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EL FUTURO DE LA ALIMENTACIÓN Y RETOS DE LA AGRICULTURA PARA EL SIGLO XXI:

Debates sobre quién, cómo y con qué implicaciones sociales, económicas y ecológicas alimentará el mundo.

THE FUTURE OF FOOD AND CHALLENGES FOR AGRICULTURE IN THE 21st CENTURY:

Debates about who, how and with what social, economic and ecological implications we will feed the world.

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Inclusive Agrifood Reterritorialization through Short, Value-adding Supply Chains: Experimenting New Ways of Connecting Family Farms with Territories

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1. Introduction

In recent years, various development initiatives have aimed at the relocalization of production and the strengthening of the social fabric in rural areas and nearby towns. Some scholars visualize them as early signs of the awakening of a new rural development paradigm based on small family farms, endogenous and sustainable (Van der Ploeg et al., 2000); while others argue their hybridization with conventional circuits of production and consumption (Holloway et al., 2007, Dubuisson and Le Velly, 2008). Yet little has been done to address some critical issues, such as the scope and growth potential of these development initiatives, especially those that have emerged in the Global South. Another interesting subject refers to the participation of “traditional” rural actors in them, small and medium-scale producers and their cooperatives, an issue that indirectly points to the character of these initiatives and their eventual linkages with the conventional food system.

Taking this general background as a starting point, this article deals with the issue of relocalization of food production in a medium developed country of the Global South as is the case of Argentina. The country plays a role in the global division of labour based in *flex-crops* (such as soybeans), although there is also a broad scope of agrarian production mainly oriented to the domestic market. A heterogeneous family farming sector is involved in both, yet its number has diminished about 25% between the last two agrarian Censuses (1988-2002), together with a concentration of production in bigger holdings. From another point of view, food prices show an upward trend relative to other items of the household basket of goods and services, while producers capture a very small portion of their value.

The aim of the article is to develop a framework to analyse emerging relocalization initiatives, considered as spaces where inclusive processes could develop, with different aims: strengthening the territory, thanks to increasing value capture at the local level, as well as the agents most affected by the current trends of concentration in the agri-food system, e.g. low and middle income farmers and consumers.

Several contributions (Dupuis and Goodman, 2005; Feagan, 2007) have argued the risk of a "defensive" localism, which naturalizes the underlying social relations in the production and reproduction of a given territory, ends up reinforcing local elites or deepens competition between regions. Following this line of reasoning, it is argued the need of employing multiple dimensions and scales in the analysis of these initiatives, of analysing the context in which they develop, and of understanding them as nonlinear ongoing processes that combine forces leading to relocalization and delocalization. The latter involves considering the features enabling the emergence and continuity of these initiatives, and the several challenges experienced by them. The article is organized in the following sections.

In the first, a critical review of the literature on localized agri-food systems and alternative food networks is carried out, and their contributions identified as heuristic tools to build a comprehensive analytical framework, a task that will be done in the third section. Subsequently the key components of this framework are applied to the analysis of a case. In the last section of the paper some conclusions are presented, illuminating the factors that favour the emergence of inclusive processes of relocalization.

2. Linkages between food production and territory: An overview

At the intersection of agri-food chain analyses and territorial analyses, different approaches in social sciences have been concerned about the relationship between territories and food production (Sanz Cañada, 2014). Studies on alternative food networks (AFN) and those focused on localized food systems (LFS, or SYAL, according to its French acronym) stand out among them. Both are interested in food relocalization processes, although their empirical focus varies: The first perspective is concentrated on supply circuits of an alternative character to those driven by supermarkets and global value chains, with a special emphasis on those that aim to build more direct relationships between producers and consumers, e.g. short marketing circuits. Although spatial proximity is important in these cases, the focus is on the kind of social relationship that is built, the *social embeddedness* of the network (Sage, 2003). The second perspective is interested in food products with a definite spatial origin, which are the basis of (or may give rise to) qualification processes, mainly through protected geographical indications.

Some critical views, however, point to a certain laxity in studies on alternative food networks (Sonnino and Marsden, 2006; Ilbery and Maye, 2010; Sanchez Hernández, 2009; Venn et al., 2006), as this designation frequently encompasses a diversity of cases including community agriculture, consumption groups, direct sales, public procurement, and products with specific labels (organic, fair trade, etc.). The relatively low theoretical precision, meanwhile, would lead to essentially descriptive or normative analyses.

