

# Exploring the Present and Potential Markets for the Locally Produced Foods in Does Burger Eng. and Neighbouring Areas, Netherlands

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## CHAPTER 1: INTRODUCTION

### Background

Doesburger Eng is a rural community located in Ede north of Kernhem and south of Lunteren (The Netherlands). It has a total land size of 140 hectares in which 85% of the area is presently used for farming and 15% for housing. It has about 50 farmers involved in cereal and livestock production (Verschuur, 2012). The Doesburger Mill is said to be popular landmark of the area.

In the 17<sup>th</sup> and 18<sup>th</sup> century, the area had a historical landscape of farmland planted with cereals such as rye and wheat around the homestead, patches of forest, and heath for sheep rearing. Over the years the agricultural landscape of the area has changed where 50% of the area (70 hectares) is grown with maize for livestock feeding, 30% (42 ha) for pastures, and 5% (7 ha) for cereals barley, rye, and spelt. The change by farmers from traditional cereals to more profitable maize production has negatively changed the Doesburger Eng from its open and attractive landscape and loss of its unique cultural (historical) heritage.

The Foundation Buurtschap Doesburger Eng (SBDE), a local organisation established in 2004 for strengthening social cohesion in the area, seeks to sustainably restore the area to its original landscape value and unique cultural heritage. They hope to achieve this by developing sustainable and profitable entrepreneurial solutions. This is also in conjunction with the Estate Kernhem and Edese forest. The new approach of the SBDE and Kenniswerkplaats is to facilitate individual farmers in the process of creating more value on their local products for increased income through accessing or linking to new value creating markets including local organic egg farmers.

### 1.2 Agriculture in the Netherlands

The prevailing natural conditions -a temperate climate with a fair rainfall distribution (total annual average 750 mm/yr.), relatively fertile soils in a flat landscape- favour a varied and productive agriculture. The combination of these two factors, together with a governmental policy that strongly supports a competitive agricultural sector, good entrepreneurial skills, support from a state-of-the-art agricultural research and education system, innovative supply and processing industries, the availability of inexpensive natural gas supporting greenhouse horticulture and floriculture as well as the production of cheap fertilizers, -and since the nineteen fifties- the emergence of the European Union and the associated market enlargement has resulted in a very strong agricultural sector in the Netherlands.

Over the past three decades, the ever-wealthier Netherlands' society has become more and more critical of the impact of the increasingly-intensified agriculture and horticulture on landscapes, natural habitats and biodiversity. Generally-speaking the Dutch do not only expect the agricultural sector to produce sufficient and healthy food at acceptable prices, but they also expect this to be done in an attractively-looking rural area fit to recreate, enjoy leisure and value nature. In this respect, farmers tend to cater for these new societal needs but they need incentives to provide balanced combinations of producing farm products and other profitable activities. Markets for these 'non-farm' products and services are rapidly developing and their growth, both in terms of numbers of farms and customers, as well as in terms of financial volume, is expected to continue in the years to come. Examples of such new services are landscape management and nature conservation, recreation processing and on-farm sales of (organic) farm products. Such multi-functional farms try to re-establish the connection with society: connections between farmer and citizens, food and health, (animal) welfare and well-being, agriculture and the city.

Rural areas in the Netherlands are quite autonomous areas in many respects: their economies are quite locally oriented and they offer many opportunities to shop, recreate and make use of public services. At the same time, they are becoming increasingly interdependent with urban area. Agriculture has had an impact on many landscapes in the Netherlands that are appreciated and are now under pressure from urban land use demands. There are concerns about deterioration of rural landscapes and biodiversity. Both intensive agriculture and urban pressures have over several decades had a severe impact on landscapes and biodiversity. Concerns about biodiversity will lead to more claims on land for nature. Many opportunities exist to combine land use functions that have beneficial effects for landscape and biodiversity. An important role in improving biodiversity can potentially be played by local actors, but there are improvements to be made in this respect, for example in

updating planning concepts, and providing more space for green recreation.

Considering current and possible future developments, two policy challenges emerges ;first challenge is to take into account local needs and Developments and the second challenge is to deal effectively with landscape and biodiversity issues.

The landscapes that are most appreciated are those with a natural and historic character, far from urban surroundings. The possibilities for recreation determine to a large extent the positive valuation of a landscape. More than half of the Dutch population considers the forest their favourite nature area. Small scale agricultural land is the preferred landscape for 4.6% of Dutch population.

### **1.3 Problem statement**

The market trends and characteristics of locally produced foods have not been explored and documented.

### **1.4 Objective**

To explore the present and potential markets for the locally produced foods in Doesburger Eng and neighbouring areas.

