



Focus Group 'Alternative solutions for
livestock product differentiation'

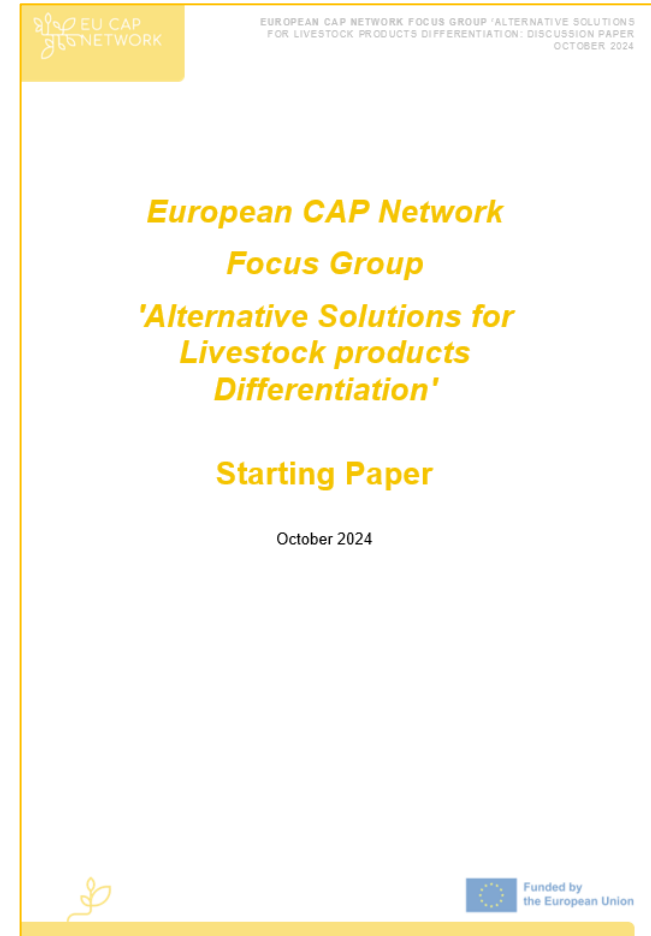
Lisbon, Portugal
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Starting paper

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Starting Paper contents

- › Market demand and consumer's preferences for differentiated products
- › Strategies to differentiate sustainable livestock production
 - Technology and production strategies which add value in the market
 - Marketing and sales
 - Chain organization
 - Information and communication tools, including labels
 - Logistics and product preparation
 - Assurance schemes with product attributes sought by consumers



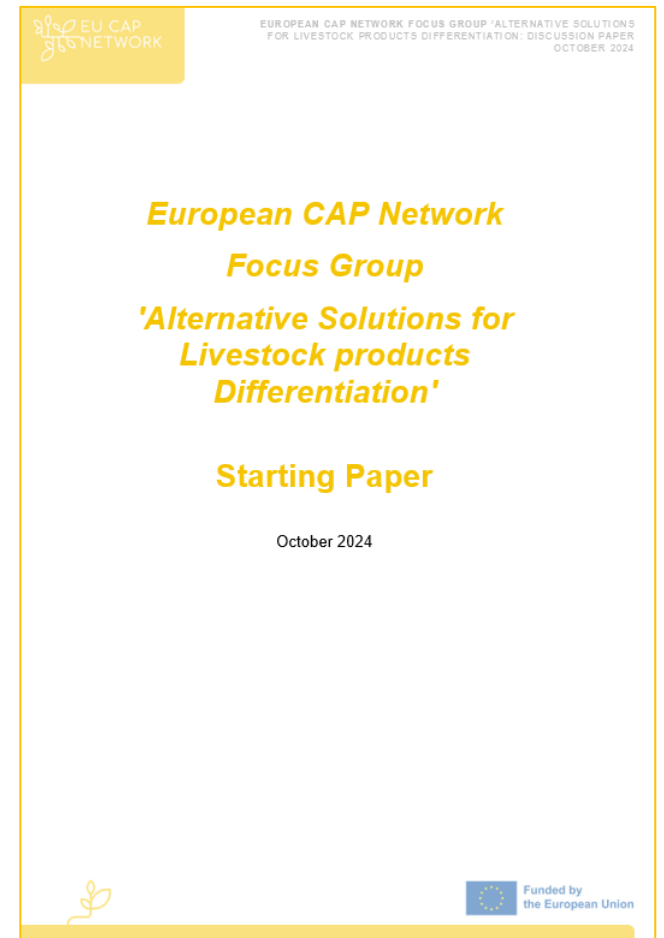
Definition of sustainable agriculture

Efficient production of safe, high quality agricultural products, in a way that protects and improves:

- › the natural environment
- › the social and economic conditions of farmers, their employees and local communities