Ambiguity could be explained by the diversity of concerns that have influenced academic work over the last decades, especially in the European context, starting by the end of the nineties with a pioneering study on the international fair trade network (Whatmore y Thorne, 1997), a subsequent interest on the alleged turn towards quality food, to arrive to the more contemporary studies on civic food networks, characterized by values and relationships different from the purely commercial ones.

In Europe, this strand of work relates to a concern for peasant or small-scale production and marginal rural areas. It falls within the more general framework of reform of the Common Agricultural Policy towards strengthening the so-called second pillar related to rural development, multifunctionality and support for decentralized forms of government. This work also responds to specific situations, such as the emergence of health crisis in meat products. In North America, academic work is more influenced by an activist tone of resistance to corporate control of food (Dupuis and Goodman, 2005), access of vulnerable people to food,

and the search for food security at the territorial scale (Holloway et al., 2007; Deverre and Lamine, 2010).

From a methodological standpoint studies on alternative food networks propose a set of analytical dimensions, which are summarized in Table 1. Our revision suggests that the scope and vectors of expansion of these initiatives have been less present, although these issues would facilitate social learning. Also, the question of embeddedness is more assumed than concretely analysed (Watts et al., 2005; Sonnino, 2007). It has been stated the need of a more comprehensive account on the role of producers in AFN (Deverre and Lamine, 2010). From the conceptual point of view new directions have been suggested, such as adopting a broader and reflexive introspection of the food chain -including the origin of the inputs used in production- and problematizing the issue of access to food by disadvantaged social groups (Maye and Kirwan, 2010). Within this more comprehensive view, other analytical dimensions are the political and institutional context in which these initiatives develop, and the links maintained with non-local actors, as they are key issues that could help to define the alternative character of an initiative, and to what extent it may impact on broader development processes (Sonnino and Marden, 2010).

In any case, this perspective encourages to address issues sometimes neglected by structural accounts of the agri-food sector, such as the role of human agency to re-create and/or strengthen systems based on proximity and their potential to inspire similar initiatives. These, in turn, may be important to develop new social alliances around family farming as a way of life (Moyano Estrada, 2014).

In comparison, the SYAL and distinctive signs literature is more compact than the previous one in terms of the conceptual framework employed and its analytical focus (typical products). Related with a strand of studies on clusters and industrial districts, this approach started to be outlined in the context of projects which aimed at retaining the value added by family farming through in-farm processing activities. Developed by researchers linked to the French Cooperation for Development (CIRAD), this perspective is interested in local production systems, defined as networks of production, processing and service organizations located in specific territories. An interesting point regarding the literature on AFN (especially the one with a focus on civic food networks) is that the SYAL approach is not particularly concerned about short marketing circuits and other similar alternatives aimed at the reconnection between producers and consumers. In fact, it aims to strengthen distinctive signs capable of transmitting information about food

products across distances; therefore, it not necessarily rejects the logistics of large distribution chains. One of the key concepts mobilized by this perspective is *proximity* in its different dimensions. Geographic proximity allows interaction between actors and the dissemination of tacit knowledge. Organizational and institutional proximity are essential, as they point to the complementarity of resources amongst those who participate in the same activity, the adherence to explicit or implicit rules of action and a common system of representations (Gilly and Lung, 2004). Other researchers also stress the importance of *territorial anchoring*, e.g. the use and (re)production of local resources (Boucher and Poméon, 2010).

The privileged methodology employed by this approach is action research, where the analysis and monitoring of a qualification process takes place in different phases: the identification and specification of the selected products and the activation of local resources. The aim is to collectively mobilize specific resources of a territory to improve its competitiveness (Boucher and Poméon, 2010), mainly by promoting joint action between actors (Sanz Cañada and Muchnik, 2010). In the most recent contributions, researchers have been interested in the construction of baskets of goods and services in each territory, and not only in the valorisation of a typical product. Also, a concern has emerged related to multifunctionality of agricultural activities that can provide a set of services to rural areas, including those of environmental character (Sanz Cañada, 2008).