### **1.5 Research Questions**

1. What is the current situation in marketing of the local food products from this area?
  - 1.1 What are the main local products made (processed) and sold?
  - 1.2 What are the marketing channels?
  - 1.3 Who are the buyers (characteristics)?
2. What is the potential for expanding the local food products markets?
  - 2.1 What drives the customers to purchase local foods?
  - 2.2 What are the existing market relationships between the customers and the sellers?
  - 2.3 What are the constraints faced in marketing the local foods?

### **Problem Owner**

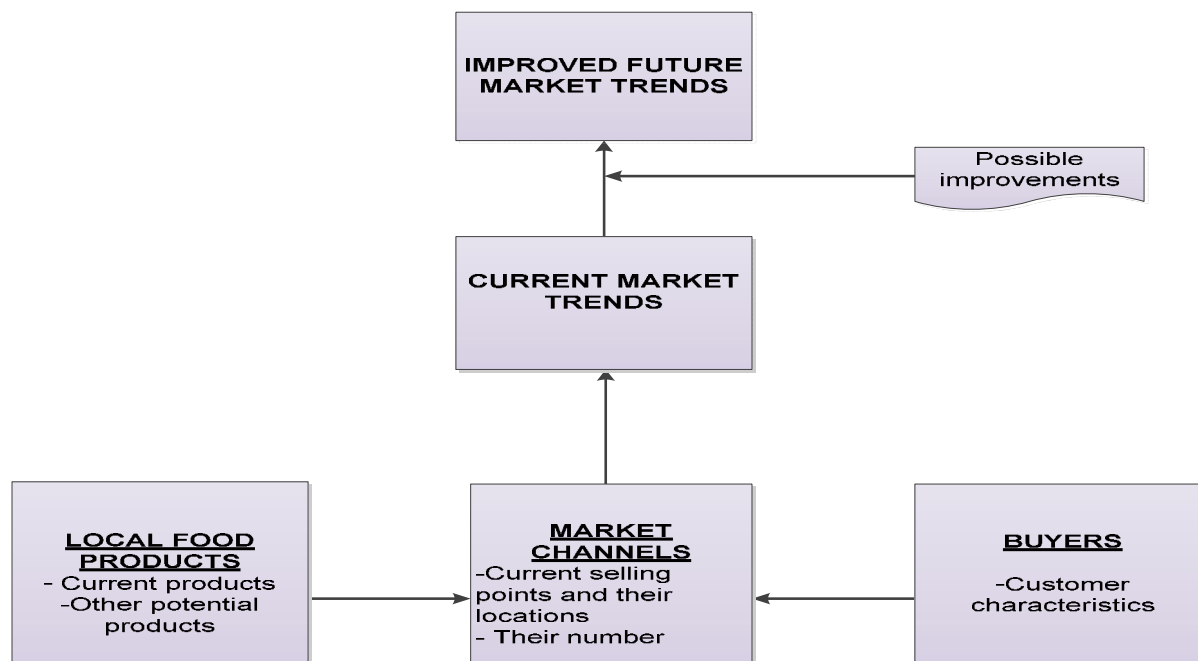
Foundation Buurtschap Doesburger Eng (SBDE)

### **1.6 Justification**

Basing on the fact that local products can play a vital role in improving social cohesion, income improvement and landscape restoration, Foundation Buurtschap Doesburger Eng (SBDE) is facilitating farmers in this area to add value on their local food products and access markets locally within Doesburger Eng and surrounding areas. Available information shows that demand for local product is increasing considerably. With all these efforts the local product marketing is still not explored and documented. This study will therefore explore the present and potential markets for the locally produced foods in Doesburger Eng and neighbouring areas.

### **1.7 Conceptual Framework**

The study adopted the conceptual framework represented in the figure below. The research focused on the current local products being produced and marketed in the area, the marketing channels and characterization of consumers. From the data collected, the current market trends were identified and possible improvements recommended.



**Figure 4: Conceptual Framework**

## CHAPTER 2: LITERATURE REVIEW

In this section, literature on local foods, consumer preference for local foods and local marketing is reviewed.

### 2.1 LOCAL FOODS

#### 2.1.1 The Local Foods Concept

Consumers have a growing interest in learning more about where their food comes from. Over the past 10 years, there has been a surge in demand for locally produced foods. Consumer decisions to buy local or purchase items for specific product characteristics have proliferated into new marketing opportunities for farmers. In addition, local direct marketing opportunities – such as farmers’ markets, retail food cooperatives and Community Supported Agriculture (CSAs) – have grown as consumers have been increasingly looking for local and regional foods. Consumers who are willing to pay higher prices for locally produced foods place importance on product quality, nutritional value, methods of raising a product and those methods’ effects on the environment, and support for local farmers (Martinez et al, 2010).

