

FOOD SECURITY: WAYS FORWARD THROUGH COOPERATIVE PRODUCTION AND MARKETING¹

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“Given the chance, poor communities hold the key to the solution of their own problems” (Pretty et al 1995, 139)

Introduction

Food is a cultural artifact – specific to place and locale, although globalization seeks to blur both. The Sustainable Community Connections project, coordinated by AWISH-HELLAS, seeks to address food security issues in creating “stronger and closer relationships between Mediterranean cultures” (*EUROMED 2008: Project briefing-report from the Dec 8-9 2007 workshop*, 3). In this four-part workshop (the first was held in Athens in Dec. 2007, we are here today at Lake Como for the second one, a third will be held in Tunisia, and the fourth in Athens), the specific goal is development and planning for implementation of Fair Trade (FT) olive oil-related products, with targeting of markets in the European Union (EU) and United States (US). Through planning, the project aims to support local economies, promote cross cultural understanding, and provide a modern and practical planning tool both utilizing and advancing local economic development theory.

Many disciplines inform this project, including sociology, anthropology, and environmental studies. Dozens of disciplines – from zootechnics to medicine – can help in describing natural systems of production as well as social organization for marketing (e.g., cooperatives), much less *convivia* (groups that promote wholesome food) for eating (Birkmann 2006a).² Co-ops represent networks of co-production, marketing, and consumption where knowledge is shared and sustainable practices are the norm (Peduzzi 2006).

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² See “Slow Down and Smell the Garlic” (Rocca 2005) for a discussion of the growing ecogastronomy program 40 miles south of Turin in Pollenzo, Italy, the Agenzia di Pollenzo, University of Gastronomic Sciences.

In the work here at this workshop, our objectives include:

- To advance economic, environmental, and social equity in communities,
- To consider organizational structures that reflect the common values, traditions, needs, and expectations of local communities, and,
- To promote the interests of marginalized peoples, especially advancing the role of women, youth, and minorities in rural community development.

Most of my remarks will be confined to the Argostoli region of the Greek island of Kefalonia, and in particular two villages – Farsa and Troinata, which may serve as important cases in how to achieve all three objectives.

The production and marketing of foods has been governed in recent times by food and farm policies designed to transform staple foods into export crops, as with olive oil in Greece. This reorientation of staple foods as export crops for livestock feeding clearly subordinates place or locale to relentless capital flows in globalized consumer markets. This commoditization of food negates place and culture, as well as principles of sustainability and social protectionism (McMichael 1994). It is effective, however, in globalizing markets, amassing differential wealth, and creating inexpensive food, primarily for rapidly urbanizing societies. The olive branch which now graces Greek Euros, assumes new cultural significance for the urban majority.

In terms of FT Olive Oil cooperatives, although transnational agri-food capital disconnects production from consumption and re-links it through buying and selling, it also dissolves the boundaries between sectors, and creates more than one possibility for relinking producers and consumers. This is where there is perhaps room to maneuver – political strategies can build on social, cultural, and economic pressures to relink them locally (Friedmann 1994, 2000, 2003). In this way, communities can place a higher priority on ecologically sound land use and wholesome foods and reject the social and technical imperatives of industrial farming. For almost a century, transnational agri-food capital has undermined the integrity of traditional agriculture and local diets everywhere -- but it also is the way forward. Devices and tools such as cooperatives, controlled appellation and traceability, and labeling products by origin operate within (and further) these dissolving boundaries.

Community, Resilience, Sustainability

Policies are changing, beginning to emphasize nature's wisdom over human economies and political cleverness – a reconfiguring of food-producing economies³ of social protectionism and allowing natural processes to do work for free. Policies are meant to help build capacity to do this – and facilitate community⁴ building as well.

What makes a viable, agrarian, rural community then includes:

- diversified farming systems;
- better links to consumers/markets;
- more participation and responsibility in community affairs; and,
- sustainable practices for food, shelter, water, and energy.