A good deal of studies, however, has focused on institutional contexts that are favourable to the development of protected geographical indications, and on products already recognized by consumers (Tregear et al., 2016). Besides this relatively narrow focus, the alternative nature of this relocalization strategy has also been questioned, either because it does not exclude the participation of large food companies, or because it does not ensure an equitable distribution of benefits among all actors of a supply chain (Deverre and Lamine, 2010; Watts et al., 2005). Emphasis on the notion of governance -that is on the institutional fabric in each territory- may lead to minimize the conflicts raised by territorial activation processes.

In the attempt of addressing some of these issues, some authors within this perspective propose to analyse the nodes where tensions emerge, the rivalries regarding the control of benefits, and the exclusions generated by qualification processes (Linck et al., 2006; Bowen, 2010; Desjardins, 2012). Some studies also suggest to study territorial food systems based on diversified food products of current consumption (Aubré et al., 2008).

From another point of view another research avenue could be explored, combining some key contributions of the SYAL literature with others coming from the work on alternative networks, empowering them mutuallyⁱ. Indeed, interest in the territory as a social and institutionally regulated construction of actors could enhance the study of short production-consumption circuits in different ways. The same occurs with the territorial dynamics and externalities arising from these development initiatives.

Table 1. Comparison between SYAL and AFN studies

AFN	SYAL
Main concepts	
Reconnection-Embeddedness-Trust- Conventions- Nested Markets Social and environmental justice/food	Terroir- Tipicity- Anchorage-Know-how Proximity-Conventions-Activation-

ⁱ For further arguments in this direction see Bowen, S. and Mutersbaugh, T. (2014).

democracy (in some studies)	Governance-Territorial resources- Territorial externalities
Main variables	
Vision and goals Site of production- food production methods- supply chain method- field of exchange- motivations for participation, type of relationship between producers and consumers- consumer involvement- spatial extent of the market, political and institutional support	Vision and goals Product features- signs of quality- place of production- production techniques- motivations- stakeholders- functions and activities
Other variables to be considered (less addressed by studies)	
Main features of participating producers, processors and consumers involved Working conditions of employees Emerging tensions and conflicts Vectors of expansion Influence on the reconfiguration of the food system	

Source: The author, based on literature review

3. A framework for analysing the inclusive character of relocalization initiatives

Some of the variables outlined in the previous section could, in theory, be applied to the analysis of different experiences in the agri-food sector that involve multiple actors. How then, a process of *inclusive relocalization* can be defined, and how to grasp it? A detour may help to clarify the kind of approach proposed. Some researchers (Watts et. Al, 2005) have suggested the need to distinguish between weak and strong food networks, the first ones focusing on food quality and specificity; the second, on the characteristics of the links that connect producers and consumers. Brunori (2007) went a step further in this direction, arguing that in terms of physical, relational and symbolic criteria three types of

relocalization strategies can be distinguished: 1) Those based on *local* foods, which are best suited for contexts where modernization of the agrifood system is in its early stages; producers and consumers belong to the same community and their choices are routine, however, the latter know the origin of food because they are familiar with producers and distributors, and products travel across short distances. 2) *Localist* strategies, where the focus is on relational relocalization. As in the previous case, producers and consumers belong to the same place, but they build or rebuild their identities through a deliberate choice of local producers and products. 3) *Localized* food strategies, which basically seek to capture rents. Production is concentrated in a place, but consumption can occur in remote areas; consumers are certain about the origin of the product thanks to food labels and certification systems.

The focus of this article is on the first two types of relocalization, which could be considered the most suitable for countries of the Global South. In fact, in low-income rural areas, *local* food persists despite modernization and concentration in agri-food. *Localist* strategies are more innovative, but also may fit situations where consumers cannot afford the cost of premium products. In this latter case, Brunori argued, producers should employ adding-value strategies to improve their unfavourable situation typical of more extended chains. This may occur either by internalizing operations which were previous externalized (e.g. producing inputs or processing products, developing a shared logistics) and/or by replacing the costs of certification through third parties by interpersonal trust.

These arguments focused on the food system should be complemented by an inclusive development approach, which aims to include vulnerable or marginalized people in social, political and economic processes for increased well-being, social environmental sustainability, and empowerment (Gupta et al., 2015). The latter could help to face some of the limitations on AFN and SYAL studies, their frequent neglect of the issues of power, class and inequality (Maye and Kirwan, 2010).