A National Grocers Association survey conducted in 2011 in USA found that 85 percent of consumers say they choose their grocery store based in part on whether it sources food from local producers. This supports a 2008 national survey of consumer buying patterns that found that 35 percent of consumers surveyed felt that buying locally produced fresh produce was of great importance to them, while another 44 percent said it was of moderate importance (Matson, Sullins, and Cook, 2013).

Many shoppers in the 2008 survey were concerned about whether or not their purchases helped to maintain local farmland and the local economy; 44 percent and 49 percent,

respectively, indicated that these public benefits were of great importance to them. Those who tended to shop at farmers markets were most concerned with maintaining local farmland, with 70 percent indicating that this was of great importance to them, compared to 31 percent of those who shopped at supermarkets. In a similar vein, nearly 80 percent of farmers’ market shoppers were most concerned that their produce purchases supported the local economy, compared to 43 percent of those who identified themselves as supermarket shoppers.

There is no consensus on a definition of “local” or “local food systems” in terms of the geographic distance between production and consumption. But defining “local” based on marketing arrangements, such as farmers selling directly to consumers at regional farmers’ markets or to schools, is well recognized (Martinez et al, 2010). Local food markets typically involve small farmers, heterogeneous products, and short supply chains in which farmers also perform marketing functions, including storage, packaging, transportation, distribution, and advertising. Interest has increased in locally grown food, but the product definition has remained, Congress defined a locally grown food product as a product sold within 100 miles of its origin, or within the state of its origin (Hand and Martinez, 2010), but in practice the concept varies widely both by product and region.

The Encyclopedia defines Local food is a collaborative effort to build more locally based, self-reliant food

economies-one in which sustainable food production, processing, distribution and consumption is integrated to enhance the economic, environmental and social health of a particular place. Local food comprises of 'short' or 'direct' personalized supply chains as an alternative structure to international supply chains distributing faceless products. (Holt, 2007). With rising interest in the alternative food economy the term 'local food' took firmer root and farmers' markets became an alternative route to market, especially in fresh produce. Local food is more associated with community-based initiatives such as slow food. In the UK local food sector has been associated also with food safety and risk perception more than with traditional diets.

According to Budge, the generally used definitions of local food and local food systems that embrace four broad concepts;

- That the food is grown in the general locality in which it is consumed.
- That the distances that the food is transported are minimized.
- That if food is processed it is done so in the general locality in which it is grown and consumed.
- That food that is grown locally can be purchased locally

Local, when seen as an opposition to global, may imply nearness to geographically distant initiatives, which become "close" by virtue of new kinds of relations interconnecting producers and consumers (Roos, Terragni and Torjusen, 2007). The concept of local food may also extend to who produced the food: the personality and ethics of the grower; the attractiveness of the farm and surrounding landscape; and other factors that make up the "story behind the food" (Martinez et al, 2010)

Another concept associated with local foods is food sustainability. Holt defines food sustainability as both product and process and is defined by fresh, home cooked, seasonal foods consumed within local food systems – meaning the use of artisan methods, short supply chains and 'ecological' production systems. Long-distance transportation of food across the world is considered incompatible with food sustainability because it contravenes the requirement to reduce greenhouse gas emissions by 60% by 2050. Further, environmentalist appraisal of food consumption in this way has led to the emergence of the concept of the 'informed consumer' and the strong belief that, 'to reduce "food miles" ... will require ... a relocalisation of shopping'

### 2.1.2 Local food benefits

•**Local employment:** localized food systems can foster job creation through direct employment as well as backward linkages, which encompass industries that enable agricultural production such as input suppliers and processing facilities.

•**Low carbon footprint:** the environmental benefits of local food systems are held to be multifaceted. Producing local should, in theory, emit less greenhouse gases than producing all over the world when climates are the same and the production is as well. A working local food system will in many cases be more environmentally friendly, just by reducing travel miles.

•**Community commitment:** trust and social connection characterize direct agricultural markets and distinguish local food systems from their global counterparts. These social benefits are referred to as "social embeddedness" which includes social ties, assumed to change and improve human economic interactions that are often seen as the hallmark of direct agricultural markets or small scale, local, supermarkets. This embeddedness then becomes an important part of the "value added" product offered in the farmers' market experience that can generate valued societal ties, familiarity and trust between consumers and producers (Hinrichs, 2000).

•**Economical multiplier:** money spent on local food has significant multiplier effects on the community's economy. Farmers and other market vendors buy their raw materials, equipment and other goods and services locally as well as other goods and services. Consumers who purchase directly from farmers at farmers' markets also typically spend more money at the nearby stores and restaurants, which furthers the local economic growth.