There are numerous examples of farming-dependent communities displaying local sustainability initiatives; the following are some common characteristics:

- acceptance of controversy as normal;
- strong schools;
- sufficient surplus to allow for collective risk taking;
- investment of surplus in local private initiatives;
- willingness to tax themselves and invest in the maintenance of rural infrastructure;
- ability to define community broadly, including larger boundaries for small communities;

³ This includes reducing the extraordinary number of "Food Miles" (in the words of University of Essex's Jules Pretty) that rack up with every-day food consumption. For example, the Wuppertal Institute of Germany has produced a classic case of the composite outsourcing for a container of strawberry yoghurt, which is then shipped from Europe – the food miles embodied in a carton of European strawberry yoghurt. The Institute estimates that a 150 g strawberry yoghurt container travels about 2000 km in the process of being made and then shipped. It includes strawberries from Poland, corn and wheat flour and syrups from Holland, jam and sugar beets from Germany, and plastic and paper containers and wrappers from various other places. In the United States the average plate of food on American dinner tables can easily have traveled 1500 miles from source to plate (Barker 2002).

⁴ According to Flora, community can be defined "in social psychological terms of personal identification and perception of reality and in social organizational terms as an organization whose structure and function provides for basic interactions that give individuals their sense of identity and their basic institutional setting." (Flora 1990, 343).

- ability to network vertically and horizontally to direct resources, particularly information, to the community; and,
- flexible, dispersed community leadership.

Such characteristics apply, by and large, to both food producers and consumers in the community itself. Such communities also enjoy a reduced social vulnerability (Birkmann 2006b), namely:

- initial well-being (nutritional status, physical and mental health);
- livelihood and resilience (assets, income);
- self-protection and security (a safe home);
- social protection (preparedness); and,
- social and political networks and institutions (social capital, institutional environment).

Robust agrarian communities, such as Farsa and Troinata, can develop innovative and equitable marketing strategies, sustainable production techniques, and responsible eco- and cultural-tourism. What is needed are benchmark criteria and principles of sustainability to guide the work.

For some, resilience is the new "sustainability" (Birkmann 2006b, 41). In most agrarian communities the average age of farmers is increasing, and it is becoming increasingly difficult for small- and middle-sized farmers to compete. Globalization, by its very nature, delivers unfair competition, energy inefficiency, threats to regional self-sufficiency, and decreasing consumer acceptance of regional and seasonal foods.

What is, then, an alternative food system based on principles of social justice, economic viability, and ecology? It is one based on principles of sustainability and sustainability indicators or benchmarks – for production, processing, marketing, and consumption itself.

The cooperative itself may be considered a collection of biotic and abiotic elements forming an ecological system. It should be self-regulating, and its effectiveness will depend on the quality of human management. Boundaries and scale are important considerations. Participatory methods for its establishment may be important (see addenda). Flexibility also needs to be built into the project. (Pretty et al 1995). Principles for success include:

- Start small and cheap;
- Promote uncomplicated design or organization;

- Do not try everything at once;
- Promote low risk technologies for farmers, easy to teach and demonstrate, and tested under local conditions;
- Offer the prospect of learning;
- Offer large on-site benefits in the coming year or season; and,
- Avoid paternalism in the form of financial or food incentives to encourage adoption because this creates dependency and threatens the long-term commitment of local people.

Cooperatives

In many ways, cooperatives are the way of the future. They help in building a food system that relies on multiple, redundant, and independent regional food supply chains. They support local jobs and economies and promote environmental stewardship (Kimbrell 2002, 9).

A co-op can be as informal as a small group of households with a common interest in resource management and control, or as complex as a multi-unit intra-regional institution (Pretty et al 1995).

