



SUPPLY CHAIN COLLABORATION TOOLKIT

October 2022
Supply Chain Collaboration Toolkit



Co-funded by the
Erasmus+ Programme
of the European Union

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INTRODUCTION AND SETTING THE SCENE

01



INTRODUCTION & SETTING THE SCENE

Mark Laurie is a Director of the Nationwide Caterers Association, with a specific responsibility to interact with numerous government departments, regulators and industry stakeholders. He is a member of the Birmingham Food Council and co-founded Digbeth Dining Club, Birmingham's first and most popular street food event, and consulted on countless other street food businesses and market start-ups. He was also involved in the Box Chicken project in Newham (east London), challenging school kids eating habits and is helping work on a similar scheme for Birmingham. Mark has a particular interest in food waste and sustainability which led him to co-found the 8th Plate project, which salvaged 27.5 tonnes of uncooked waste food to create 55,000 meals for distribution to people living in food poverty.

As a smallholder or farmer, you are a vital part of a much bigger and broader industry. You already work with a number of customers, suppliers and peers. However, through this Supply Chain Collaboration Toolkit, we explore the potential benefits of developing formalised relationships with potentially key partners in 'growing' the success and profitability of your small holding.

We will look at the areas where collaboration may benefit you and your business and how best to explore how to implement that. Knowing what you're looking for – and why. Avoiding time-consuming or unsuccessful supply relationships and understanding how to effectively manage future collaboration will all be considered. Hopefully, offering some thought-provoking yet achievable ideas to consider.

Every smallholding will be different and experience different pressures and opportunities. So this guide could never cover the full spectrum of produce that can be harvested through small holdings, ideas to be adopted or reasons to take a specific approach; instead, we aim to provide the tools to make informed decisions about potential next steps for your business – especially considering how smallholders can have a significant impact through collaboration and agility.

You may have jumped headlong into a smallholding and are now wondering what you've got yourself into, or you may be looking for ways to make the business financially sustainable in a challenging world. Through this Sustainable Smallholder's Supply Chain Collaborations publication, funded as a training resource under ERASMUS+, help is at hand!

SMALLHOLDERS IN A CHANGING WORLD

Much has been made of the demise of the smallholder and small-scale farming in Europe, with the number of farms falling sharply over the past decade or so while production capacity increased; smaller farms are being consolidated into larger enterprises coupled with an intensification of farming. Let's look at some stark numbers:-

However, many small farming enterprises have thrived in that period and continue to do so, often by finding alternative ways to remain profitable than the traditional 'routes to market.' While intensification and consolidation may well continue, this does not necessarily diminish the opportunity for profitable, sustainable smallholdings and farms. On the contrary, it arguably creates a valuable point of difference.

Ever more concerning reports on the impacts of climate change and biodiversity and the contribution of the significant global food industry, and more recently, exposure to food supply and price fluctuations due to war, famine, drought, flooding and unmanaged waste have all brought food and farming into greater perspective and scrutiny.

Technology has opened up opportunities for instant communication and collaboration, more consumers are prepared to pay a premium for premium products, and savvy producers can access a global market. Data is driving decision-making, tech is opening markets, and social media offers opportunities to access this growing global, more affluent market like never before. Purchasing power for this segment is on the rise...

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The number of poultry and livestock farms alone in the EU, excluding Croatia, fell by 3.4m between 2005 and 2016, to 5.6m... While poultry and livestock numbers increased over the period, the number of livestock farms declined sharply, showing that there has been a huge intensification of farming and that small farms have been lost. The total number of all types of farms in the EU fell during the same period from 14.5m to 10.3m



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Middle-class spending is expected to grow from about \$37 trillion in 2017 to \$64 trillion by 2030, accounting for a third of GDP growth. Most of it will be driven by the growing consuming classes in emerging economies. The middle-class market in advanced economies is projected to grow at only 0.5%-1% per year, while the dynamic middle-class market in emerging economies could register annual growth rates of 6% or more.



**Poverty, middle class
and purchasing
power | Knowledge
for policy (europa.eu)**

This handbook explores the smallholder challenges, barriers and alternatives to competing in the wider market. At the same time, we offer suggestions and examples of how niche markets can be accessed, developed, utilised and expanded – maximised - through supply chain collaboration.

WHAT HAVE THE ROMANS EVER DONE FOR US / WE'RE ALL CLIMATE HYPOCRITES NOW!

Intensive farming methods have significantly and consistently increased capacity for food production; man-made fertilisers and heavy machinery revolutionised farming and food production. As a result, larger spaces were cleared for machinery, fertilisers imported and used freely, and access to nutrition increased significantly, as has the global population.

Global markets, innovative storage and transportation mean food can and is a key global commodity. At the same time, exchange rates and arguably lower standards for labour make fresh imported produce a competitive reality. But much of the intensively farmed produce is aimed at a standardised market. Growing big, quickly and looking the part has tended to be the most profitable option and often the most affordable for the final

customer. As a result, supermarkets work on tiny profit margins and have to compete relentlessly on price while preferring standardised appearance and size.

