

'EXPLORATORY STUDY OF THE OPPORTUNITIES OF UPSCALING SHORT FOOD SUPPLY CHAINS IN ROTTERDAM'
REPORT – OCTOBER 2015 *Summary*

The people of Rotterdam show an increasing interest in products from short food supply chains; products that are sold directly to consumers in face-to-face contact with the producers or farmers. The interest in these short food supply chains is growing among producers in and around Rotterdam as well. Using various distribution channels, they are becoming more and more savvy at finding their way to the consumers in Rotterdam. Meanwhile, individual entrepreneurs and various collaborative projects and partnerships in the region supply a broad range of predominantly unprocessed fresh products and produce. If we look at consumer needs and market demand, we can detect excellent opportunities for further, significant upscaling and revenue growth.

The main challenge is the less than optimal match between supply and demand at this point. In and around the city, numerous initiatives have been launched to foster a better match. The Regional Food Council (RFC) Rotterdam aims to promote these initiatives to connect both 'worlds'. The study into the opportunities of upscaling in the short food supply chains around Rotterdam, conducted in the period between December 2014 and September 2015, contributes towards this goal. It builds on from existing contacts that were established during the 'trade missions' that took place in the regions surrounding Rotterdam in 2013 and 2014. The commissioning authority is the City of Rotterdam in conjunction with RFC Rotterdam.

Short supply chains offer a number of advantages. The quality of fresh products and produce is usually higher and their shelf life is longer because they reach consumers faster. In addition, short supply chains facilitate a choice in favour of more delicate varieties and formulations that involve few or no preservatives or preserving techniques, and help to enhance the ripening process. Moreover, supply chain shortening is an excellent way to ensure that the more traditional food supply chains will increase their transparency. For cities like Rotterdam, short supply chains are important in view of the fact that they strengthen agriculture as an economic pillar of the landscape around the city. This offers additional opportunities to link up with efforts to promote the circular economy.

Today, most of the regional initiatives still consist of small-scale projects with limited outlets in the city. Producers who are or wish to become actively engaged in short supply chains feel most at home with relatively small-scale, bottom-up markets. As a result, there is hardly any cooperation among entrepreneurs from the various regions. Nevertheless, the study results show that intermediary links increase the success of short supply chains as they ensure stability and security of supply for the buyers.

Adequate logistics and distribution are the greatest barriers to short food supply chain upscaling. The logistics processes can be improved by mutual collaboration in this area or by engaging third-party logistics service providers. In addition, many regional activities lack sufficient scale, a clear and unambiguous positioning that wins customer recognition, and proper market practices. Existing intermediary organizations, such as *Willem & Drees* and *Rechtstreex*, can play a significant role in this respect. Furthermore, the fact that many large players have recently joined the arena has contributed to the potential for revenue growth through online sales of regional products.

In the short term, concrete opportunities are opening up for upscaling a few short supply chains, including further growth of the marketing initiative *Rechtstreex*

and marketing to care institutions. New agricultural distribution channels in the city in the form of farm shops open up additional opportunities. The study furthermore presents specific recommendations for the respective parties involved in short food supply chains.