Typically, there are several phases in a co-op's development:

- groups establish rules for management and decision making;
- members continue to channel information or loans to individual members;
- group expands and common action projects and programs are initiated (example: small credit groups in southern India); and,
- intergroup cooperation occurs as several groups might come together to pool resources and knowledge (economies of scale may bring greater economic and ecological benefits – protection of more of the watershed, for example).

It is important to note that cooperatives sometimes fail as, over time, local groups become less and less involved in planning. Technical and economic change is easier to promote than social change, and is usually seen first. Groups are often more effective in their early years; as they grow, they may encounter new conflicts. Alternatively, growth in size can threaten effectiveness, and certain social hierarchies, particularly adapted to large groups, may dominate. All these pressures promote incentives and enforce rules and penalties aimed at eliciting certain behaviors conducive to rational and effective use of resources.

Typical cooperatives include water user groups, farm preservation groups, youth groups, housing societies, and livestock grazer networks. Most are concerned with transparency, fairness, and inclusion. Members may feel like they're muddling through at first, displaying extraordinary tolerance with the initial ambiguity and uncertainty as the cooperative first develops. Perhaps the greatest challenges to leadership are in multi-stakeholder settings, which deal with a diversity of cultures, interests, and goals and also with the initial lack of trust among people from different backgrounds and power bases (Hemmati 2007).

The Case of Kefalonia⁵

Considerable information exists on traditional olive cultivation, processing, and marketing techniques (Lunde 2007). In Farsa, some trees are over 2,000 years old, in Troinata, 1,000 years. According to the 2000 Census of Agriculture, 534,701 ha of land with trees of various sorts were reported in Kefalonia, divided among 4,735 plots; olive trees are present in almost all tree-containing plots. Additionally, unregistered trees also may exist in some places.

The Union of Agricultural Cooperatives of Kefalonia and Ithaca has information on current co-op members in Farsa. Members receive funding from the Reformed 2004 CAP "Uniform Subsidy" which is granted yearly. The subsidy is independent of the kind and amount of production. Members are required to respect laws of public health, health of plants and animals, and environmental protection.

In 2004-05, 15 producers of olive oil in Farsa were registered with the co-op. There were 1,201 trees registered as well as 1,536 kg of oil production. Absentee landlords are not allowed to participate in subsidy programs. The Ministry of Environment and Public Works registered 1000 trees in Upper Farsa alone. Given that a high-producing tree can produce 20 kg of olives yearly and that 3-5 kg of olives are needed to produce one kg of oil, the trees of Farsa could produce 5,600-9,300 kg olive oil/yr; this is more than enough to support a local co-op press (Lunde 2007).

It is important to note, however, that many of the trees above the old village suffer from neglect, particularly a lack of pruning resulting in trees taking the shape of a globe so that light can't penetrate fully and most solar energy is expressed in the branches

⁵ This section also appears in EUROMED Sustainable Connections: EU Agricultural Policy Analysis-Food Security and Sustainability: A Crisis of Culture (Berardi).

rather than the fruit. Perhaps as with Robola, which has over 1,000 members in the San Gerasimos region of Argostoli managed by EUROMED partner Spiros Andonatos, vines have been revitalized and a small percent of profits given back since few growers have any investment capital. Such ideas can perhaps be adopted in our case villages.

Fair-Trade Certification

Certification is the process by which an independent organization verifies compliance with a set of standards and awards a seal, which demonstrates the social and environmental value of one's products. Three basic kinds of certification are applied in sustainable agriculture: organic, environmental management, and fair trade. For example, coffee is certified as organic in 25 countries, fair trade in 22, and ecological in 9. Only one certification scheme will be discussed here: fair trade (for more, see addenda to this white paper).

Fair-trade certification (FTC) began in the Netherlands in 1988 and spread rapidly throughout North America. Currently, 17 national FTC organizations belong to the international umbrella group, Fairtrade Labeling Organizations International (FLO). Each national organization awards its seal to companies that demonstrate compliance. Transfair USA is the leading US labeling organization.

