

# Local food systems and rural sustainability initiatives by small scale rural entrepreneurs in Finland

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**ABSTRACT.** The paper addresses the re-localisation of food systems and aims to understand how it may open up new opportunities for rural entrepreneurship and how these opportunities might contribute to sustainable development and rural livelihood.

The paper highlights the specific regional circumstances in the North that make food production particularly challenging in a competitive market. The core empirical data is qualitative and drawn from two local stakeholder groups representing different positions in the local food chain in Central Finland. One group consists of farmers who produce local food and the other of retail managers of supermarkets in the urban centre of the Jyväskylä region.

It is concluded that local food production is still very much in its making in Central Finland. Entrepreneurial innovations in farming have remained relatively weak and the current network strategies are rather sporadic. Nevertheless, individual farmers have taken decisive steps towards establishing local food production.

The globalisation and Europeanisation of food have made food provision more complex (e.g. Oosterveer 2006, Lowe et al. 2008). This globalisation has created new dynamics as it tends to make food products more uniform and standardised. In Europe, the food issue is based on the EU's Common Agricultural Policy, whose recent reforms have aimed to integrate health and environmental considerations into its policy framework. Yet the results have been rather poor, as evidenced by the extensive

transportation of animals and goods due to internal free-trade principles (Lyons et al. 2004). Policy failures and recurrent food scandals have certainly contributed to European policy debates on food security, farming practices and environmental issues. They have also generated substantial debate about the growing need for the re-localisation of food systems (Ansell-Vogel 2006, Halkier et al. 2007).

Local resources are crucial for individual farms, whether resources refer to the market,

public institutions or the environment. However, forceful norms and policy decisions are generally made at upper levels such as the nation state or the EU. The latter has a particularly cross-sectoral policy impact covering not only agricultural production but also food policy, multifunctionally-oriented farming policy, rural livelihood and environmental policy (e.g. Lenschow 2002). Additionally, the internationalisation of the food market simultaneously implies tougher competition whilst opening up new opportunities. Overall, it has become increasingly difficult for individual farms to attain a reasonable level of sustainable livelihood. Moreover, a kind of “governance gap” has emerged between top-down policy implementation and the bottom-up perspective for sustainable livelihood (cf. Winter 2006).

This paper addresses the re-localisation of food systems in Finland. We are interested in the key arguments for producing a local food supply with reference to sustainability and rural development. By Nordic comparison, the present Finnish diet has been described as an intriguing combination of old traditions and modern innovations (Mäkelä 2001), and the location of Finland between Eastern (Russia) and Western (Scandinavian) food culture also creates an interesting line of division. However, the issue of local food has only recently appeared on the food policy agenda in Finland and its share of the total agricultural output remains very small. The main question is whether the recent re-localisation of food systems in Finland is generating new opportunities for otherwise marginal rural entrepreneurship; and if this is indeed the case, to what extent do these opportunities support sustainable development? Through the case study of Central Finland, we aim to demonstrate that some new social linkages can be found in the current establishment of local food initiatives.

The paper is structured as follows. First, the multidimensional nature of local food is discussed. Then, we clarify what local food means in the Finnish context. This is followed by a discussion about the sustainability issue in relation to local food, food systems and sustainable livelihood

with special reference to Finland. An overview of the data and method of the case study on Central Finland is provided in the following chapter. In the final part of the paper, we summarise the results of the empirical case study. Finally, some concluding remarks are made with regards to the social position of local food producers and the present-day dynamics of rural development.

## The multidimensionality of local food

Despite many impressive discussions and debates, it is actually not very clear which criteria and meanings are the most essential in constituting local food activities. The latter are embedded in different traditions and socio-political conventions, as illustrated by the differences between the North American and European understandings of local food (Goodman 2003, Tregear 2007, Fonte 2008). The North American perspective is typically considered radical due to its focus on the oppositional status and transformative potential of local food networks. Meanwhile, the European position is characterised by a reformist style with the primary focus on policy changes, food safety, and rural development.

The European state of affairs also seems to be more or less diversified (e.g. Parrott et al. 2002, Tregear 2007). Generally speaking, the southern European culture features plenty of local and regional food specialties, whereas the northern European food culture may be described as functional and commodity-driven. In terms of re-localisation, Fonte (2008) has interestingly distinguished between an *origin of food* and a *reconnection* perspective within European local food action. The former repositions local food production in relation to territory, tradition and pre-industrial production practices. Here, food is a strong element of local identity and culture. The reconnection perspective, on the other hand, aims to rebuild the link between producers and consumers by reducing the physical distance between them. It is believed that this will revitalise rural communities and be beneficial both for local farmers and consumers.