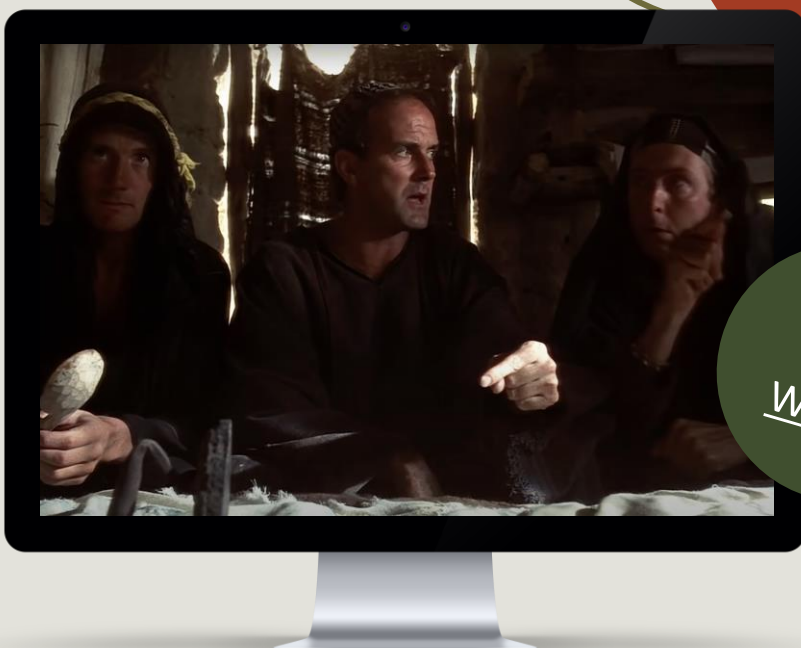
Traditional or less intensive farming methods, local varieties and breeds have become 'heritage' due to their lack of mass commerciality.

Farmers and farming are easily knocked by environmentalists, journalists and even smallholders for the perception of intensive methods used and the impacts on the environment and ecosystem. But farmers produce what they can sell at the best price they can. Cost pressures and price fluctuations leave little room for manoeuvre.

In a famous Monty Python sketch, one of the main characters asks, "**what have the Romans ever done for us**". It ends with...

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it ends with... "All right, but apart from the sanitation, the medicine, education, wine, public order, irrigation, roads, the freshwater system and public health, what have the Romans ever done for us? ...Peace – oh shut up!"



[CLICK
TO
WATCH](#)

02 UNDERSTAND THE LANDSCAPE



UNDERSTAND THE LANDSCAPE

02

Understanding your opportunities and risks will be vital in developing a robust supply strategy to ensure that your time (and money) is spent wisely. Planning for the future, understanding limitations and working with others can help you scale up your efforts and capacity quickly and effectively. In addition, it may be that diversifying your offering and operation can offer better returns on the inputs you invest.

Be realistic about what you can produce on your smallholding and where it can be sold. Don't assume that a ready-made market exists for your produce or that you will be able to access it and sell it at a price at which you can profit. The globalised and industrialised food system is geared towards producing high volume at the lowest possible price. Furthermore, the standardisation of the produce sold, often the fastest growing or maturing products, can mean that your product can't compete or even access the wider food market.

The **three** obvious reasons why smallholders struggle to access the wider food market profitably are

- 01** The higher cost of production
- 02** Inconsistency of supply
- 03** Challenges scaling up.

Smallholders are unlikely to be able to compete on price with larger producers as their cost of production will be greater per kilo or by square meter, and their returns in terms of yield are likely to be smaller. If you cannot meet a client's needs in terms of consistent access to your produce, they may look elsewhere. To tackle this challenge, many farms have developed cooperative structures and arrangements which have allowed them to maintain a consistent supply to the market and manage risks more effectively (amongst other benefits). However, it's unlikely you'll be able to offer the consistency of supply to access larger markets on your own.

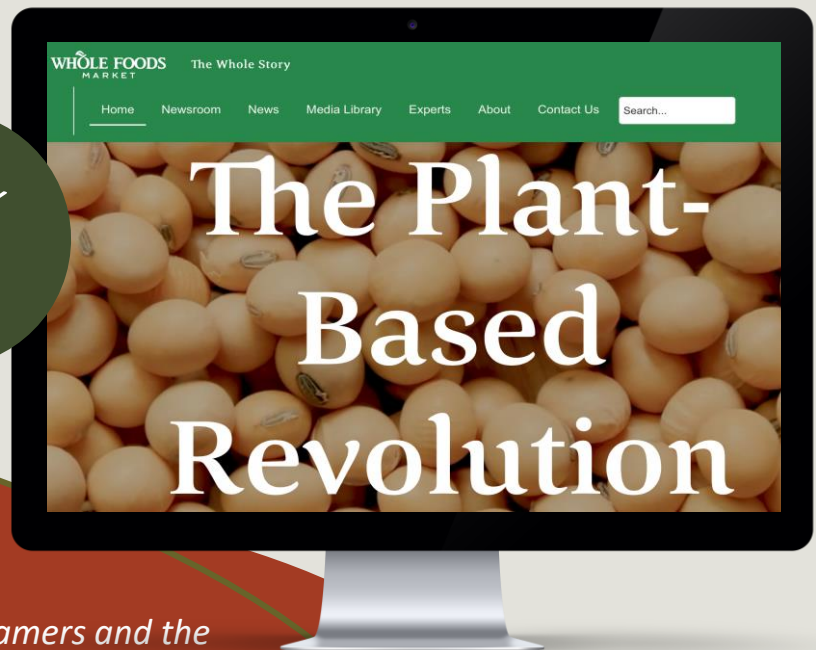
There is only so much capacity you will ever be able to deliver with the land that you have available. If demand increases for your product, with no extra land available, scaling up your production to meet demand will soon hit your limits to supply. While the global population doubled in the post-war period, food production capacity trebled. With the introduction of fertilisers and pesticides, farmland was reconfigured to accommodate heavy farm equipment like harvesters and tractors, developing products to make them more resilient, more productive, and faster growing. The industrialisation of agriculture has significantly increased productive capacity and reduced unit costs.

