

<b>Institution:</b> Newcastle University		
<b>Unit of Assessment:</b> 17 Business and Management Studies		
<b>Title of case study:</b> Improving the fortunes of small-scale agri-food producers and delivering consumer benefits via the development of quality food markets		
<b>Period when the underpinning research was undertaken:</b> 2012–2020		
<b>Details of staff conducting the underpinning research from the submitting unit:</b>		
<b>Name(s):</b> Matthew Gorton Barbara Tocco	<b>Role(s) (e.g. job title):</b> Professor in Marketing Senior Research Associate	<b>Period(s) employed by submitting HEI:</b> 1 October 1998 to date 1 February 2015 to date
<b>Period when the claimed impact occurred:</b> 2014–2020		
<b>Is this case study continued from a case study submitted in 2014?</b> N		
<p><b>1. Summary of the impact</b> Research led by Professor Gorton has substantially influenced national policies, practices and law across a wide range of countries, changed the practices of a major international grocery retailer, shaped the EU policy agenda on unfair trading practices and food quality policy, and developed alternative markets and short food supply chains. These impacts have significantly improved economic returns to small-scale producers in Armenia, Hungary, Serbia, Croatia and the United Kingdom, enabled consumers to benefit from better access to quality foods, and allowed over 30,000 children to receive more nutritious school meals.</p>		
<p><b>2. Underpinning research</b> Within the EU and surrounding countries, small-scale farmers and food producers are numerous but typically economically vulnerable. The fairness of existing supply-chain arrangements and trading relationships in many markets is questionable. Research by Gorton and Tocco, through two major EU-funded projects (COMPETE and Strength2Food), has explored, using pioneering research initiatives, how to reduce the risk of small-scale farms being victims of opportunistic behaviour, and instead realise greater value added. In addition, the research has found that alternative business models and quality food markets can improve small-scale producers' market returns and also satisfy consumer needs.</p> <p><b>COMPETE project (Grant 1)</b> A 16-partner consortium from 10 European countries researched the determinants of competitiveness in food industries: <a href="http://www.compete-project.eu">www.compete-project.eu</a>. Newcastle's team led research identifying the factors affecting supply-chain performance, including organisational and governance structure, focusing on strategies to reduce unfair trading practices (PUB1), facilitate investment (PUB2), and promote new markets for quality foods (PUB3–4).</p> <p>Small-scale food producers typically lack power in supply chains, and, particularly in less developed regions and emerging markets, they are often victims of opportunistic behaviour by buyers. This is a critical problem in Armenia: PUB1 identifies solutions, co-developed with the then-director of the International Center for Agribusiness Research and Education (ICARE) Foundation, an NGO seeking to improve the viability of small-scale farms in Armenia.</p> <p>PUB1 models the relationships between buyer-seller power, buyer trustworthiness and supplier satisfaction/performance, validated empirically using survey data. It finds that suppliers benefit from better relationships with buyers when suppliers are larger and members of a marketing co-operative. Better relationships between buyers and suppliers in turn aid improvement in the quality and quantity of suppliers' output. Issues of quality and quantity are typically major problems for small-scale farmers and food producers, who lack the ability to meet increasingly stringent buyers' requirements, severely reducing their market prospects and returns.</p> <p>Food quality promotion via the protection of a Geographical Indication (GI) is often regarded as an appropriate strategy for small-scale producers to improve their economic returns. However, it remained unknown whether this held across varying socioeconomic contexts in Europe, especially in Central and Eastern Europe and developing countries, where such indications are</p>		

largely a novel policy tool. PUB2 documents how, theoretically, GIs should facilitate collective actions, capturing higher margins. The study examines the reasons why this often does not occur in practice, identifying the roles played by political and institutional contexts, and presenting recommendations for improving the economic returns to newly certified GI products. Drawing on choice modelling, PUB3 provides evidence that renowned traditional food products can command substantial price premiums compared to mainstream alternatives – contingent on effective quality certification, authentic product composition and choice of retail outlets.

### Strength2Food project (Grant 2)

Strength2Food ([www.strength2food.eu](http://www.strength2food.eu)) is a 5-year, 30-partner multi-actor Horizon 2020 project coordinated by Gorton. It examines the implementation and evaluation of organisational and innovative market strategies to improve returns to small-scale producers in mainstream food supply chains. The consortium includes 12 stakeholder partners, including an international grocery retailer; food producers; the Serbian Ministry of Education, Science and Technological Development (MPNTR); and a social enterprise, to enable implementation of pilot initiatives to develop new quality-food markets. PUB4 develops an innovative conceptual framework and methodology to assess the sustainability of European Food Quality Schemes (including GIs and organic farming), and measure the social, economic and environmental impacts on food chains and related territories. Further research from Strength2Food, across 12 European countries, Thailand, and Vietnam, confirms the potential of GIs to deliver substantial socioeconomic benefits to small-scale producers.