Local food has undoubtedly emerged as a

counter force against the social and economic effects of globalisation. According to Sireni (2006), local food, by its very definition, implies that its origin can be identified. Re-localisation thus means a process, which brings food production back to local communities and closer to consumers. Yet, it has also been noted that the dichotomy between the global and the local can be misleading, especially if various processes are framed within an apparently coherent concept of local (Hinrichs 2003, Allen et al. 2003). It should therefore not be assumed that spatial relations self-evidently correspond to desirable forms of social and environmental relations (DuPuis–Goodman 2005). Some studies have even suggested that local food systems are no more likely to be sustainable or ethical than systems at other scales (e.g. Born–Purcell 2006, Edwards–Jones et al. 2008).

Local food systems are often qualified, above all, as an alternative to conventional food production (e.g. Goodman 2003, Feagan 2007, Higgins et al. 2008). They are described as a shift away from industrial and standardised modes of production, although alternative systems of food provision also exist along a spectrum of more or less “alternative” versions (Watts et al. 2005). Many debates have been held on which criteria should be examined to gauge whether local production can indeed be considered an alternative to mainstream production (e.g. Tregear 2007). The nature of alternativeness is also obscured by the fact that the term alternative is often used to refer to food production that is organic, environmental friendly, animal friendly, or sustainable, for instance.

Local food is also often expressed in terms of quality (Sage 2003, Goodman 2004). It may combine issues relating to taste, geographical specificity of origin, freshness and seasonality, and healthy production techniques, for instance (Buller–Morris 2004). Another major aspect of local food is social sustainability, as illustrated by principles such as social connectivity, reciprocity and trust. The “deep” definitions of local food emphasise the societal and community-based nature of the food system,

whereas the “shallow” and commodity-based definitions draw attention almost exclusively to the short supply chain. References to social embeddedness are made in relation to locally known producers, cooperatives, networks, and even to quality brands issued by an individual producer (e.g. Seyfang 2006, Feagan 2007).

Overall, local food seems to bear a general reputation as being good for sustainability in public and policy discussions, and political responses to rural livelihood issues have generally tended to be addressed at the local level. Yet, the discussion on local food is multidimensional with various key issues and conceptual overlaps and complexities. Furthermore, sceptical and critical perspectives seem to be on the rise. Tregear (2007) has rightly concluded that local food systems should not only be considered as a singular concept and market if they are to be analysed and understood in an accurate and comprehensive way. Since the concept bears different meanings in different situations, it is also important to understand the broader context surrounding the local food system (Kakriainen 2004).

### Local food action in Finland

The modernisation of Finnish society has resulted in a relatively late but then rapid transition from an industrial into a service-based society. It has also led to the depopulation of rural areas. Finland has actually experienced two waves of rural-urban migrations since WWII, which have heavily influenced the livelihoods and socio-cultural patterns of rural communities (Katajamäki 1999, Jokinen et al. 2008). The first rural depopulation, which intensified in the 1960s and early 1970s, was connected to revolutionary technological advances in forestry and agricultural working methods. This phase, in which numerous small farms closed down their operations, has been cited as the most accelerated process of rural depopulation among all western industrial countries. The second wave of Finnish rural depopulation took effect in the 1990s, and was based on the rise of information technologies and the globalisation of mass production.

Finland's entry into the EU in 1995 had a major impact not only on domestic agriculture but also on the market forces and public institutional norms affecting rural livelihood. Tykkyläinen (2005) has identified two major factors behind the recent rural depopulation in Finland: the decline in primary sector employment and the re-organisation of the public service sector. Until now, forces such as the emergence of small rural enterprises have not sufficiently developed to counter this rural-urban migratory trend. However, local stakeholders have increasingly been encouraged to seek new alternatives of rural production and local livelihood. A more detailed look at farming profiles also suggests that a typical Finnish farm is pluriactive by tradition (e.g. Andersson 2007). As Finland is a forestry country, Finnish farms often carry out both agriculture and forestry activities. Yet, regional differences are significant: Eastern Finland is a forestry region, whereas large-scaled crop cultivation is practised in Southern and Western Finland (Tykkyläinen 2005).