## 2.2 Consumer preference for Local Food Preferences

### 2.2.1 Perspective of consumers

According to Yiridoe (2005) health, food safety and environmental considerations, several other product characteristics, such as nutritive value, taste, freshness, appearance, color and other sensory characteristics, influence consumer preferences. Increase in consumer demand for local foods is a result of food safety and health concerns, and labeling food as locally grown provides an excellent market opportunity for local producers (Gumirakiza and Curtis, 2013). Most recent national data suggested that while local food consumers are demographically diverse, they are very similar in their motivation for buying local foods. The majority of respondents to a national study mentioned quality of produce and freshness rather than processed (82%), support for the local economy (local businesses and producers) (75%), and knowing the source of the product (58%) as reasons for buying the local products at direct market or in conventional grocery stores (Martinez .S et al., 2010). Consumers with varying educational and income levels were also revealed by two national studies were equally likely to purchase local foods. Consumers who were female, older, more educated, higher income earners and members of environmental groups were more likely to buy local food. Consumers willing to buy local food in order to support for small farmers, environmental sustainability, and helping farmers in their state (Martinez et al,

2010). This most possibly reflects a belief that food is locally grown, maybe by smaller, family-owned farms. Study done in Missouri and South Carolina found that having been raised a farm or having worked in agriculture increased willingness to pay for locally produced food.

Other writers however, particularly in the fields of rural sociology and geography, hypothesize that some consumers who choose local foods are not simply trading off intrinsic, extrinsic and abstract product factors, but rather are seeking to engage in a totally different type of relationship with farmers and food producers, based on reciprocity, trust and shared values (Weatherell, 2003).

Numerous studies have documented the demographic characteristics, as well as motivations, behaviors and preferences of farmers market and local food shoppers. Previous research has identified several demographic variables associated with farmers' market patronage; farmers market shoppers tend to be older, female, married, employed, live in urban areas and have higher levels of education and income

In a study of farmers markets in Oklahoma entitled "Creating a Successful Farmers Market" by The Kerr Center for Sustainable Agriculture in 2002, the results identified a typical customer to be a woman, 36 years older, highly educated, with a household income of \$40,000 or higher and from a two-person household. Seventy percent of the respondents purchased vegetables and 41 percent purchased fruits regularly at the farmers markets

### **2.2.2 Perspective of retailers or Food service outlets**

Locally owned chain restaurants and institutions in several states were interviewed in order to see their perception on local foods. Mentioned important factors in increasing likelihood of buying local foods were minimizing the environmental impact, buying food that is free of pesticides and being located in an agricultural region. Five surveys conducted of food service directors in several states, some whom already purchased locally identified several reasons for local food purchases by institutional foodservice directors like desires for fresh produce (Martinez et al, 2010).

Interviewed seven grocery store owners and managers stated that locally grown food is a growing trend that is important to consumers and their organization. Most also perceived that consumer interest derives from their preference for high quality produce and concerns about the local economy, food safety, chemical use, and genetic engineering (Martinez et al., 2010). The most recent market studies of locally produced foods in the UK suggest that although the majority consumers are interested in local foods, it is a much smaller proportion of people who actively seek to purchase them, with estimates ranging from 6% to 10%.

## **2.3 Local Food Marketing**

Because there is no universal definition of local food, defining types of local food markets facilitates the ability to evaluate these markets (Martinez et al, 2010). Two basic types of local food markets include those where transactions are conducted directly between farmers and consumers (direct-to-consumer), and direct sales by farmers to restaurants, retail stores, and institutions such as government entities, hospitals, and schools (direct-to-retail/foodservice). Venues for direct to-consumer marketing of local foods include farmers' markets, community supported agriculture (CSAs), farm stands/onfarm sales, and "pick your own" operations. Other less formal sources of local foods that are typically difficult to measure or are unmeasured include home gardening and sharing among neighbors.

A farmers' market is a common area where several farmers gather on a recurring basis to sell a variety of fresh fruits, vegetables, and other farm products directly to consumers. The concept of community supported agriculture originated in Switzerland and Japan during the 1960s. A group of people buy shares for a portion of the expected harvest of a farm (Martinez et al, 2010). The marketing system required a one-time payment at the beginning of the season, but has since become more flexible, offering two- to four-installment payment plans or payments on a monthly basis. Consumers often take on added risk because they pay a fixed amount in advance, regardless of the realized quantity and quality of the harvest. Some CSAs offer members a price discount in exchange for providing farm labor. Members may be required to pick up their food at the farm, or it may be delivered to a centralized location, farmers' market, or directly to the home or office. Roadside farm stands and on-farm stores operate year round from a permanent structure, or only during harvest periods from a truck, trailer, or tent.