Extending these considerations, I propose a tentative definition of inclusive relocalization processes, as those that meet a set of criteria: 1) they have small, family farmers as key actors. 2) They strengthen the links between these actors, and between them and the localities where they live. 3) They implicitly or explicitly enable value capture at the local level, through improving the incomes of these producers *and* of low and medium income consumers. Obviously, it is an ideal type of relocalization, which in practice may show hybrid situations.

The variables set out in Table 2 allow to analyse empirical situations. Its purpose is to retrieve some key issues put forward by both strands of relocalization studies, and to include others that point to inclusive development.

Table 2. Variables suggested for the analysis of inclusive relocalization processes

Context (sector/chain and territory); regulatory framework

Project (aims and goals of the initiative)

Product characteristics

Geographical area of production and consumption Production methods

Area of exchange

Actors involved in the initiative, functions and activities

External support

Main features of the producers, processors and consumers involved

Form of governance of the initiative, and participation of producers and consumers

Emerging tensions

Vectors of expansion (or retraction) of the initiative

Impacts on the local level and the food system

Source: The author

The analysis developed in the next section will address some of these key issues. It involves the Argentinian dairy chain, a sector which has been historically characterized by tensions between producers and processing industries regarding prices and quality issues, and that faces a deep concentration process. The selection of the case was based on the importance of milk for consumption, the importance of small family farms in the dairy basin concerned, and the fact that the initiative involved a cooperative, a type of organization typical of small and medium-scale farmers.

The approach to the case combined different sources and techniques, although a qualitative approach was privileged for grounded theorization. Data coming from in-depth interviews with local key informants (technicians from government and non-government institutions; producers), observation of processing and market devices, the recollection of media news and technical documents about the initiative were key inputs of the analysis. On the other hand, quantitative data and documents pertaining the evolution of the dairy sector in the last twenty years were also considered.

The analysis outlined in the following section encompasses different dimensions: the more general one referred to the Argentinian milk production; the

characteristics of the area to which these actors belong; and those related to the specific features of the relocation initiative.

4. Experimenting new ways of connecting family production with the territory: the case of a dairy cooperative

The CEPAL cooperative was created in the mid-twentieth century by small family producers located in the north of La Paz department in the province of Entre Ríos, a livestock producing area not belonging to the main milk basins of Argentina. For this reason and the variability that characterized the development of the dairy activity in the country, the cooperative progressively reduced its scope of action to meet the verge of bankruptcy at the beginning of the new century. The organization could not sustain the three employees of the factory, and the producers who delivered their milk to the cooperative (who were about 50 in the early 90s) were just six in 2008. In addition, the latter could not obtain prices for the milk delivered close to those paid by other dairy plants. However, a few years later it was possible to strengthen the local production system based on a combination of short marketing circuits, together with the mobilization of wider support networks, both local and non-local.

To understand the achievements and challenges faced by this initiative, it is necessary to consider the main features of Argentina's dairy chain, some of which resemble those prevalent in other contexts. Around 11,500 farms produce 10,000 million litres per year in the country, which are processed by about 1,000 firms (Schaller, 2010). However, ten companies gather 56% of raw milk at the national level, and account for 90% of Argentina's dairy exports (Capellini, 2011). The presence of foreign capital, with companies like Danone, Nestlé, Saputo, is important (Gutman and Ríos, 2009).

On the other hand, the activity experienced over the years several technological and organizational innovations that implied an increased scale and productivity, but also led to a progressive reduction in the number of farmsⁱⁱ. Periodic crises in dairy production brought about deep effects on small producers, given the weak regulation of downstream relationships that exists in the country. Indeed, minimum prices for raw milk have only been set at sporadic periods by the government. A mostly private-led regulation and controlled by big firms has developed over time and led to the subordination of producers, because of the asymmetry of the relationship: Milk is a continuous and perishable product, with few buyers in relation to potential suppliers. This fact has favoured the emergence of producer cooperatives. Although dairy cooperatives represented the most important branch of the cooperative agroindustry in 2008, they only processed 27% of raw milk at the national level (Obschatko et al., 2011).