Local food has only recently emerged as a socio-political and environmental issue in Finland. It was initially brought to the fore by the main national environmental organisation, the Finnish Association for Nature Conservation (FANC), which carried out a public campaign for local food in 1996 (e.g. FANC 1997). The core argument was that local food should be prioritised in order to minimise environmental impacts on the food chain. In most Western European countries, environmental NGOs have contributed to food and agriculture policies for more than three decades, but the impact and role of their Finnish counterparts within this policy field remained rather limited even in the 1990s (e.g. Jokinen 1997). Therefore, the local food campaign has exerted no immediate impact on Finnish agricultural or rural policies. The local food issue was almost entirely absent in the Finnish Quality Strategy for the Food Sector, for instance (Ministry of Agriculture and Forestry [MAF] 1999).

Gradually, however, agricultural and rural policy players have begun to acknowledge the

need to consider the re-localisation of food systems. They are also increasingly linking local food to the growing consumer demand for "competitive" and "environmentally-friendly" products (MAF 2002, MAF 2004). Most importantly, the MAF's committee established a working group for local food in the late 1990s. In its report (Rural Policy Committee 2000, 3), the group defined local food as "production and consumption, which utilises regional raw materials and regional outputs and promotes regional economy and employment". The shortness of physical and temporal distance was thus used as the main reference point. Nevertheless, the group was reluctant to provide any numeral explication in terms of distances, i.e. what is exactly meant by local, regional and short.

Why has the issue of local food arisen only recently in Finland? First and foremost, the national agricultural policy was in large part unsympathetic to "alternative" modes of production until the mid-1990s. In fact, the agricultural policy community defined conventional production as "sustainable" (Jokinen 1995). Furthermore, unlike in the case of organic production (e.g. Kakriainen 2004, Mononen 2008), there has been no social movement supporting the cultural formation of local production. Gradual changes in consumer thinking and the distrust in transnational food policies seem to have been the primary catalysts of local food action in Finland.

Overall, local food has no standardised, generally labelled or subsidised position in Finland. Conceptual confusion also typically exists between local and organic food in public discourse and discussion. In any case, local food action essentially appears as an interesting mix of national policy and regional action where many interest groups are involved. In addition to the state, food companies, the farmers' associations, various NGOs (e.g. consumer organisations) and sub-national actors (e.g. regional state policy authorities and municipalities) have become active in recent years. The activities have typically been carried out as legion development projects (the number of which is basically unknown; see also Kakriainen 2004).

Sireni (2007) has interestingly argued that Finnish rural researchers and developers have defined local food in a way that is notably concrete and context-specific. Although inspired by international theoretical discussions and EU rural policy, the Finnish notion of local food carries ideas that are particularly relevant to the national context. Sireni particularly values the preciseness of the definition put forth by the MAF's working group (cited above; Rural Policy Committee 2000) since it underlines the localness of raw materials as well as the closeness of the market. This definition has been adopted by the various Finnish food strategies (Sireni 2007) and can therefore be described as the dominant understanding of local food in Finland.

With regards to consumer perspectives, many European studies have shown that local food carries several different meanings (e.g. Winter 2003, Weatherell et al. 2003, Edwards–Jones et al 2008). Consumers seem to be willing to support the local economy and they consider the practical factors of local food (e.g. taste, appearance and the availability of products) to be more important than civic factors (e.g. local origin) or moral factors (e.g. environmental concerns). Also, the majority of Finnish consumers (57%) seem to consider the support for local farmers as an important motive to buy local food (Seppälä et al. 2002). According to another survey's findings (Isoniemi et al. 2006), even if the concept of local food is deemed to be somewhat obscure, local products are considered slightly better than ordinary Finnish food. Local produce is especially associated with short transport, freshness, and trustworthiness of origin (Roininen et al. 2006). Finnish people tend to think that the closer the origin of the food product, the better (Niva et al. 2006). Interestingly, Finns tend to emphasise distance over other factors such as local identity or the special local characteristics of food consumption.