Much of the growth in FTC has to do with consumer interest in social issues. Fair trade has become an integral part of the world economy and represents 5 percent of the specialty coffee market growing at 15 percent annually (Clay 2004). FLO also certifies cocoa. In 2004, six countries exported about 1500 tons of FT cocoa (Millard 2007).

The force of this is impressive – for example, in the UK, the value of fair trade (FT) coffee sales grew from 15.5 million British pounds in 2000 to 65.8 million in 2005; the fair trade (FT) standards currently incorporate a minimum price, presently US \$1.26 per pound of export grade coffee with an additional 15 cent premium for organic certified. From 1999-2005, such sales yielded \$75 million in additional income to farming communities affecting half a million farmers (Burkham 2004).

Another consideration in the FT market involves possibilities for ecotourism. In villages in Kefalonia, for example, this might mean October festivals celebrating the official first day of harvest, with tourists plucking olives and feasting on bread soaked in the olive oil (Lunde 2007). Commercial products could include olive pate,

beauty products, wood sculptures, breads with olive taste testing, cooking classes, seminars, and village feasts and dancing.

One of the main advantages of FTC is that it greatly increases awareness of poor labor conditions. There are some problems with implementing FTC, however:

- Insufficient monitoring and no technical assistance;
- Standards are not available for all crops (coffee is the major crop; cocoa, bananas, sugar, honey, and some nuts also have FTC standards);
- FT must be part of a cooperative structure, which excludes owners of large estates; individual farmers selling through private channels may actually earn more);
- Aggressive promotion of some FT labeling organizations has upset companies;
- A perception exists that FT products are not high quality;
- Big companies need consistent supply;
- Standards are confusing for consumers;
- Barriers exist for low income farmers, organizations; and,
- Successful cooperatives may succumb to economic pressures to expand their land base (through forest encroachment).

Further, not all cooperatives abide by the seven principles for cooperatives identified by the International Labor Organization:

- Voluntary and open membership;
- Democratic member control;
- Economic participation;
- Autonomy and independence;
- Education and training;
- Cooperation among cooperatives; and,
- Concern for community.

A Consumers International study in 2004 found that claims on food labels for food products on sale in eight countries complicated choice for consumers, so ISEAL (the International Social and Environmental Accreditation and Labeling Alliance) was founded. It sets international standards for production and certification, and for accreditation organizations that focus on social and environmental issues.

All these activities and trends suggest a move towards industry self-regulation (as happened with infant formula production in the 1960s and 70s). In September 2004, a major coffee company launched The Common Code for the Coffee Community, a voluntary initiative addressing social and environmental practices.

Before that, the Sustainable Agriculture Initiative (SAI) Platform was created by the food industry in 2002 to develop more sustainable supply chains. The Platform included Nestlé, Unilever, and Groupe Danone and within two years it had 18 members (Millard 2007, 369, 372). FTC also has been taken on by the International Federation of Alternative Trade (IFAT). McDonald's Corporate Social Responsibility Team develops socially responsible food supply guidelines. Starbucks is one of the leaders in this and pays a premium for FT coffee; standards have been developed with the assistance of Conservation International – and have gone a long way in breathing life into conservation organizations (Millard 2007).

Clay argues that there is still much work to be done in improving certification and eco-labels (2004, 550). No doubt this is true. Most certification programs cannot backup claims – processes are certified, not products. The FTC is nontransparent, highly subsidized, rarely involves multiple stakeholders, and needs to be more crop-specific. Much work remains.

Concluding Words

The EUROMED project has as its objective to consider organizational structures that reflect the common values, traditions, needs, and expectations of local communities, and, in so doing, address the particular needs of marginalized peoples. Much discussion is necessary to consider the structure and function of fair trade olive oil cooperatives – but they are a useful organizational structure, and most likely a necessary one to achieve sustainable agricultural practices in the Mediterranean and its domestic and external markets.

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