Small, independent grocery retailers, whose identity and store assortment practices have closer links to specific geographic locations, are better positioned to incorporate local food as part of their corporate identity. The relationship between the producer and the consumer may be indirect but the channel helps to distribute highly differentiated farm products to the consumers. At the same time, more supermarkets are installing local food aisles in their stores, and smaller specialty plants are being built to handle locally produced food for those stores. Restaurants are another indirect channel used for marketing local foods. A Study carried out in USA by the National Restaurant Association (2014) ranked consumer preference for local foods at 80%. Ninety percent of survey respondents indicated that their establishments have promoted the use of locally grown food on their menus or advertising material. Consumer-owned retail food cooperatives are another type of distribution channel for marketing local foods. These are organizations that are owned and operated by their members. They are

similar to grocery stores that offer price discounts to members, stock many products in bulk, and are often committed to purchasing organic and locally grown foods. Membership is open to anyone who invests a small fee, which enables them to provide input into the operation of the co-operative.

### **2.3.1 Markets and Supply Chains**

Supermarket retailers, seeking to establish their own merchandising standards, have adopted their own definition of local grown product. Supermarkets across the Netherlands, recognize the increasing interest in locally grown foods (LGF) and have tried to capitalize with their own “buy local” programs. Consumer and retailer interests are further bolstered by state-funded programs which support and develop markets for state-grown products. Coordinating marketing functions with production represents one of the greatest challenges for local food, particularly concerning efficiently managing distribution and promotion. Innovations are connected to traceability, distribution efficiency, quality assurances, market information management, and product development, while larger-volume supply chains are implementing other technology-centered changes. These innovations are also being adapted to smaller-scale, shorter, localized food chains.

### **2.3.2 Distribution Channel**

Distribution channels include wholesalers, websites, consultants, a direct sales force who sell over the phone, in person or both, dealers, home shopping networks and retailers. The distribution channel or channels selected can dictate what the rest of the marketing strategy would be, as they influence the buyer directly.

### **2.3.3 Marketing Analysis**

Conducting an overall market analysis helps determine the target demographic and demand for your products, as well as your competitors and their distribution channels. Analysing the market will also help determine competitive pricing for the product and the best distribution channel or channels. From there, companies can create their marketing strategy based on the information gained. This includes whether to advertise in traditional media, online or both; conduct promotions or giveaways; try guerrilla marketing tactics and other ways to reach the target buyers. Thereafter, conducting regular marketing analysis, reviews of how effective the marketing strategy is based on sales and interest in the product, will help companies figure out whether their marketing strategies are working or whether they need to reconsider how they are promoting the product.

### **2.3.4 Marketing and Distribution**

The best promotion or marketing, however, won't get the product bought if it is being sold or distributed in the wrong place. For example, a company that makes skis that has its flagship store in a warm locale probably won't move many products because the demand isn't there. The distribution channel should be matched against its buyers. Once businesses determine where their customers are, they should make sure to have their distribution channel flow directly there.

A local food supply system can be looked at as a network of food producers and consumers that directly interact in a specific geographical and social context. These systems are often defined as alternative food supply systems; to indicate that they have an alternative organization if compared to mainstream food supply systems such as large retailer based ones (Visser et al, 2013). Another often used definition refers to short supply chains to emphasize the social and geographical proximity of food producers and consumers.

Such direct market venues as farmers' markets, community supported agriculture, vegetable box schemes, and other cooperative distribution and delivery programs have proliferated, especially in the last decade. If relations between producers and consumers are distant and anonymous in more global food systems, in local, direct markets, they are immediate, personal and enacted in shared space (Lyson & Green, in Visser et al, 2013). When local food systems are implemented; in general the number of intermediaries between farmers and consumers is also reduced. As a result, relationships that are developed in local food systems emerge from face to face interactions, potentially leading to a stronger sense of trust and social connectedness between actors (Hinrichs, 2000). In this perspective local food supply systems often rely on informal agreements and less on formalized safeguard devices (i.e. private quality certification). Another main feature of local food systems is that they can rely on decreasing transportation costs with beneficial outcomes for the environment. When supply can be organized within a certain region, food may have a smaller ecological footprint and may be less damageable for the environment.

## **2.4 Limitations to marketing of local products**

The development of local and regional food systems can be hampered by constraints such as geographic limitations which can restrict the consumption or production of local food. Moreover, the decentralized and uncoordinated nature of local-food markets sometimes presents logistical, awareness, and accessibility challenges to consumers. For instance, due to limited locations of these outlets consumers who live in more isolated areas incur cost of transportation. Some produce is not available from local sources or is only available at certain times of year thus reduces the variety of foods that one can choose from (O'Hara, 2011). Local foods are not always available for purchase in one convenient location consequently forcing local eaters to make several trips to acquire the various items from different selling points.