Finally, it should be noted that the position of local food depends to a large extent on the structure of the food retail sector. As Einarsson (2008) has shown, grocery sales are much more heavily concentrated in the Nordic countries

than in other European countries. Across all five Nordic countries, one company controls 35–45% of the total grocery sales and the three largest retail chains control almost the entire market. A chain culture also characterises the food retail industry in Finland (Mononen–Silvasti 2006). The two central wholesalers (S-Group and K-Group) dominate with a combined market share of 75%. In addition, the Tradeka Group has a market share of 12% and the German-owned Lidl a share of 5%. The Nordic market place is typically large-scaled, and hypermarkets have a strong foothold especially in Denmark, Finland, and Sweden (Einarsson 2008).

### **Food supply, sustainability and sustainable livelihood**

Sustainable development in general and the Local Agenda 21 in particular have launched a framework of regional sustainability that may provide an alternative view of rural development and the re-localisation of some livelihood assets (Marsden 2003). Since the contemporary countryside is continually diversifying, the trajectories of rural sustainability obviously imply a re-conceptualisation of farming (e.g. Knickel–Renting 2000). From the farmers' point of view, sustainable development as a concept is hardly conceivable unless it marks the way towards some trajectories promoting sustainable livelihood.

According to Gibbs (2000), the definitions of sustainable development may vary but most of them allude to core principles such as quality of life, care for the environment, and due consideration for the future, fairness, equity and participation. Sustainable livelihood should be understood in more concrete terms as a result and payoff of human labour delivering goods or services. In order to achieve sustainability in the local context, agricultural activities should seek alternatives that endorse the general principles of sustainable development and simultaneously promote sustainable livelihood. Basically this is most feasible if all the main dimensions of sustainability (ecological, economic and social) are taken into considera-

tion, while sustainable livelihood is particularly focused on the social dimension.

With respect to social sustainability, it is important to further distinguish between socio-economic and socio-cultural dimensions in order to qualify the essential dynamics and qualities of the food system from the perspective of social order. From this point of view, it does not suffice to speak about socio-economic sustainability, such as employment, market access and product delivery in spite of their obvious importance as a precondition to sustainable development and sustainable livelihood for farmers. The socio-cultural elements of the food system, such as networks, trust, and reciprocity, seem to be equally decisive success factors for alternative agricultural businesses.

We have identified at least three factors that seem to impede the advancement of local food in Finland. First, distances are long and rural areas are sparsely populated. The lack of concentration in rural population makes local food a peculiar rural-urban issue difficult to solve within the local (e.g. county) framework because most of the potential customers tend to agglomerate in very few urban centres (see also Mardsen 2009). Secondly, with regard to the whole food system, a chain culture has increasingly permeated the food retail sector over the past two decades and consequently food supply is overwhelmingly controlled at the national level. This makes it difficult for small producers to access the food market. Thirdly, both rural depopulation and the concentration of the food industry seem to have had the effect of abating rural communities of their traditional socio-cultural assets, such as social capital and reciprocal activities in resolving rural development issues. Thus, it is evident that some reorganisation is needed in order to support local food initiatives and in particular the access of local food to the market. More generally, as Mardsen (2009, 11) convincingly notes, sustainable rural development within the modern-day context needs to “reverse many of the devalorising, centralizing and marginalising tendencies” that characterise the mainstream agri-industrial economy in Europe.

In the Finnish context, the many contem-

porary challenges of meeting consumer demand – i.e. the growing popularity of local food – can be characterised as both socio-economic and socio-cultural. Similarly, the issue of sustainability concerning local food production and delivery can be analysed through these two perspectives even if they may be strongly and mutually intertwined. From the farmers’ point of view, steady household income is one of the most important prerequisites as well as easy access to the markets. However, there are signs that socio-cultural elements are also growing in importance. This can be seen in new initiatives aimed at promoting more horizontal forms of cooperation amongst farmers and in new specialisations leading to ideas of branding. Nevertheless, local food in Finland – according to the farmers’ perception – still seems to be more about basic food, implying that higher quality is associated with food originating from within the regional framework, whether local or national (Jokinen et al. 2008, Järvelä et al. 2009).

Therefore there seems to be no easy or immediate correlation between farmers’ striving for sustainable livelihood through local food initiatives with consumers diverse and changing demands for local food. In fact, the determining factors behind successful local food delivery are to a large extent dependent on the in-between actors, such as wholesale and retail.