SALES ARE VANITY; PROFIT IS SANITY

A "stack them high and sell low" approach may be the business model of many grocers/retailers. Still, such a business is not feasible for small producers with relatively high costs and limited efficiencies of scale. Instead, small farms must find new ways to compete or access more profitable markets. In many cases, their very survival depends on it. Invariably this means developing a premium, higher-value product. Fortunately, a market for higher quality goods with unique characteristics can demand higher prices in higher-value markets.

In 2010, the American premium produce retailer Wholefoods had net sales of 4.1m dollars. By 2021, this had more than doubled to 8.1m dollars. In 2017, Whole Foods was purchased by e-commerce giant Amazon. According to Statista research, 9% of Americans had shopped in a Wholefoods store.

CLICK
TO
WATCH



These are the stories of the dreamers and the doers, the farmers, the bakers, and the organic soy candle makers. Whole Foods Market is the sum of our suppliers, our Team Members, and our customers. They are our inspiration. We're on a mission: to nourish people and the planet. What does that really mean? These are the real people behind the products – a community of some of the smartest, most passionate, hardest-working folks you'll ever meet.

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UNDERSTANDING THE SUPPLY CHAIN

The supply chain is every person and process that produce passes through on the way to the end consumer. Your smallholder business will currently sit at one point in the supply chain. Each stage of the supply chain adds value, cost and margin until it reaches the end consumer. As a producer, understanding where you sit in the chain enables you to consider where the value is and whether you are maximising your potential rewards.





FINDING YOUR NICHE

If you can't be competitive on price, don't compete on price. The main food market is geared to receiving as much food at the lowest price and standardising the products bought (to only the most cost-effective or profitable).

Offering a different, potentially superior product, perhaps produced in a more ecologically sound way, through more humane welfare standards, or a different flavour, look or texture to the more commonly bought breed or crop can enable you to charge a premium – if you can get it to the right market/customers.

By offering points of difference, you have the potential to sell into different potential markets – at a better price. By providing a rare breed or heritage crop, you can offer something unavailable in the supermarkets and absorb the higher production costs in higher pricing. Equally, through regenerative, organic or high welfare farming approaches, you add value and margin

Real Kobe Wagyu beef can sell at ten times the price per kilo as more available breeds. The increased costs of production are not a problem. It's expected and adds value. At the same time, the limited supply adds to the exclusivity and appeal. Its mere cost makes it stand out. [Buy Wagyu Beef Online \(Genuine Kobe A5\) - Higgins Family Butcher \(higginsbutchers.ie\)](#)

Finding your niche might mean taking the opposite approach to industrial intensive farming methods to supply the demands of different consumers.

COMPETING ON PRICE (WHY YOU SHOULD NEVER).

While there are advantages to be gained from competing on price, offering the lowest priced version of the product to sell more than your competitors, as a smallholder, you are unlikely to be able to either match the prices offered by bigger competitors or to take advantage of having a more significant section of the market. You simply do not have the capacity to supply it. One interpretation of value is 'benefit' minus cost, the benefit being the specific gain to be made from a feature of your product.

EXAMPLE

You may sell organic runner beans with more significant production costs and lower yields than industrial methods. However, there are many potential benefits for the right customer to eating locally produced organic green beans:-

- 01** Protecting the environment and ecosystem
- 02** Consuming food that does not contain unhealthy chemicals. It may be that the customer believes that eating fresh food has more healthy and beneficial nutrients.

These perceived benefits can add value to your product meaning specific customers will be willing to pay more for your superior product.

Equally, we are all aware of situations where something seems too cheap. While a minority will always be driven by price, many will look at a cheap product and wonder what is wrong with it. Why is it inferior? Otherwise, we would all shop at the cheapest supermarkets and restaurants.

Understanding your customers and target market will enable you to sell more of the right produce for more money. In addition, understanding the benefits or perceived value that drive consumer decision-making of your high-value customers will help you to deliver what they want at a fair price.

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Unable to compete on price, smallholders should instead look to sell based on value rather than price and work to build that value into their produce.

DIFFERENT ENTRY POINTS, DIFFERENT PRICES

Your produce may pass through several different points in the supply chain before it gets to the final consumer. For example, you may sell into a wholesaler or production facility which incorporates your produce into a further product (e.g. heritage pork processed into charcuterie). By cutting out parts of the supply line, you can increase profitability. For example, by butchering your produce, you save on the butcher's costs, and you can also sell at or near the price the butcher would charge. Equally, you may decide that raising starter pullets for sale is more viable than producing chickens for egg laying or meat, taking on less of the overall supply chain for that product but specialising in delivering one part of it.

However, whether butchery, bakery or any other craft, there is a good chance that a craftsman will do a far better job than a keen amateur, getting more saleable cuts more efficiently. So while the temptation may be towards DIY or it may seem like a viable cost saving, understand the value that others can bring and how that can impact your smallholder business.