Farmers in local food supply chains are always affected by regulations imposed upon them by government and other players such as aggregators, institutions, distributors, and retailers. These regulations address, among other things, food safety issues, fair trade practices, and product traceability. As small producers scale up production and access additional markets, they will have to comply with these regulations. Understanding and satisfying all of the above requirements can be a daunting task for small producers and other local food supply chain participants. These existing institutions, infrastructure, or regulations that are geared to the consolidated food system can hamper local-food sales. In addition to requirements imposed by law, producers and other participants can obtain voluntary certifications to verify their production and handling practices. Voluntary certifications are quite often required by larger buyers; therefore, obtaining these certifications can enable producers to gain access to larger markets. Some food hubs face a challenge in hiring and retaining individuals skilled in areas such as recordkeeping, accounting, and financial management. This is especially true in producer-based organizations, where the key managers may have extensive knowledge of production agriculture, but less knowledge of business management. The food associations need to develop or hire skilled management with clear responsibilities and delegation. It is more cost-effective to hire a professional manager than to rely on volunteer members, interns, or inexperienced staff.

The local food still requires preparation on the part of the eater (i.e., cooking, preserving or processing) and this preparation demands time and skills that many people do not possess. Lastly, existing safety nets developed to protect farmers from adverse financial situations are inadequate for farmers who sell their products in local-food markets.

Barriers to local food-market entry and expansion include: capacity constraints for small farms and lack of distribution systems for moving local food into mainstream markets; limited research, education, and training for marketing local food; and uncertainties related to regulations that may affect local food production, such as food safety requirements. The incentive of smaller farmers to expand and become more efficient is diminished as more time is spent off farm performing additional entrepreneurial activities such as marketing at farmers' markets. From the farmers' perspective, marketing risks when selling in local markets include low sales volume, price competition from multiple sellers with the same product and local angle, rejection based on quality requirements, inability to meet specifications, inability to meet logistical requirements, and buyers backing out of contracts( Martinez et al ,2010). Lack of investment capital for supply chain infrastructure, such as vehicles, temperature controlled storage facilities, and processing plants, can be a significant barrier to starting local aggregation and distribution businesses. The process of producing and selling fresh, local commodities includes inherent risks, such as exposure to bad weather, pest infestations, quality inconsistencies, food safety liability, and fluctuating input prices. Growers often need education and training at the local level to meet market requirements and expand access to local customers on issues related to risk management; appropriate postharvest practices; recordkeeping and good agricultural practices (GAP) certification.

### CHAPTER 3: METHODOLOGY

The study adopted qualitative approach based on empirical data. Data was collected through interviews with key informants (retailers and a Board member) and a survey for the customers.

#### 3.1 Study site

The study was conducted in Doesburger Eng and its surrounding areas of Kernhem, Ede and Lunteren.

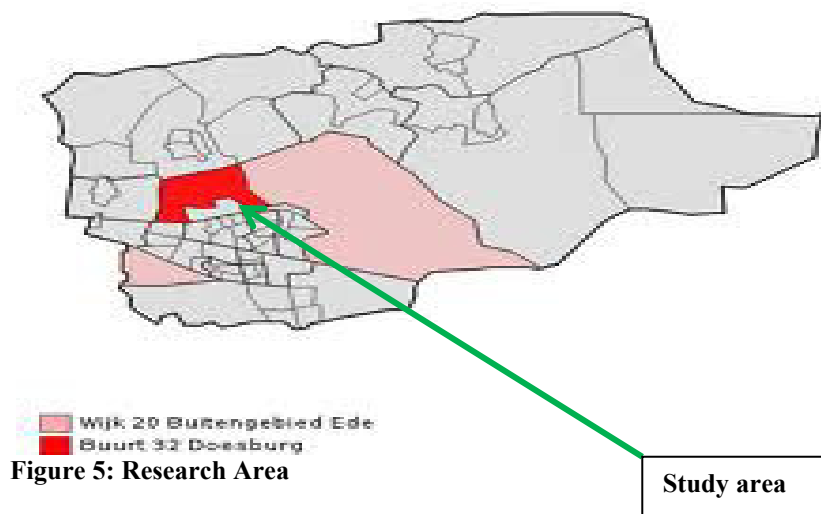


Figure 5: Research Area

### 3.2 Study Design

Case study through interviews with traders/supermarkets managers using a checklist  
 Survey for customers using a short questionnaire  
 Interview with Board member using a check list