In the following chapters, we shall first briefly describe the method and data of the study, and then explore in more detail the main issues and context of local food activities in Central Finland. The data is based on empirical interviews with two stakeholder groups, namely farmers and retailers. In this exploration, a particular emphasis is placed on sustainable livelihood, spatial identification of local food, ideas of specialisation, challenges of delivery, and finally on networking initiatives that might pave the way forward for stronger local food performance in Central Finland.

## Data and method

The core empirical data is drawn from two local stakeholder groups representing different posi-

tions on the local food chain in Central Finland. Our case area has approximately 260,000 inhabitants and its capital is Jyväskylä. As in the whole of Finland, the number of farms is decreasing but the average size of production units is increasing. Presently, there are about 3,600 active farms with an average field area of 29 hectares and an average forest area of 66 hectares per farm (Niemi–Ahlstedt 2008). More than half of them are livestock farms and over one third are dairy farms. Primary production contributes five per cent to employment in the region, corresponding with the national average. Surveying the entire food industry in Central Finland, there are only ten companies employing more than 20 persons (Nieminen 2006). In addition, there are approximately 300 smaller firms with various food products (*ibid.*). It is estimated that the food chain in its entirety employs 21,000 people in the region.

This study uses two sets of qualitative interviews, one addressing farmers who produce local food in Central Finland and the other focusing on the retail managers of supermarkets in the urban centre of the case area (i.e. the city of Jyväskylä). The data is part of an ongoing study of small scale rural entrepreneurship as an eventual pathway towards rural sustainability (e.g. Jokinen et al. 2008, Järvelä et al. 2009). The study has been funded from 2007–09 by the Academy of Finland.

The primary data includes 15 individual interviews with farmers and 11 individual interviews with retailers (see also Appendix 1). The first contact with the farmers was made through a project specifically aimed to advance local food activities on a regional basis. Next, the snowball method was used to select local food producers. In total, 5 female farmers and 10 male farmers in 15 farms were interviewed. The arable areas of these farms varied significantly, from 8 to 100 hectares, thus representing small and medium-sized as well as large Finnish farms. The average arable area of an active Finnish farm is 35 hectares; small farms with under 10 hectares represent 19% of all Finnish farms; whereas the largest farms with more than 100 hectares

constitute only 5% of all farms in the country (Niemi–Ahlstedt 2008). In the interview data, 12 farmers practised conventional production methods and three were organic farmers. As Appendix 1 shows, there was also some variation in the main food products and crops.

All of the local retailers, three females and eight males worked for one of the two major wholesale businesses dominating the Finnish market. The majority of them were shopkeepers. Other positions held by the interviewees included the manager of the unit and the director of business. In contrast to the in-depth individual interviews, this section also includes one group interview with three retailers.

Overall, the collection of data was inspired by an ethnographic approach as we tried to capture people's perceptions and actions in relation to rural sustainability and farm livelihood. The aim is to understand farmers' experiences and the local farming culture within their spatial context. The results are based on qualitative thematic analysis, which means first identifying the basic themes and organising these themes into narratives about local food, and then finding patterns in living and thinking. We have extracted some direct quotes from the conversations in order to illustrate the interpretations that have been made. All the interviews have been transcribed verbatim in Finnish and the direct citations present in this article have been translated into English by the authors. In the citations, P refers to farmers and R to retailers.

### **The Case of Central Finland: identifying critical factors for local food production**

Achieving sustainability in agriculture is a long-term business venture. In order to be profitable, farms need to adopt a steady and strategic approach to enhancing sustainability even if the individual means to produce and invest may vary a great deal over time. Forestry is an important source of income for farms in Central Finland, although farms most often combine crop cultivation and animal husbandry. Dairy production is

another essential traditional activity that has only recently diversified with the emergence of a variety of more specialised fields of food production such as vegetables and local bread (See Appendix 1).

Our previous results have shown that farmers in Central Finland have confidence in the demand for local food products (Puupponen 2005). Even if the share of local food consumed has been very small until now, farmers tend to identify food safety as one clear priority among consumers. Thus, food producers clearly have an interest in creating rural policies at the micro level (Jokinen–Puupponen 2006). However, in this paper we critically discuss some of the factors affecting the prospects of local food production. More specifically, we have identified four critical themes from our empirical data: 1) identities and preferences for local and domestic food production, 2) specialisation on farms, 3) trust in delivery, and 4) networking and future perspectives.