Strength2Food's research on alternative market chains, led by Tocco in the UK, examines the social, economic, and environmental impacts of Short Food Supply Chains (SFSCs) compared with conventional channels. Drawing on farm business surveys and qualitative evidence from fish and meat supply chains, PUB5 demonstrates empirically how more direct relationships with consumers can significantly improve trading relations, enhance producers' economic fortunes, and increase their bargaining power. The study identifies barriers to operational success, including last-mile delivery and environmental efficiency, recognising the need to upscale operations and improve convenience to consumers. Drawing on experimental methods and multi-actor dialogues with fish industry stakeholders in North East England, PUB6 sheds further light on the supply- and demand-side barriers, from political economy and cultural perspectives, to establishing local-short fish supply chains. Action-based research addresses these barriers.

On the back of Gorton's achievements with Grants 1 and 2, he is now Deputy Director of the [National Innovation Centre for Rural Enterprise \(NICRE\)](#), a Research England funded initiative based at Newcastle University, which commenced activities in September 2020. Tocco and Gorton lead NICRE's work on short food supply chains.

### 3. References to the research

An enduring feature of the research is that it arises from complex, multi-actor, EU-funded projects, leading to high-quality publications in peer-reviewed journals and other outlets.

1. **Gorton, M.**, Angell, R., Dries, L., Urutyanyan, V., Jackson, E., and White, J. (2015). 'Power, buyer trustworthiness and supplier performance: Evidence from the Armenian dairy sector'. *Industrial Marketing Management*, 50(1), 69–77. [doi.org/10.1016/j.indmarman.2015.05.024](https://doi.org/10.1016/j.indmarman.2015.05.024)
2. Tregear, A., Török, Á., and **Gorton, M.** (2016). 'Geographical indications and upgrading of small-scale producers in global agro-food chains: A case study of the Makó Onion Protected Designation of Origin'. *Environment and Planning A*, 48(2), 433–451. [DOI:10.1177/0308518X15607467](https://doi.org/10.1177/0308518X15607467)
3. Balogh, P., Békési, D., **Gorton, M.**, Popp, J., and Lengyel, P. (2016). 'Consumer willingness to pay for traditional food products'. *Food Policy*, 61, 176–184. [DOI:10.1016/j.foodpol.2016.03.005](https://doi.org/10.1016/j.foodpol.2016.03.005)
4. Arfini, F., Antonioli, F., Donati, M., **Gorton, M.**, Mancini, M.C., **Tocco, B.**, and Veneziani, M. (2019). 'Conceptual framework'. In: F. Arfini and V. Bellassen, eds. *Sustainability of European Food Quality Schemes: Multi-Performance, Structure, and Governance of PDO, PGI, and Organic Agri-Food Systems*. Switzerland: Springer, 3–21. [DOI:10.1007/978-3-030-27508-2\\_1](https://doi.org/10.1007/978-3-030-27508-2_1)

5. Malak-Rawlikowska, A., Majewski, E., Waś, A., Borgen, S. O., Csillag, P., Donati, M., Freeman, R., Hoang, V., Mancini, M.C., **Tocco, B.**, Török, A., Veneziani, M., Vitterso, G., and Wavresky, P. (2019). 'Measuring the economic, environmental, and social sustainability of short food supply chains'. *Sustainability*, 11(15), 4004. [DOI:10.3390/su11154004](https://doi.org/10.3390/su11154004)

6. Amilien, V., **Tocco, B.**, and Strandbakken, P. (2019). 'At the heart of controversies: Hybrid forums as an experimental multi-actor tool to enhance sustainable practices in localized agro-food systems'. *British Food Journal*, 121(12), 3151–3167. [DOI:10.1108/BFJ-10-2018-0717](https://doi.org/10.1108/BFJ-10-2018-0717)

#### Selected grants

	Title	Funder	Dates	Amount GBP
1	COMPETE	EU FP7	October 2012 – September 2015	1,730,522
2	Strength2Food	Horizon 2020	March 2016 – May 2021	5,119,906
3	National Innovation Centre for Rural Enterprise	Research England	June 2020 – May 2023	3,755,829

#### 4. Details of the impact

This case study is an example of how high-quality research can achieve change at different organisational levels and through different processes of engagement. The team have partnered with government-level agencies, ministries, food producers and growers, social enterprises and community groups, as well as interacting at the EU policy level. Four areas of impact are detailed below. These show that Newcastle's research has significantly influenced national policy, practice and law, changed the practices of a major grocery retailer, shaped the EU policy agenda on unfair trading practices and food quality policy, and developed alternative markets and short food supply chains. These impacts have improved economic returns to small-scale producers across a wide range of countries, enabled consumers to benefit from better access to quality foods, and allowed over 30,000 children to receive more nutritious school meals.