Finding the proper butcher, wholesaler, or customer may be a struggle for a single smallholder; the produce may not carry the required perceived value. However, horizontal collaboration with partner smallholders may overcome the issue of finding the right client or partner.

SMALLHOLDERS AND NICHE PRODUCTS

Smallholders often aim to produce higher quality produce that can achieve a higher price and supply a niche market. We know that smallholders cannot usually compete on price with imports from the developing world or larger industrial farms. To remain viable, smallholders often look to compete on (perceived) quality or other drivers such as niche or distinct products or production methods. Smallholders can therefore achieve a better unit price for their products by not directly competing, offering an alternative, often a [perceived to be] superior product.

Choosing suitable crops or livestock and producing to the highest possible standards or quality can be vital for smallholders trying to remain viable businesses while making less volume at a higher production price.

Size limits and zoning restrictions force micro farmers to be creative about the crops they grow and the ways in which they seek to make a profit, and they tend to focus on sustainability, seasonal crops and niche markets for their products. Despite their size, microfarms have the potential to produce an enormous amount of food per acre that, when properly managed, can lead to big profits.

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ADDING VALUE & BRANDING

Building a brand for an individual small holding may be costly and time-consuming – especially if you are not a big enough enterprise to deliver on a successful branding. As a small-scale producer, it is not easy to gain full market value for your products; however, working with others can enable you to benefit from existing brands and stories to sell with. It may be that you sell into an existing brand, possibly operated by a co-operative of farms. If much of the hard work is done and paid for in branding and securing customers, an existing co-op or brand may make sense.

Branding could involve a specific or unique product from a town or region, adhering to a collective set of production standards.

Much of branding involves telling your story, the 'what, when, how and why' of your business. Marketers understand the value of a narrative – in agriculture, the narrative of larger farms tends to make them seem smaller and more idyllic – more like small holding. For more on branding for smallholders, visit Module **X** of our training course.

ENSURING QUALITY & STANDARDS

Guaranteeing a premium product enables a premium price to be charged. However, to do this, you must establish the value of your produce as a counterpoint to industrial farming methods, perhaps looking at alternative production methods that customers are prepared to pay more for (free range, organic, regenerative etc.).

Whether working independently or as part of a wider co-operative, establishing standards across the organisation enables value to be demonstrated and realised. It is, therefore, imperative that standards are agreed upon before forming a relationship and are monitored appropriately.



UNDERSTANDING YOUR PRODUCT

As a smallholder, it is unlikely that you will ever be able to compete on price with significantly larger enterprises; furthermore, you may struggle to access the markets of the more prominent producers. As such, there is little value in looking to compete directly. Instead, developing a premium product offering that appeals to the higher end of the market, whether through rare breed or

heirloom produce, more environmentally responsible production methods, or a geographically unique product, gives you a USP – Unique Selling Point. Furthermore, working with other like-minded smallholder producers to build a brand around agreed standards and ethos can add further value.

You may also

- 01** Choose different livestock breeds or crops to those considered more commercially viable. Often working with heritage or heirloom produce that is harder to get in the supermarkets (perceived as less viable than more commercial breeds or crops).
- 02** Use more traditional farming methods, increasingly called regenerative farming.

CÈRCOL COOPERATIVA

SPAIN



TITLE OF A GOOD PRACTICE

The local sale of rice. Directly to the small consumer.

COUNTRY/REGION/CITY

Albufera Natural Park, Sueca/ Ribera Baixa

SHORT INFORMATION

Cèrcol was born as a protest against an agri-food model that forgets producers and the environment. As producers, being able to reach consumers directly without having to go through large monopoly companies helps them to adapt production to what they really need.

DETAILED INFORMATION

It is a cooperative that gives greater presence to women and young people, because they are more vulnerable when it comes to looking for employment. This cooperative has chosen a sustainable model, with minimal impact, prioritizing organic farming techniques. They deal directly with the consumer. They are funded through crowdfunding.

EVIDENCES OF SUCCESS

Rice orders are prepared individually, with reusable containers, so that it is possible to calculate a family's need for rice consumption for a month and to have the product monthly, thus minimizing the distribution chain.

CHALLENGES

They were formed in 2018 in Australia. They learned how a family organic rice farm works: Randall Organic Rice. Being the first brand of organic rice in Australia, with the help of a "micromolino".

POTENTIAL FOR LEARNING

It is a cooperative very committed to society: to producers and consumers. This company is very much identified with the Valencian culture.

CONSISTENCY OF SUPPLY

Higher-value products, as developed by smallholders, may be unable to find their way to the most profitable markets due to supply inconsistencies. Chefs, restaurants and high-end retail outlets need a regular supply of products to make them viable. For example, If you can only provide fillet steaks every three months and in small quantities, a local restaurant may not be able to stock your produce as they can't guarantee continuity of supply. More and more, restaurants will embrace this seasonality factor. Seek out these restaurants.

Award-winning UK-based Burger restaurant, the Original Patty Men (OPM), worked with their beef producer from the beginning of their business. The producer had to be able to sell the whole animal, not just the parts used for burgers. Initially only opening four days a week, as demand for the restaurant grew, the OPM owners worked with their beef producers to increase the farm's capacity and sell more animal parts. Working with another restaurant, OPM developed a beef 'doner' kebab product to help the farmer sell the whole carcass and operate viably. Eventually, the restaurant worked with the beef producer to find other suitable producers that would enable them to increase capacity further. The restaurant only added chicken to its menu in its third year of opening. The reason was that they only wanted to use meat produced to the highest welfare standards, and it took this long to find the right supplier who could match demand.