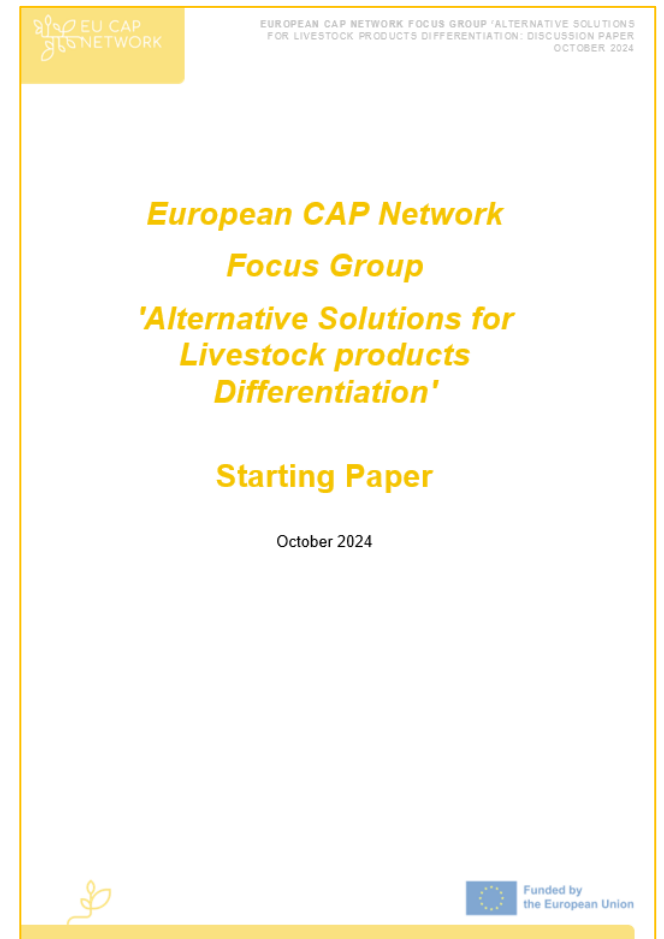
and safeguards the health and welfare of all farmed species

(Buckwell et al., 2015)



Product attributes

- › Objective quality attributes, observable at the point of purchase
- › “Credence” extrinsic quality attributes non observable at the point of purchase



What specific attributes do you think consumers prioritise when selecting animal products?

Expert survey. Product specific attributes (78)

Product attributes	Frequencies	Weighted frequencies*
Price	10	42
Local / origin (producer, region)	14	40
Health and nutritional value	9	27
Animal welfare	10	25
Organic and production system	6	16
GMO free	3	12
Livestock species	3	12
Grass-fed / grazing	4	11
Taste	3	10
Animal health and antibiotic free	2	8



*) A weight of “5” is given to the first of the 5 ranked attributes; a weight of “4” to the second, a weight of “3” to the third, etc.



Expert survey. Product specific attributes (78)

Product attributes	Frequencies	Weighted frequencies*
Traceability	3	6
Environmental friendly	3	5
Transparency	2	5
Cooking purpose/type of meal	1	4
Taste Mouth feeling"	1	3
Naturalness	1	3
Objective quality	1	3
Extrinsic attributes	1	2
Packaging Sustainability	1	1



*) A weight of "5" is given to the first of the 5 ranked attributes; a weight of 4 to the second, a weight of 3 to the third, etc.



Expert survey. Best practices (31)

Best practice	Frequencies
Grazing	10
Local	5
Animal welfare	4
Organic	2
Processing	2
Biodiversity	1
Biodynamic	1
Breed valorisation	1
Consumer communication	1
Free range	1
GMO free no silage	1
National	1
Product development	1





Expert survey. Labels (27)

Labels	Frequencies
Animal welfare	7
Organic	6
Geographical indications	3
Carbon footprint	2
Farming system	3
Traceability	2
Antibiotic-free	1
Grazing	1
Multi stakeholder chain	1
National	1



Expert survey. Innovative solutions/Business models (24)

Strategies/business models	Frequencies
Collaboration in marketing	3
Online platform	3
Organic and farming method	3
Transparency and traceability	3
SFC	2
Biodiversity extensivity	1
Breed	1
Carbon neutrality	1
Cooperation on labels	1
CSA	1
Extensivity Heritage	1
Open farm agritourism	1
Origin labelled	1
Restaurants	1
Taste	1



Consumers preferences in animal welfare

Most consumers are indifferent or disinterested in animal welfare (Hempel et al. 2023)

Consumer's segment showing concern in animal welfare and sustainable livestock products account for 31% in DE, 26% in PL and 32% in BE (Grunert et al., 2018; Verbeke and Vackier, 2024)

6 out of 10 Europeans would be willing to pay more for products sourced from AW-friendly farming systems but only 26% of them would be ready to pay up to 5% more, while only 6% of them would be ready to pay more than 20% more and 37% of Europeans are not ready to pay more (European Commission, 2023).

Most consumers in 6 EU countries would be willing to pay 25% more and even more than the usual prices for animal-friendly meat (Peschel et al. 2025).