##### Influencing national policy and practice to benefit local food producers and consumers

**Armenia:** Using evidence from the collaborative research with Gorton (Grant 1/PUB1), ICARE (the Armenian NGO mentioned in Section 2) obtained funding from United Nations and EU bodies to implement a training and capacity-building programme to develop milk-marketing co-operatives, delivering training to 667 farmers. This led to the establishment of 18 marketing co-operatives with 232 members [IMP1]. Follow-up interviews conducted in 2019 by ICARE with 14 of the marketing co-operatives that had continued to function, now with 459 farmer members, demonstrated the financial benefits to farmers of joining a marketing co-operative membership – especially when combined with allied training and business advice, as recommended by Gorton's team (PUB1). ICARE's Research Director states: '*The creation of marketing co-operatives and the growth in membership has positively impacted the fortunes of dairy farmers in Armenia and the research with Professor Matt Gorton provided a research evidence base for impact activities*' [IMP1]. The research also informed recommendations to Armenia's Ministry of Agriculture, which developed a new Law on Agricultural Cooperatives following advice from a Ministry Special Working Group of which the then Director of ICARE was a member. The working group accepted ICARE and Gorton's recommendations relating to the need for, and organisational design of, marketing co-operatives. The new Law on Agricultural Cooperatives was accepted by Armenia's Parliament in December 2015; ICARE's Research Director explains that all 14 marketing co-operatives appreciated this new Law as it '*helps clarify the operating structure of co-operatives, profit taxes and working procedures*' [IMP1].

**Hungary:** Research on regional foods (PUB2, PUB3, Grant 2) informed the Hungarian Ministry of Agriculture's strategy on the promotion of quality food products under EU Food Quality Schemes. The testimonial from the Ministry notes that the '*evidence has informed the Ministry's policy to promote registration of Hungarian traditional speciality food products*' and that '*the research highlights the importance of developing effective marketing arrangements*'. It goes on to say that, as a result of the research, they have worked with Hungary's association of retailers,

thereby benefiting 'several producer consortiums such as *Szentesi paprika (fresh pepper) and Gyulai kolbász (sausage)*, which are now sold widely in multiple retailers in Hungary' [IMP2].

**Serbia:** The opportunities for small-scale local food producers to supply high-quality products in Serbia have been improved via action-based research within the Strength2Food project, jointly managed by Gorton and Quarrie, a visiting professor at Newcastle University Business School and Head of Education at the European Training Academy. Pilot actions targeted primary schools in Serbia and helped small-scale growers bid for school food procurement contracts, while improving school meal nutritional standards. Serbia's Ministry of Education, Science and Technological Development (MPNTR) notes that '*Professor Gorton's project team based in Serbia ... provided the Ministry with the first comprehensive assessment of meal provision by nearly 1000 of Serbia's 1200 primary schools ... this led the Ministry in 2017 to embark on a project to prepare regulations for the provision of meals in Serbia's primary schools*'. MPNTR confirms that the implementation of the 2018 regulation on meal nutrition is benefiting over 30,000 schoolchildren [IMP3]. In addition, it documents that '*The Ministry continues to benefit from Professor Gorton's expertise through the Strength2Food project, as his staff in Serbia are now close to achieving the first primary schools in Serbia in the province Vojvodina to have locally grown organic fruit and vegetables regularly in their school meals*' and notes that in August 2020, the first contract for organic vegetables was awarded by a Serbian school [IMP3].

#### **Developing retail partnerships to benefit local producers**

**Croatia:** As part of Strength2Food, Gorton and Tocco worked with an international grocery retailer (KONZUM, a Strength2Food partner) and researchers from the University of Zagreb on in-store experiments and market strategies to improve sales of local fruits and vegetables in Croatia. An in-store field experiment, using point of sale materials, increased like-for-like sales of local fruit and vegetables by 22%. As detailed in their testimonial, in response to this successful marketing strategy, KONZUM strengthened its local food offering and launched a 'local store within a store' in two superstores in Zagreb, supporting over 100 local small-scale producers and strengthening retailer-supplier relations [IMP4]. A further Strength2Food activity, tested in-store by KONZUM and empirically validated by Gorton's team, was a marketing campaign, aimed at families, to promote the sale of local fruit and vegetables. Customers buying selected fruit and vegetables could collect stickers redeemable for 'healthy healer' soft toys. In all Croatian stores, the campaign increased sales of local stickered fruit and vegetables by 10–15%. Over a 9-week period in 2018, more than 300,000 customers participated, with over 570,000 soft toys being collected. As a result, in 2019, the campaign was expanded to stores in Bosnia, Montenegro and Serbia [IMP4].