For smallholders, there is clear value in supplying high-end produce to restaurants and others and as such, finding ways to deliver that product may become imperative.





WHAT IS SUPPLY CHAIN COLLABORATION?



WHAT IS SUPPLY CHAIN COLLABORATION?

Supply chain collaboration is where two or more firms work jointly to better deliver a product(s). For most smallholders, some form of supply chain collaboration will necessarily take place; however, for a successful collaboration, it's essential to build the right partnerships – with the right organisations, plan effectively and commit both resources and time to ensure delivery.

01 VERTICAL COLLABORATION

Two or more businesses from different supply chain stages work together to deliver mutual benefits. For example, A vegetable producer may partner up with a restaurant to produce specific crops in specific volumes throughout the year. This will offer several benefits and efficiencies to both the farm and the restaurant. To guarantee quality or consistency of supply, the farm may form a collaborative relationship with a seedling producer.

02 HORIZONTAL COLLABORATION

Where two or more firms at the same or similar stages of the supply chain form collaborative relationships to achieve common objectives. This could involve working with other rare breed producers to raise awareness of your product, forming or working with a local or regional co-operative organisation to access new markets, overcome supply issues, and share data and resources to the benefit of the partners.

INCREASING SUPPLY CHAIN COLLABORATION IMPROVES THE ENTERPRISE'S ABILITY TO DRIVE OUTCOMES

The work of Alex Zhong, GEP, has direct relevance to our exploration of smallholders' supply chain collaboration. Alex has more than 20 years of practical experience in supply chain operation and sets out the clear benefits of supply chain collaboration to include the following:

01 RESILIENCE AND AGILITY

A supply chain that can meet changes in demand and anticipate and respond to issues more effectively is better able to mitigate the effects of disruptions or avoid them entirely.

02 INCREASED RESPONSIVENESS TO CUSTOMER NEEDS

By creating efficiencies and optimising and coordinating responses to disruptions, supply chain collaboration boosts an enterprise's capacity to meet its customers' needs.

03 ABILITY TO DRIVE BUSINESS GROWTH

Collaboration with internal departments like sales, marketing or finance enables supply chain teams to understand requirements and objectives. This way, they can act as partners for innovating and accelerating new product development

04 IMPROVED ORCHESTRATION

Aligning different elements of a supply chain with each other by sharing real-time data and enhancing communication allows organisations to reduce the bullwhip effect across the supply chain when demand patterns change.

05 OPERATIONAL EFFICIENCIES

Collaboration on planning and execution improves operational efficiencies and reduces cycle times and costs, especially when collaboration is joined with AI-powered supply chain collaboration systems that can provide insights and recommendations and automate routine tasks and even some core functions.

06 ENHANCED FORECAST ACCURACY

Sharing information and collaborating with suppliers and partners on supply chain planning and forecasting facilitates consensus among partners on forecasts and improves their accuracy.

<https://www.gep.com/blog/technology/supply-chain-collaboration-6-powerful-benefits>



SIX STEPS TO SUCCESSFUL COLLABORATIONS

WHERE TO COLLABORATE

- 01** Collaborate in areas where you have a solid footing
- 02** Turn win-lose situations into win-win opportunities with the right benefit-sharing models
- 03** Select partners based on capability and strategic alignment, not just size

HOW TO COLLABORATE

- 04** Invest in the right infrastructure and people
- 05** Jointly manage performance and measure impact
- 06** Collaborate for the long term



04 IDENTIFYING POTENTIAL SMALLHOLDING PARTNERSHIPS



04

IDENTIFYING POTENTIAL SMALLHOLDING PARTNERSHIPS

REGIONAL

Regional or local partnerships may make the most practical sense for your smallholding as collaborating or sharing resources with similar local businesses. It may be that the geographical region itself is what ties together a collaborative effort. Often this is enhanced by regional products, breeds or ways of producing that are unique or act as a USP. Standards that are set at the local or regional level will maintain the USP or uniqueness of the product, and cooperation based on a specific region or location or methods of producing the food enables more robust brand development and recognition.

Across Europe, there are several regional collaborations based on produce or methods native or historically important to that region, making excellent business sense.

Agri-food and drink products whose names are protected by the European Union as "Geographical Indications" (GIs) represent a sales value of €74.76 billion, according to a study published by the European Commission. Over one-fifth of this amount results from exports outside the European Union. **Furthermore, the study found that the sales value of a product with a protected name is, on average double that of similar products without a certification.**

Earning protected status for a product is not within the capacity of a single farmer or smallholder; however, collaborating with other firms to develop or maintain a USP for a product or region can add value and open new markets and better margins.

There are additional potential benefits to developing regional branding and relationships. For example, raising the profile of the area or region through its produce can open up possibilities for agri-tourism or food-led tourism, sometimes known as the Bourdain effect.

Food festivals often exist to celebrate the harvesting of regionally significant produce or products, whether Oysters in Galway ([Galway International Oyster Festival | The worlds longest running Seafood festival \(galwayoysterfestival.com\)](https://galwayoysterfestival.com)),

Beaujolais Nouveau ([France's Beaujolais Nouveau festival brings joy to wine lovers after pandemic blues | Euronews](https://www.euronews.com)) or Cornish Pasties ([Redruth International Mining & Pasty Festival 2022 \(visitcornwall.com\)](https://visitcornwall.com))). This demonstrates the wider economic value that can be added through developing regionally specific awareness and branding of a product. Such festivals work both as adverts for the produce and reasons to visit the region. Working within such a regional context can give smallholders access to the scale required to establish a regionally branded product.