Another important issue is the location of dairy plants and farms. While the development of cooling technologies and roads allows gathering the milk from distant areas, it increases costs significantly. Hence, if one of the two components of a local productive system weakens (either dairy plants or farms), inevitably the

ⁱⁱ Among the innovations in primary production, the use of insemination techniques, improved genetics, supplemental feed and cooling tanks may be highlighted.

other one is hurt. In the case analysed, the continuity of CEPAL cooperative is linked to the continuity of its nearby producers.

The province of Entre Rios where the cooperative is located ranks fourth nationally, but produces only 3% of Argentina's milk production. 77% of dairy farms have fewer than 100 cows (Marino et al., 2011) and their productivity is comparatively low (Capellini, 2011). As for dairy firms, small and medium companies that produce generic soft cheeses prevail in the province. Dairy cooperatives are few. The first and most important one (COTAPA) began in 1964. A few years later, it started to process milk in a context where pasteurization started to be mandatory in the country. By the end of the nineties-early 2000, the organization underwent a profound crisis, which led to the intervention of the provincial government and the creation of a new company with the participation of the state; a few years later it was privatized. CEPAL cooperative was created in 1967 and since its beginning delivered milk from its producers to the COTAPA's plant located about 150 km away; shortly after it received a chiller from the provincial government that enabled sending milk every 2-3 days to COTAPA. Since the producers received very low prices for milk, CEPAL also produced some cheeses to capture more value, and mostly sold them through intermediaries. Initially the cooperative also carried out other activities such as the sale of inputs to farmers, and it sold the cotton they produced. The relationship with COTAPA continued until 2008, but with a delivery of milk that had been reduced to no more than 500 litres every 2-3 days.

The area where CEPAL is located (near the small rural town of San Gustavo, in northern La Paz) is outside the area where the bulk of dairy farming is concentrated in Entre Rios. The number of family units is significant there: 71% of them are small producers, who do not hire permanent employees (Marino et al., 2011). The 2002 Agricultural Census reported 145 dairy farmers in the

whole department -111 according to a later report (Consejo Federal de Inversiones, 2010), but local informants consider that their present number is lower. The dairy firms that are present in the province have deactivated their milk collection circuits in San Gustavo because transport costs are high. The farmers of the area who still supply their milk to the CEPAL cooperative are located at a 10 km distance from the plant, and produce between 60 and 600 litres daily. They do not employ a "modern" technological package (some of them milk their cows once a day) although they have succeeded in managing a diversified farming system, a key factor for their persistence. To avoid the disappearance of dairy farming in an area exposed to the expansion of extensive agriculture and to solve the problems of CEPAL as a small cooperative were the triggers of an initiative that materialized in 2010, reconfiguring the producing basin and the organization itself. For this to happen, the place of the cooperative in the value chain underwent a change: Instead of buying milk to the producers and marketing the resulting products, it started to produce them for a third party. With a peculiarity: both the purchase of the primary product (milk) and of the processed one (cheese) is done by a nearby cooperative (CALP), an oldest, bigger and financially solvent organization to which several of the members of CEPAL also belong. Cheeses are sold in a shop located in their own facilities. Consumers are people from the rural area and nearby villages, as well as truckers and people passing through. The name of the shop, *Almacén de Campo* (Countryside shop) refers symbolically to the rural, to tradition and small scale shopping (as opposed to

urban-based supermarkets). For this purpose, an existing small shop was modernized; however, the routine of the dairy plant, with its small pickup truck parked at the gate, is at the buyers' reach of sight. Meanwhile the motto "CEPAL-Regional cheeses at your table" highlights the main product that gave rise to the agreement between the two cooperatives and their connection to the territory. While a direct relationship between producers and buyers is not the case and no further exchanges beyond the commercial ones take place, there is yet a valorisation of the local: "Being a cooperative is like home-made, the industrial character is absent. I think many people buy them for this reason. And the price too. I think it's a combination" (Local input trader, 2015)ⁱⁱⁱ.