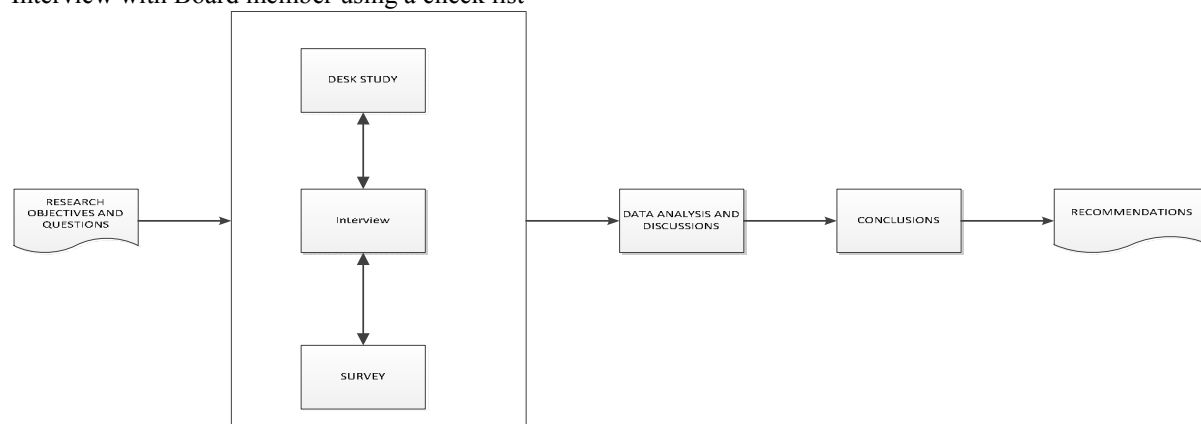


Figure 6: Study Design

Table 6: Linking Research Questions and Research Design

Question	Research method to be used	Tool
1.1 What are the main local products made (processed) and sold?	Interview with board member Survey Case study	checklist Semi-structured checklist
1.2 What are the marketing channels?	Case study	checklist
1.3 Who are the buyers (characteristics)?	Case study	checklist
2.1 What drives the customers to purchase local foods?	Case study Survey Interview with board member	checklist Semi-structured checklist
2.2 What are the existing market relationships between the customers and the sellers?	Case study	checklist
2.3 What are the constraints faced in marketing the local foods?	Case study Interview with board member	checklist Interview guide

### 3.3 Sample Size

Retailers (Supermarkets , Restaurants, Farm shops, mill shop)- 10  
 Board member -1  
 Customers- 30

### 3.4 Sampling

The following sampling methods was used for the different respondents;  
 Purposive- Board and retailers  
 Customers- random sampling

### 3.5 Data analysis

Qualitative data analysis was used.

## CHAPTER FOUR: RESULTS AND DISCUSSION

### 4.1. Understanding of local food concept

The study found out that respondents perceived local food concept as the food produced and sold in a radius of not more than 25kilometres.However, literature talks about food produced and sold in a radius of 100miles (161Kilometres)

### 4.2. Main local products produced and sold

The study found out that the following main products were produced and sold in the Doesburger Eng and neighboring areas; Vegetables and fruits (fresh and processed), poultry products;-eggs, meat, honey and honey products, alcoholic beverage;-beer, wine, advocaat, meat;- veal, beef ,pork, bread, pancakes, cookie mixes, yeast,



cake mixes , flour;-wheat, rye, spelt, potatoes, dairy products (cheese, milk, yoghurt and vla).

#### **4.3. Marketing channels for local foods**

These products are marketed through the following marketing channels; Farm gate shops e.g. Doesburger Erf, Tops, Makandra, Brandrood cheese, Klein Beetrum, Mrs.Weerdenburg, Mr. Henk Van Roekel; Restaurants/ Hotels e.g. L'Orage, Belmont hotel, Kernhem and Organic shops e.g. Kardoen Organic shop in Bennekom, Organic shop in Wageningen. In addition to these, enhancement of local foods marketing could also be through farmers markets which are market outlets within the local area where farmers bring their produce for sale directly to consumers (Onianwa, Mojica and Wheelock, 2006).

#### **4.4. Customers characteristic**

During this study, it came out that most of the customers for local products are from within the region and neighboring areas (Ede, Bennekom, Wageningen, Lunteren), with some of customers being tourists who visit the area. The research found out that the customers are of both sexes and mostly aged 35 years and above and are mainly urban dwellers, with high income levels. This is in line with the literature findings of a study of farmers markets in Oklahoma by The Kerr Center for Sustainable Agriculture, entitled "Creating a Successful Farmers Market" (2002), where the results identified a typical customer for local food to be a woman, 36 years older, highly educated, with a household income of \$40,000 or higher and from a two-person household.