BREED OR PRODUCT BASED

What you produce will likely be determined on some level by the terroir and the character of the land where you work. However, the products that are likely to do best traditionally thrived in that area or region.

There are likely to be heritage products that can be developed that also specifically suit your land. For example, working with crops or livestock that have

thrived in an area because of the area's unique characteristics or the production methods used should be a win-win.

By working with more niche or heritage products, smallholders are not limited by the need for volume in the mass market and can sell as a premium product.

QUALITY OR PRODUCTION STANDARDS

Developing and maintaining standards will be essential to preserving the integrity of the brand and product. In addition, agreeing on baseline standards with potential partners that are clear, achievable and offer the highest perceived value will enable you to develop a pre

mium angle to your product.

Achieving quality standards or labels, explaining and demonstrating how those standards are maintained – and ideally building them into your mission and 'company story' embeds these improved standards into your product and enables a higher sale price.

While specific accreditations may be out of reach due to cost, resources, or time, collaborating with other smallholders may share some of the cost or enable the opportunity to build a brand around your quality standards. For example, it may not be feasible to be fully organic; however, you may agree on specific standards connected to high welfare/ outside reared/ grass-fed practices between collaborators that enable you and your colleagues to tell your story more effectively and secure a higher price



ADDING VALUE TO YOUR PRODUCE

BOX SCHEMES

Box schemes enable producers to supply directly to the consumer, maximising potential margins and reducing any waste production. By cutting out intermediaries, box schemes allow producers to increase their profit margin significantly; they can be efficient regarding food miles and ensure an alternative market for produce.

Depending on your offering, you may struggle to provide food throughout the year for box schemes. Thus, collaborative box schemes can work as part of a cooperative with numerous farms supplying a central point where the box scheme is administered. There may be well-established box schemes that you may be able to join; equally, creating a local box scheme along with other smallholders may make more sense, depending on your situation.

The format and operations of box schemes can range from low-tech and informal through to online market-places with greater coverage and the capacity to bring in extra vegetables to scale up, if necessary, market data capture and sales pipelines. During the Covid pandemic, box schemes in the UK grew to 111% (in the first six weeks). This was undoubtedly down to the run-on supermarkets that left many without guaranteed access to food in the early weeks of the UK lockdown. However, early evidence suggests that these customers have stayed with the box schemes, which essentially reached capacity and could not take on more customers due to limited supply. Implying that, with greater capacity, the schemes could have grown further.

'Due to increased demand and capacity issues, 82% of box schemes now have waiting lists and are closed to new orders. 16,190 people are on the waiting lists of these 101 schemes, an average of 160 people per box scheme. The largest box scheme has a waiting list of 6,700. It is difficult for schemes to estimate how many customers they are turning away, but many think the number is in the hundreds.



CASE STUDY: GROWING COMMUNITIES

Growing Communities is an organisation that aims to harness the collective buying power of their local community and direct it towards those farmers who are sustainably producing food. NEF Consulting, with Soil Association, evaluated the impact of Growing Communities' two primary consumer offers: its weekly veg scheme and its farmers market for 2019-2020.

Over the twelve months, Growing Communities' core operations cost £1,688,600. 54% of this was borne by veg scheme customers and 40% by farmers' market customers. The average veg scheme customer spent £641 per annum, while the average farmers market customer spent £837 per annum. These customers are individuals who purchase food directly from Growing Communities, but the food often also feeds household members, forming a larger group of 'food eaters' or consumers.



FINDINGS

Growing Communities' core operations generated an estimated £6,294,000 in social, economic, and environmental value:

- 01** Around 60% went to veg scheme customers and their households, who received £3,836,000.
- 02** Farmer's market customers and their households received £1,638,000.
- 03** The environment was the next largest recipient, with over £508,000 in value annually.
- 04** Farmers, employees, and food processors received £312,000.

The average customer received £2,461 in benefits for their households while generating £228 of value for the environment, £76 for farmers, £52 for employees of Growing Communities, and £13 for food processors.

For the veg scheme 'food eaters', the value of improvements in health (£631) was more significant than the value of food received (£301). We estimate the social element of the veg scheme as creating £310 of value in social interactions and £60 in the sense of community for veg scheme members. The estimated value of health improvements generated by farmer's market customers was lower but still significant at £398. Though more people gather at a farmers market than at veg scheme collection points, the social benefit of the farmers market is slightly smaller, creating an estimated £245 per customer in value in social interactions and £74 in the sense of community. However, additional value was created in terms of improved knowledge of food and reduced food waste.

The most significant benefit for farmers was well-being – the feeling that their work was more appreciated. They also benefited from being able to manage better financially and felt more secure in their job. The value of reduced pressure to scale up their operations was also significant at £625 per farmer, as was the increased autonomy over what they can produce. The most significant value created by Growing Communities for its employees is to enable them to manage better financially, worth an estimated £1,077 per employee. Reduced commuting time was the next most valuable contribution to its employees, worth an average of £994 in time and £45 in costs per annum. In addition, reduced childcare costs were high at an average of £868 per employee, while physical health benefits were also significant (£207).