This initiative was possible due to the local embeddedness of both cooperatives. Depending on the theoretical perspective adopted, this concept refers to the idea that economic actions are embedded in networks of relationships, institutional frameworks and shared meanings that favour and at the same time constrain human behaviour, moving away from the mere instrumental rationality oriented to utility maximization depicted by neoclassical economics. It may be appropriate to combine these three dimensions of embeddedness from an analytical point of view (Beckert, 2010), and it would even be relevant to include a fourth one, related to the rootedness of food products in local social and material resources, such as soil, animal breeds, farm practices (Roep and Wiskerke, 2012).^{iv}

Considering the fact that the products made by the cooperative are generic cheeses, based on methods that do not explicitly aim to valorise local resources or practices, the first three aspects of embeddedness seem present in the case analysed. Waldensian *colonos*, bound together by ties of kinship, prevail in the governing bodies of both organizations. There is a common ethnic background in a northern Italy area (the *Piemonte*) and a membership to a Protestant church that shares the values of austerity and sense of community, along with great organizational skills that allowed them to stand as a group over time. However, if the idea of an integration between the

two cooperatives came from CALP out of an altruistic purpose, it also matched the diversification strategy pursued by the cooperative in recent years. Institutional arrangements, meanwhile, refer to the content of the integration agreement established between the two cooperatives, which was the result of the meetings held for nearly two years. The agreement establishes the functions of each cooperative and the governance of the initiative, where decision-making is held by a mixed body of representatives belonging to both organizations. While CALP

ⁱⁱⁱ Currently about 20-25% of the cheeses is sold through the *Almacén de Campo* and 60% through a supermarket located 20 km. away in a city of 20,000 inhabitants. The remainder is sold in shops located in small cities and towns, the farthest 90 km. away from the cheese factory.

^{iv} It seems necessary to differentiate between the anchorage of a product in local socio-material resources and the anchorage of an agent. The latter refers to several issues: the location of productive activities, the place where inputs are bought; the density, stability and character of the links established with other actors in the local area; the participation in local events and organizations, a past trajectory and projects linked to the area; the local destination of the surplus obtained from productive activities.

holds majority in it, the search for consensus is prioritized over voting. The integration agreement does not set further guidelines beyond these points, suggesting that the family or small group logic is imposed over a strict bureaucratic rationality. For instance, CEPAL is not charging the rent for the land where *Almacén de Campo* is placed (today run by CALP), to amortize the debt taken by this cooperative to develop the initiative. On the other hand, the meetings of the joint committee that brings together the representatives of the two entities have a central role in defining key aspects. Issues such as the price of raw milk, the types of products and future investments are discussed. Yet the relationship CEPAL-CALP is different from the previous link CEPAL-COTAPA, since CALP buys the raw milk delivered by CEPAL farmers, but prices are set after an agreement is reached between the two parties. For this reason, it is also a more horizontal, less hierarchical relationship than those that characterize the links with dairy firms, especially the larger ones.

As for the progress made since the beginning of the initiative, the price paid to producers improved (INTERRIS, 2008). In this central aspect stands a rationality that moderates (although it does not eliminate) the pure economic logic of profit maximization, with the aim to strengthen the CEPAL factory and the continuity of its providers. This dual objective has determined that during the brief periods when the prices of raw milk experienced a rise in other dairy plants, they were not necessarily adjusted to the same extent by the initiative. Conversely, when there were marked pressures towards a decline, the cooperative continued to sustain prices to producers. There is also a commitment to transfer the rises in the price of cheeses to farmers. In other words, the price of the primary product is tied to the value of the final one, in a more transparent and more equitable way than in long chains with several intermediaries. Also, the continuity of milk reception by the factory is guaranteed. Norms regarding the quality standards of milk set by the national government are applied, as in other milk industries.

Besides the economic incentive represented by the protection against downward raw milk prices, there are also noneconomic motivations, which arise from the historical links of these producers with their cooperative, and their recognition of the support provided by CALP (perceived by some of them as a *moral debt*). Indeed, CALP has channelled part of the surplus obtained to the equipment of the *Almacén de Campo* and the dairy plant, and has obtained funds for this purpose; it provides technical assistance and inputs to producers. While it is true that the dairy farmers of the area have not many alternatives for selling their milk, the relationships between the two parties are perceived as stable. A local market for products (raw milk and cheese) with its own characteristics has been created, and is regulated by the institutions of this territory, although their actors do not ignore the features of the broader market where they are inserted.^v This could be termed as a feature of nested markets, as developed by van der Ploeg et al. (2012).

