products in those direct markets. These market opportunities require planning and the correct tools in selling, to be a real opportunity to sell fresh and unique food products. However some barriers are easily found, in particular the cost increases by the need to accomplish regulations and legal rules. Some other final considerations that already can be supported, at the end of the first approach: there is no consensus on a definition in terms of the distance between production and consumption; there are barriers to the expansion of these markets; production capacity can be constrained by the lack of distribution infrastructure; most farms that sell directly are of small dimension; production of locally marketed food is more likely to occur on small farms located in or near metropolitan areas; costs related to health and food safety can affect the final price and the success of direct-to-consumer sales. The way the decision of implementation/investment is made, the communication skills that are needed, the ways to build and maintain the consumer loyalty, the return of increased costs, understanding why some initiatives have failed are other factors to take in account on the final discussion. It is intended, in a last phase, be able to suggest a set of marketing activities for better reading these markets and the best strategies to promote them among its target audiences. This also implies to understand the context in which local production occurs, the knowledge of influences related to the products and its history, the knowledge of the profile of involved actors, the knowledge of rural and natural

amenities related with attractiveness of the rural territory. But the new element that this study intends to propose is related to how all the results and knowledge acquired will be integrated for the benefit of the quality of life of users of rural areas and, on a more external dimension, to discuss how they can contribute to increase the attractiveness of rural areas and consequently for strengthening its identity and its differentiation from competing territories.

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