SOCIAL BENEFITS

DIVERSIFYING & SELLING EXPERIENCES - PICK YOUR OWN

Pick your farms enable the public to get a taste of agricultural life for a day. Often high-value berries and fruits, the framers produce the crops and then the public pay to pick them – often taking home what they have picked. Playing on the tradition of harvest, where families would go into the fields to harvest each year.

During the Covid pandemic, fruit pickers unable to access work in parts of Europe saw the introduction of pumpkin picking Halloween events in the UK as they could not find the staff to pick the squash.

Much marketing for 'pick your own is through roadside posters and advertising hoardings. By building on the 'event' side of pick your own, providing food, drink and further activities can add value and increase take-up from the public.

BUTCHERY & CHARCUTERIE

Butchery and charcuterie could be one way to add value to your produce and increase your profitability. However, butchery and charcuterie are crafts that can take years to master. Nevertheless, if you are interested in either skill, this could be a profitable way of shortening the supply line. The success of Iberico ham should act as an indicator of how to increase value and add value using specific breeds or traditional styles. Either Iberico ham can only be produced with pure-bred Iberico black pigs or cross-bred Iberico black (minimum 50%) with less than 50% Duroc.

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"Immediately after weaning, the piglets are fattened on barley and maise for several weeks. The pigs are then allowed to roam in pasture and oak groves to feed naturally on grass, herbs, acorns, chestnuts, and roots until the slaughtering time approaches. At that point, the diet may be strictly limited to chestnuts, acorns for the best-quality jamón ibérico, or a mix of acorns and commercial feed for lesser qualities."

Wiki





FARMERS MARKETS & FOOD FESTIVALS

Farmers' markets allow selling directly to the final consumer – potentially shortening the supply chain and enabling more significant margins. It also provides meeting and growing your customer base. There is an age-old saying that people do business with people they like. Farmers Markets & Food Festivals get you and your produce in front of new customers, and developing those customer relationships can increase sales at higher margins.

Collaborating with other smallholders to develop an offering for farmers' markets can offer greater efficiencies, with more ground covered and less unnecessary competition. For example, suppose you and a handful of other producers all grow organic asparagus. It might make more sense for you to pool resources and produce and sell under one brand through one seller, rather than all selling

at the same farmers' market and ultimately competing on price and presentation. If each smallholder took produce to different markets, it means less competition, less price pressure greater opportunity to sell more.

While urban farmers' markets and the heady prices charged to participate may seem inaccessible to individual smallholders, costs can be reined in and more ground covered by pooling resources.

In many cases (but subject to local food production rules), farmer's markets can offer the opportunity to sell processed foods at home, from charcuterie or preserves. In addition, revenue can be increased by cooking and selling the produce as hot food or by meeting chefs and others who may be interested in working with you and your products.

COLLABORATING SUCCESSFULLY

Collaborating successfully could improve the sustainability of your smallholding, increase efficiencies and make your business more resilient to change. Finding ways to increase the perceived value of your premium products by defining and maintaining quality standards and accessing new markets by working with others who share common goals and interests could allow you to achieve scale and profitability and secure your business's long-

term future. Scale and opportunity that could not be achieved alone. Whether you are collaborating horizontally with similar producers and working to increase sales and profitability or collaborating across an area or region, working with others towards agreed goals can enable small producers to access markets and price points that are not achievable on their own.



UNDERSTANDING YOUR BUSINESS

SUPPLY CHAIN COLLABORATION TOOLKIT

TOOL: SWOT ANALYSIS

Carrying out a Strengths, Weaknesses, Opportunities and Threats (SWOT) Analysis on your smallholding is an essential starting point. It allows you to add structure to your ideas and enables a practical and unemotional way of assessing them.

Remember, if looking to a supply chain collaboration, including partners in the SWOT process will help to define processes moving forwards and importantly identify where strengths can be made use of as a group, opportunities embraced, weaknesses overcome and threats avoided. A SWOT should be dynamic and reviewed at least annually. The findings of your SWOT, while refinable, should define how you plan and respond to situations.

DOWNLOAD AN EDITABLE FORMAT FROM OUR TOOLS

What comprises a SWOT?	This section is for you to reflect and honestly answer, what are your smallholder project's specific SWOT?
STRENGTHS: tend to be internal and reflect the people and the farm and equipment. A strength may be experience within the team, ability to produce high quality artisan produce or access to certain high value markets. What do you and your team bring to the business.	
WEAKNESSES: again, these are internal. Weaknesses will need to be found, understood and overcome in order to progress the commercial side of your smallholding. A weakness could include a lack of knowledge of selling or marketing, a lack of capital to invest or previous bad decisions that continue to impact the smallholding.	
OPPORTUNITIES: These tend to be external and could include access to start up capital or other grants, a new restaurant or farmers market opening- or access to a free Erasmus+ course on sustainable smallholding	
THREATS: come from outside your smallholding business and could include unhelpful weather such as droughts or floods, new government regulation or new competitors.	

Very helpful article on [SWOT for agriculture](#)



BRANDING AND IMPORTANCE OF STANDARDS FOR SMALLHOLDERS

To create a brand, you need to stand out from the crowd, to have a unique selling proposition (USP). However, as a small farm or smallholder, it may be likely you choose to work with other small farms or smallholders to develop your brand. Branding should be based on agreed standards enables you to achieve greater scale while maintaining a consistently high standard product.