#### **Shaping the EU policy agenda on unfair trading practices and food quality policy**

Gorton's research has contributed to shaping the European Commission (EC) agricultural and food policy agenda. Research on improving the position of small-scale producers within agri-food supply chains informed the design of EU Directive 2019/633 on Unfair Trading Practices in agri-food chains [IMP5a], and evidence drawing on PUB1 was cited in the EC's impact assessment conducted ahead of the new EU Directive's adoption [IMP5b].

Newcastle's research on EU Food Quality Schemes has informed the Association of European Regions for Products of Origin (AREPO)'s work on Geographical Indications (Gis). AREPO is an association of over 700 producer associations across 33 European regions. Their testimonial [IMP6] notes this research has been '*pivotal in the work AREPO has been doing on Gis*'. Gorton and Tocco, invited by AREPO, have shared Strength2Food's findings and provided policy recommendations on improving the valuation and effectiveness of Gis during various engagement events, for example to 11 experts from EC DG Agriculture and Rural Development. AREPO's testimonial confirms that these events are particularly important in '*achieving effective Food Quality Policy at both national and EU levels*' [IMP6]. Indeed, the findings and recommendations from Strength2Food are extensively referenced in an evaluation of the EU's policy on Gis published in December 2020 [IMP7].

#### **Developing alternative markets and short food supply chains (SFSCs)**

**United Kingdom:** PUB5 showed that SFSCs can boost the fortunes of small-scale food producers, but in the case of seafood in the UK, three main operational barriers to increasing scale were identified: suboptimal skills in the catering sector, consumer reluctance to try novel

species, and poor connections between fishers and consumers (PUB6). To overcome these barriers, Gorton and Tocco worked with Food Nation (a social enterprise and Strength2Food partner) and regional fishing industry stakeholders to develop new local markets for seafood in North East England. Several of the pilot initiatives are featured in a YouTube video [IMP8a]; these include the use of Food Nation's restaurant, Harissa Kitchen, as a pilot venue for testing new recipes with locally caught and lesser-known species. Here a pioneering Seafood Cookery Programme gives employability skills to young people aged 16 to 25, teaching them seafood-based preparation and cooking, which they then showcase at Supper Clubs. Food Nation's Youth Programme Manager explains: *'We have been making all kinds of different stocks and different seafood dishes, which have been amazing things that the trainees haven't tried before, or ever been able to make before. I've also seen huge increases in confidence and self-esteem ... it gives them up to date experience, which means they can go start a career in the kitchen'* [IMP8a]. Food Nation's Head of Social Delivery confirms that the Strength2Food pilot initiatives have brought *'behavioural and cultural change in the region and beyond and bridge the gap between the fish industry and the wider public, via the development of new markets for quality food, improved consumer exposure, knowledge and perceptions towards different species of local and sustainable seafood'* [IMP8b].

Strength2Food research also informed Food and Drink North East (FADNE), a Community Interest Company. As noted by FADNE, their 'Local Heroes' campaign, initiated in March 2020 to raise the profile of and safeguard regional food and drink businesses in the North East of England, *'implemented lessons from Strength2Food's research on short food supply chains. Specifically, the need to provide a convenient ordering platform for consumers that brings together offerings from multiple, high quality local food producers'*. FADNE note that in the 8 weeks of the campaign, around GBP10,000 sales were generated, impacting over 63% of their producer base [IMP9].

#### 5. Sources to corroborate the impact

**IMP1** Testimonial from the Research Director of the International Center for Agribusiness Research and Education (ICARE), Armenia, dated 1 June 2019.

**IMP2** Testimonial from the Deputy State Secretary for Agriculture, Ministry of Agriculture, Hungary, dated 6 May 2020.

**IMP3** Testimonial from the Head of the Unit for eScience, Ministry of Education, Science and Technological Development, Republic of Serbia, dated 5 May 2020.

**IMP4** Testimonial from the Fruit and Vegetable Sector Category Leader, KONZUM Retailer, Croatia, dated 11 May 2020.

**IMP5** European Commission (2017). [JRC Technical Reports. Unfair trading practices in the food supply chain. A literature review on methodologies, impacts and regulatory aspects \(IMP5a\)](#) and European Commission (2018). [Commission staff working document, impact assessment. Initiative to improve the food supply chain \(unfair trading practices\)](#) p. 15–16 (**IMP5b**).

**IMP6** Testimonial from the Secretary General, Association of European Regions for Products of Origin (AREPO), Belgium, dated 25 February 2020.

**IMP7** European Commission (2020) [Evaluation support study on geographical indications and traditional specialities guaranteed protected in the EU](#)

**IMP8** [Stimulating a short fish supply chain in North-East England](#) YouTube Video (**IMP8a**) and testimonial from Head of Social Delivery, Food Nation, dated 15 May 2020 (**IMP8b**).

**IMP9** Testimonial from the Founder and Managing Director, Food and Drink North East (FADNE), dated 9 July 2020.