Business model

Mix of complementary strategies for product differentiation along the supply chain

Strategies for new product development should be:

- › explicit and coherent
- › fostering cross-functional communication
- › learning from the selection and analysis of previous projects
- › market oriented



Examples of product differentiation

- › Extensifying livestock farming (eg. organic, grass fed/grazing)
- › Animal welfare upgraded standards
- › GMO-free feed
- › Reducing AMU
- › Circular economy practices
- › Carbon balance
- › Energy from renewable sources
- › Biodiversity



Short Supply Chain (SFC)

- › SFC is one of the ways to differentiate and market livestock products
- › However, “local” and “SFC” are not the only product attributes sought by consumers



FG Innovative SFC management (2015)

Definition of Short Food Chains

SFCs should have as ***few links as possible between the food producer and the citizen*** who eats the food.

Main reasons for developing SFCs are to achieve:

- food chain transparency
- farmer's greater share of the value of the food sold
- Involvement of intermediaries as partners in SFCs, fully committed to sharing information on the origins of the food, the producer and the production techniques and recognised for their role in building SFCs



EIP-AGRI Focus Group Innovative Short Food Supply Chain management

FINAL REPORT
30 NOVEMBER 2015



FG Innovative SFC management (2015)

FINAL REPORT focused on setting up and getting support for ***collaborative activities*** in which more than one farmer, food producer, organisation or individual agree to work together to develop SFCs for mutual benefit.

SFC benefits:

- › improved product range available to consumers
- › resource sharing amongst producers and processors
- › maintaining local food chain infrastructure (such as abattoirs)
- › increased negotiating power for groups of producers
- › reduced competition between small producers
- › mutual support to combat isolation and stress



EIP-AGRI Focus Group Innovative Short Food Supply Chain management

FINAL REPORT
30 NOVEMBER 2015



FG Innovative SFC management (2015)

6 out of 11 Case Studies of SFCs in the Final Report involve livestock farmers

Case Studies focused on four major 'challenge areas':

- › Setting up and getting support
- › Product Development
- › Access to Markets and Consumers
- › Infrastructure and Logistics



CASE STUDY 1. Poland: local products from Malopolska

Scaling-up a short food chain system



General information

Name of the case: **LOCAL PRODUCTS FROM MALOPOLSKA**

Author (of the case): Rafal Serafin

Country / region: Malopolska Region, Poland

Additional information (contact person or website):

rafal.serafin@fpds.pl & www.produktlokalny.pl

Short description

Local Products from Malopolska is a local food system through which producers from 10 territories in Malopolska connect with consumers. The focus is on increasing access to locally-produced food by helping agricultural smallholders and small producers to work together to gain market access through farmers' markets, on-farm sales, restaurants, internet sales and other distribution channels. The motivation is to increase smallholder incomes and so revitalise rural economies in ways that combat poverty and social exclusion, while contributing to the protection of natural and cultural heritage values and food security.

Initiated in 2011 by the Polish Environmental Partnership Foundation – an NGO supporting grassroots environmental action - *Local Products from Malopolska* is co-created by a group of approx. 100 farmers/producers and approx. 15 local NGO, business and public sector partners, including the regional government authorities. The ambition is to organise sales of an ever wider range of locally-produced food products directly to consumers, engaging more and more farmers, smallholders and producers through a process of building trust and reputation as a means for creating and maintaining short value chains.

The method or approach involves an ongoing process of identifying local and regional-scale stakeholders (especially producers) aimed at turning them into partners who share in the risks, costs and benefits of building '*Local Products from Malopolska*' as a trademark encompassing local brands, with its own farmer support, quality control, marketing and promotion, sales and distribution and governance. Those participating in '*Local Products from Malopolska*' are also campaigning for a more favourable policy and regulatory environment for local food systems, especially with respect to food safety and tax regulations.

With 142,900 agricultural holdings, averaging 4 ha in size and highly fragmented, Poland's Malopolska region represents an opportunity to turn increasingly socially and economically excluded rural areas into a resource for building food security for rural and urban populations based on access to locally-produced food of known-origin (traceable). The commitment to building and strengthening local food systems is part of the Regional Government's strategy for the years 2014-2020.

1. Setting up

Local Products from Malopolska was initiated by an NGO – the Polish Environmental Partnership Foundation – which has been contributing to Poland's transition to market economy and democracy since 1991 by promoting and enabling grassroots environmental action. In line with the mission, philosophy, experience and expertise of the Foundation, the motivation or driver was to work out market-oriented solutions – together with those affected – to the problem of growing social and economic exclusion in rural economies, which translates into degradation of natural and cultural heritage and threatens local life-support systems.

Based on earlier work on using environmental action projects to build cross-sector partnerships for mobilising social capital at the local or community level, the Foundation developed a project proposal with local partners focused on finding ways of using local food to revitalise Malopolska's rural economies. The aim was to secure long-term funding support for building a trust-based local food system linked to natural and cultural heritage protection. Inspiration and frameworks for action came from a Swiss organization – Réseau Echange Développement Durable (REDD) – and its work on origin-based food systems (www.origin-food.org).



EU CAP Network Focus Group 'Alternative solutions for livestock product differentiation'

20-21 November 2024 | **Lisbon, Portugal**

All information on the Focus Group is available on the webpage:

<https://eu-cap-network.ec.europa.eu/focus-group-alternative-solutions-livestock-product-differentiation>