In agriculture – and many other sectors – standards exist both in the form of minimum required standards for safety (food laws) and standards created to enable like minded producers to cluster together and achieve the scale required to achieve impact. There are both national and international standards applied in agriculture and food production across the EU.

In the UK, most livestock producers are signed up [to 'Red Tractor'](#) a minimum animal welfare standard. The [RSPCA Assured Scheme](#) is used for premium meat products in UK supermarkets and commands a higher price than red tractor.

Your national or regional agency should be able to provide you with the relevant local organisations. It may be that joining and adhering to existing standards schemes is the easiest way to access new markets and achieve higher sales prices. However, there may be a need or benefit to considering developing your own standards – even if that involves incorporating other standards previously developed.

WHAT STANDARDS?

The obvious areas in which standards can be developed would involve farming methods. Organic, regenerative or high welfare, grass fed etc. Equally, it could be product based such as a rare breed or heritage crop.

Each of these labels will have their own set of standards to be adhered to in order for the produce to be 'what it says it is', claiming something is organic or grass fed when it is not, is fraudulent.

Having standards that can be measured, adhered to and assessed across collaborating businesses is essential. Therefore your kick off meeting should look to get agreement on the development or agreement of standards for each component business to adhere to.

Developing operating standards will give you and partner businesses clarity and peace of mind.

DEVELOPING STANDARDS

The point of a standard is to provide a reliable basis for people to share the same expectations about a product or service. This helps to:

According to the British Standards Institute:

01

Facilitate trade

02

Provide a framework for achieving economies, efficiencies and interoperability

03

Enhance consumer protection and confidence.

You will need to **agree the parameters of the conversation around standards** with your cohorts, create a technical committee to develop, agree and maintain those standards across the partnered businesses.

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You have personal values, beliefs, and performance benchmarks. Your business also has these characteristics and they are referred to as company standards. Think of standards as your business personality and vision coupled with the rules you live and work by.

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Your small business standards will likely mirror your personal standards, and your customers, clients, and employees will form an opinion about your business – and your brand – based on these values.”

Business Owners Playbook, the [Hartford.com](https://www.hartford.com)

“Behind the scenes, standards make everyday life work. They may establish size or shape or capacity of a product, process or system. They can specify performance of products or personnel. They also can define terms so that there is no misunderstanding among those using the standard.”

[StandardsBoostBusiness.org](https://standardsboostbusiness.org) - Agreeing standards and processes with collaborative partner businesses you can achieve greater consistency and scale, improve the value perception of your products and ideally access new markets and achieve higher margins.

06

RESOURCES



SUSTAINABLE SMALLHOLDERS' DECISION TREE

As a smallholder, you will, by definition, be limited by the size of your smallholding. This Decision Tree chart gives examples of the type of production possible, depending on the land available to you and additional considerations such as access to water and soil type. Completing this chart should assist with your SWOT analysis.

PLEASE DOWNLOAD AN EDITABLE DECISION TREE FOR UK OR IRELAND FROM OUR TOOLS SECTION

Smallholding Decision	Considerations
WHAT RESOURCES DO YOU HAVE AVAILABLE TO YOU?	<ul style="list-style-type: none"> • Location – Access to buyers for produce or isolated? • Agricultural tie on the property? • Condition of land – graded 1((best) – 5 (worst) • Suitability of land for crop/animals • Type of land – well drained/stony • Direction to the sun and prevailing wind • Condition of fencing/hedges • Access to fields • Access to water • Amount of land available for animals/arable • Suitable outbuildings/storage • Check planning requirements if a change of use is required
LAND TYPE UP TO 1 ACRE	<ul style="list-style-type: none"> • Dozen chickens/ducks • Beehives • Fruit and vegetable plot • Polytunnel • 2 pig weaners
LAND C 5 ACRES	<ul style="list-style-type: none"> • In addition to 1 acre • Fodder crops area • Goats • Up to 12 sheep • Extra pigs
LAND 10 ACRES	<ul style="list-style-type: none"> • All the above plus • 2 cows or steers • Extra arable crops • Crop/animal grazing rotation

SUSTAINABLE SMALLHOLDERS SUPPLY CHAIN TOOL - GETTING OUT THERE

One way to gather the insights of other smallholders and find potential collaborators is to host an event. The event could pull together different smallholders and small farmers looking to add value to a product, a production method or even a region. Events could also be hosted to bring in potential suppliers or customers. We have produced a template invitation for a face-to-face meeting, however, with so many business meetings taking place online, this may be an option or alternative, especially if businesses have to travel long distances and have busy schedules.

PLEASE DOWNLOAD AN EDITABLE INVITE FROM OUR TOOLS SECTION

MEETING INVITE – FIRST STEP - SAVE THE DATE

*Invitation to: How do we get more from our **heritage produce**?*

Dear

I hope this correspondence finds you well.

*I am writing to you as a valued member of our heritage pork producer community to invite you to join us at the launch event for '**Heritage Heroes**' on the **6th September 2022** At.....*

We are looking to discuss ways that we, as small independent businesses, could work together to maximize our resources and increase the sustainability of all of our businesses.

We have a unique offering, but share common challenges. Please join us for a lively discussion to see how we may work together to achieve even better results. I am excited to see what we can accomplish together

Please confirm your attendance by return. If you are unable to join us on the day, please let me know and we will provide a video link.

Best Wishes

Brian

Brian's Farm