#### **4.5. Drivers for customers to purchase local foods**

It was found out that customers are mainly driven to buy local foods by a number of factors, the main ones being; quality ( local foods are fresh and tasty), support for the local economy by buying directly from the farmer and associating with the locally produced food, health reasons (perception by consumers that local foods are organically produced products), and concern for the environment by buying food that has not been transported for long distances, hence reducing food miles and the story behind some of the local products such as beer. The prices for the local food products were found to be higher than the prices of the same foods sold conventionally in supermarkets, there were no major incentives given to customers by the retailers and no formal contracts between customers and retailers. Despite this, the customers still buy the local products because of the driving factors already mentioned. According to literature, by selling directly to consumers, producers benefit through enhanced profit (since middlemen are eliminated) and increased interaction with customers. Consumers benefit from having increased access to fresh produce at lower costs (which is contrary to our findings- prices are higher) and from the interaction with the farmer, and society at large gains from increased access to fresh nutritious food (Onianwa, Mojica and Wheelock, 2006).

#### **4.6. Mode of communication**

The main means of communication between the farmers/retailers and the customers was found to be direct interaction during buying/selling, word of mouth by customers telling friends about the local products. Other means of communication were found to be through phone calls, internet-website, facebook, e-mail.

#### **4.7. Main constraints in local food marketing**

During the study, the following were identified as the main constraints faced in the production and marketing of local products;

- Shortage of finance to sustainably produce and market area-specific food products such as beer, bread.
- Absence of a malting factory to convert barley to malt which makes the beer production chain long and expensive, the local brewer's capacity is small to handle production of large volumes of beer.
- Inconsistency in production and supply of local products due to seasonality of products especially during winter where the demand for local products in the area is higher than the supply.
- The municipality regulations only allow operation of farm shops on small scale and hence cannot expand to larger businesses, plus, the procedures for applying for licenses are very long and quite discouraging.
- Limited operational time for most of the farm gate shops which makes it inconvenient for customers to do shopping of local products.
- There is no common logo for local food products from the area.

**The business canvas model below summarizes these research findings;  
 Table 7: Business Canvas Model for Doesburger Eng Community**

<p><b>Key Partners</b>                  Municipality of Ede (support services, finance community business activities, regulatory policy)                  ANI (bee association-training)                  Input suppliers (Werkerbij, Bijenhuis, Koudys.)                  VHL, Wageningen Universities- information transfer                  Local media</p>	<p><b>Key Activities</b>                  Wooden Shoe trail                  Farming                  Production of local food products                  Processing                  Retailing                  Marketing</p>	<p><b>Value Propositions</b>                  Doesburg Eng                  Unique landscape                  Doesburg Eng                  Wooden shoe trail                  Doesburg Eng                  Mill                  Community centered entrepreneurship                  Local products                  Geographical indication                  Minimum food mileage                  Taste                  Care Farms                  Local branding for beer</p>	<p><b>Customer Relationships</b>                  Trustworthiness                  Oral agreements                  Formal contracts with institutes                  Dedicated performance                  Automated services                  Self service                  Internet                  Magazines</p>	<p><b>Customer Segments</b>                  Doesburg Eng                  Community                  Ede inhabitants                  High income level consumers                  Tourists                  Institutional consumers                  Traders</p>
<p><b>Cost Structure</b>                  Fixed Costs (utilities-water, electricity, licensing and salaries )                  Variable costs (Transportation)</p>		<p><b>Revenue Streams</b>                  Doesburg Eng Community Funding                  Profits                  Subsidy for making the wooden shoe trail                  Subsidy for the maintenance of the Doesburg mill                  Sale of local products                  Paying for local organic products as per listed price</p>		

## CHAPTER FIVE: CONCLUSIONS AND RECOMMENDATIONS

### 5.1. Conclusions

From the study, it is concluded that the respondents interviewed had a common understanding of the local food concept. However, it was found that most of the respondents had a misconception that local food is also organic, yet most of these farm shops were not organically certified. It was also found that in addition to locally produced products, most of the farm gate shops and restaurants also sold some products from outside the area. The customers for these products were mainly from within the Doesburger area and neighbouring areas, including tourists who visit the area. The consumers are mainly driven to buy local products because of its quality, and support for the local economy. The main constraints included limited financing for new projects, Inconsistency in production and supply of local products due to seasonality of products especially during winter where the demand for local products in the area is higher than the supply.

### 5.2. Recommendation

Farm shops selling local products as organic should seek organic certification logo. The collective should consider developing a common logo for all the local products in the area. The area collective should be legalized in order to enhance its lobbying especially for funding of the ongoing and upcoming projects. SBDE, collective and other stakeholders should increase sensitization of the people in and around the area about the local products and tourist activity in the area. The collective and the SBDE should consider establishing a green house in the area for common production of vegetables and fruits in order to address the problem in inconsistency in supply. The collective and foundation should consider organizing farmer open markets at least once in a month within the area to enhance marketing and for more awareness creation. The farm gate shops in the area should consider increasing on their opening hours in order to conveniently serve the customers.

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