This local market is favoured by the existence of the short marketing circuit, where intermediaries and freight costs are avoided. The prices of cheeses are set

^v A similar idea has been suggested by Magalhaes (2007) for the south of Brazil, pointing to the role played by cooperatives to create norms in a particular territory, and their importance to stabilize exchange relations.

below those of top brands, to facilitate purchase by local consumers who are mostly low and medium income, avoiding stocks whose

financial costs must be borne by the cooperative. The initiative thus combines value retained by the producers and the territory, allowing the initiative to obtain a national Fair Trade certification in 2014. The latter implied the need to generate codes of good practice and to train the staff in hygiene and environmental issues.

These features illustrate that beyond social, institutional and cognitive embeddedness, links with other local and non-local actors were also crucial to the emergence and development of the initiative. From the beginning, it was supported by the National Institute of Agriculture Technology INTA to obtain financing that helped to modernize the small plant. Other small funds from a national public organization that supports cooperatives were also obtained. Technicians from the Secretariat of Family Agriculture have searched further support for the initiative. From another point of view, all these aspects point to the abilities of these actors to enrol others to cooperate with the project of recreating a dairy cooperative, and strengthening a productive basin that was almost disappearing.

The short circuit represented by the *Almacén de Campo* also generates other incomes to CALP through the sale of other products, including meat that comes from cattle provisioned by farmers belonging to the cooperative. It also allows strengthening the links of the cooperative with other producers of the area, who can order some of the inputs they need. Both cooperatives are also engaged in a larger project focused on the northeast of the province of Entre Ríos, which aims to provide more marketing alternatives for small producers, favouring direct marketing circuits. Other positive externalities at the local level are the continuity in the provision of fresh milk to the area, either through its selling in the CEPAL's factory or even more directly in its related farms, enabling consumers' access to a local product with a lower cost. Moreover, the serum resulting from the process of making cheeses is used by small producers in the surrounding colonies, which take advantage of this low-cost input for breeding their animals.

Although all the goals envisaged in the initial development project were not achieved, CEPAL has grown in operating scale from 700 to 7000 litres per day in 2015, and consequently in the number of cheeses produced. Still it remains as a small industry, with two pans that process 1000 litres each, and 6 permanent employees, several of whom are members of the small farms of the area. It has also increased the number of milk suppliers including a nearby unit that started to be rented and operated by CALP. New possibilities are being considered to strengthen the commercial issue, either through other short circuits (a second *Almacén de Campo*), and new customers (small shops and supermarkets). The strategy is not to replace short circuits by longer ones, but to combine them. From another point of view, these aspects show the hybridity of the marketing devices employed, and of the strategy of one of the cooperatives involved in the initiative.

However, the paradox of growth is that embeddedness, which favoured the emergence of the initiative, could lead to a subsequent phase of disembeddedness. Some dairy family farmers located at 80-100 km have been included recently as providers. The latter do not share the characteristics of the original group: they do not have the same ethnic origin or common history; their environment is different, and their farms are more productive. Some of them also

deliver part of their milk to other dairy firms. Although the group decided to include these new farmers as members of both cooperatives, physical distance, combined with the mentioned factors, may affect their effective participation in the life of these organizations. Likewise, the presence of

other dairy companies in that area may involve a more instable and instrumental relationship of these farmers with both cooperatives. Therefore, growth in scale could involve a certain degree of disembeddedness. This would not necessarily be the case if growth is pursued through including other family farmers of the area (dairy and non-dairy producers), more local products to supply current short circuits, or new services to producers. The latter would imply an increase in scope rather than in scale.

It is not possible for reasons of space to go deeper into other issues, such as the differential importance of the initiative for the two organizations involved. Up to now, we may reflect that it is an ongoing process where new roads are experimented, and from which social learning for other initiatives, aimed at strengthening the connection of family production with the territory, could be derived. The following table summarizes the main features of the analysis developed.

Table 3. Main features of the relocation initiative

Context (sector/chain and territory); regulatory framework	A dairy chain with a growing trend towards concentration, especially in the downstream sector; high sanitary requirements but low public regulation of transactions between farmers and processing industries. A marginal territory from the point of view of dairy firms.
Project (aims and goals)	To avoid the disappearance of dairy family farming and the expansion of extensive crops (soybean); to sustain the CEPAL cooperative
Product characteristics	Generic cheeses
Geographical area of production and consumption	Site of production: at a 2-80 km distance from the dairy plant. Consumption area: involves up to 90 km from the plant
Production methods Area of exchange	Diversified family farming, with low purchase of inputs Cooperative shop, shops in small cities and towns (cheeses). Farms (for raw milk in some cases)
Actors involved in the initiative, functions and activities	Farmers and two cooperatives (in charge of producing, processing, marketing and decision-making)
External support	Technical advisers (local and non-local), financing institutions (all of them public)

<p>Main features of the producers, processors and consumers involved</p>	<p>Small, diversified family farmers, low and medium income consumers (rural and urban, living in small cities and towns) A joint body with representatives of two cooperatives; reach of consensus as key mechanism for decision- making. Participation of consumers is absent.</p>
<p>Form of governance of the initiative and participation of producers and consumers</p>	<p>Possibility of diverging interests between the two cooperatives, and among farmers belonging to different communities.</p>
<p>Emerging tensions</p>	<p>Possibility of expanding existing markets, although there is a need of funding to develop a bigger processing infrastructure</p>
<p>Vectors of expansion (or retraction) of the initiative</p>	<p>Better prices for raw milk, but low prices of cheeses when compared with those of leading brands. Serum delivered as a cheap input for other low scale farmers. Synergies with other products sold by the CALP cooperative. Rise of local employment. However, an integrated local development strategy is still missing.</p>
<p>Impacts on local producers and consumers, and other impacts at the local level</p>	<p>Regulation of the chain at the local level. New partnerships with other dairy cooperatives of the province are searched, as well as the processing of new products.</p>
<p>Impacts on the food chain</p>	<p>Regulation of the chain at the local level. New partnerships with other dairy cooperatives of the province are searched, as well as the processing of new products.</p>

5. Final remarks

The analysis carried out in the previous pages brought to the fore several aspects that may be important for the development of short, value-adding supply chains. Associative schemes seem particularly relevant for revitalizing local production systems and strengthening the links between family farmers and their areas of belonging, now weakened by the social and geographic distance that characterizes the modern food system. In the case analysed, the form of governance adopted involves the deployment of complementary roles by two cooperatives and the creation of a joint body for decision-making.

On the other hand, social, institutional and cognitive embeddedness hinders the

emergence of a fully-fledged instrumental rationality. The diversified character of family farming also gives a

greater room for manoeuvre to the actors involved. Physical distance to the main dairy basins of the country and the small size of the local market probably turns the studied area into a marginal one for the accumulation strategies of big dairy firms. This specific location is also an important feature, since it contributes to building a protected space for experimentation and learning.

All these factors helped to build a local market for the primary product, in which downward trends of the prices for raw milk can be mitigated, and a greater control of the chain can be achieved. They also enable a greater transparency in farmers' access to information. From the consumption point of view, the affordable price of cheeses helps low-income families. Proximity to consumers is enhanced through the strategy of strengthening the short circuits that already existed. Other positive externalities at the local level have also been identified.

However, personal relationships between producers and consumers could be more incentivized, as well as the production and marketing of other foods produced in the area. That is, the definition of a more holistic strategy based on local food, and aimed at the creation of a sustainable territorial food system, is still pending.

Throughout this process, the actors involved have succeeded in regulating the dairy chain at the territorial level. The parameters set by non-local actors are not automatically transferred to this sphere; instead, there is an active mediating role performed by the joint body comprising representatives of both cooperatives. Yet the latter does not lead to their capacity to struggle for a place in the regulation of the dairy chain as a whole, a field that responds to the behaviour of leading firms. This means that from a broader point of view -one that exceeds the particularities of specific initiatives, and relates to their capacity of acting as counterweight to some of the negative trends of the current food system- localization as a concept and as a proposal of action may bear some limitations. What are the chances of agri-food relocalization processes in the long term, if a broader institutional support is lacking?

Finally, it seems clear that the extension of the scope of these initiatives and the involvement of other actors are needed to enhance their results. However, this process may also lead to a greater hybridity in the marketing devices employed and the strategies developed. Initial embeddedness could lead to a later stage of disembeddedness. Replication -rather than growth- may involve the risk of developing a more instrumental rationality, but also could bring about the possibility of creating new partnerships between producers, and between them and consumers.

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