### Identities and preferences for local and domestic food

According to previous studies (e.g. Alanen 1995), Finnish farmers have traditionally perceived themselves as independent peasants whose primary challenge is to adapt to nature. However, farmers clearly have difficulties in coping with the expanding food system as the power seems to be increasingly shifting away from the local level. Moreover, the increasingly rigid regulatory procedures guiding modern agriculture have been identified as the main threat overshadowing small rural entrepreneurship.

...[N]ature lives in its own way, while rules and regulations have their own life ... This is a dreadful situation for business. Power seems to dwell somewhere else. There is a regulation for every action, but these regulations do not stop nature from living its own life. So if it happens that you make a mistake, it turns out to be heavily sanctioned and then you see how dependent you really are on public benefits and the whole control system. And surely you

also come to ponder the actual extent of your independence. (Interview P3)

Independence is generally perceived by farmers as an important aspect within the context of small scale local productions. Furthermore, for some farmers, local food clearly represents a kind of delaying strategy against more significant troubles (cf Marsden–Smith 2005), whilst others try to find local food products that might build their competitive edge. Even though local food farmers in Central Finland generally have confidence in the local food business, many of them have doubts that food production alone can suffice to support the whole family. Therefore multifunctionality is cited as an important component in securing a sustainable job and livelihood in the future.

...[A]griculture alone, such as vegetables and herbs or plants all together, do not necessarily guarantee livelihood for the whole family, but these should secure a decent and steady income or even the continuation of the farm. Yet, you also have to develop some sources of extra income ... This is how I understand local food to benefit sustainable development. (Interview P15)

Retailers for their part argue that the cited importance of *domestic* production rather than local food divides consumers into two basic categories:

[F]or some, the regional origin of the product is not an issue – these people are the travelling kind, or so to speak. Meanwhile others, like myself, are somehow friends of domestic producers, willing to even pay more as long as it comes from a domestic producer. (Interview R5)

Even a retailer, who is not very enthusiastic about domestic food, speaks in favour of the production of basic foodstuff at a short distance. However, in his opinion, price is a major determining factor:



What is decisive is the capacity to produce domestically basic foodstuff in a profitable way ... Indeed, consumers will not purchase more expensive Finnish food products ... they will only buy Finnish food, if the price is the same as it is for imported food ... That's how cruel people really are. (Interview R11)

In a country with low population density and a relatively small domestic food market, there is blurriness between local food and domestic production even if food transport distances turn out to be much longer than those projected by local food definitions (cf. Isoniemi 2005). According to the interview transcripts, concerns about the viability of the local food system are double-sided: retailers feel the direct pressure of globalised food prices and therefore tend to rely more heavily on domestic rather than strictly local supply, whereas local farmers wish to secure the profitability of food production on the basis of more limited and local premises.

Instead of focusing on prices, farmers more often criticise the increasing regulations that are seen as a major threat to their independent action as food producers. This is interesting because after all local food farmers seldom operate totally without public benefits, whether from the EU or national public funds. Nevertheless, the implementation patterns of EU and national policies would appear to be deeply flawed. On the one hand farmers describe themselves as being overwhelmed by the control of public agencies. On the other hand, they are also economically supported by them. One explanation may be that the benefit schemes are not especially tailored to local food production.

### Specialisation on farms

Alongside critical discussions of globalised and geographically extensive food chains and transport, a shift has also appeared in food demand: consumers increasingly emphasise the quality of food and value taste, quality, and security (e.g. Sage 2003, Isoniemi 2005). Consequently, food has become a socially constructed and cultural

matter (Holm–Stauning 2002), not only in the context of special occasions or exclusively in the case of the affluent but also of the average consumer. Such a shift opens up a new world of possibilities for local food production in terms of specialisation and product refinement. At the same time, the farmer has to become attentive to market trends such as niche provision, eco-labels and local branding. Thus, the producer must have a clear understanding about the general make-up, preferences and location of the potential consumer.

Here we need to produce such a product that the customer is ready to come back for it. We cannot afford to do as they do it in the big urban centres, where it's a matter of 'never mind what I produce, there will always be consumers reaching up to 10,000 or even hundreds of thousands'. Then, it would make no difference what I sell them. However, here we have to stick to the idea that we will sell exactly the kind of product that the customer is willing to come back to buy. (Interview P4)

Furthermore, farmers want to ensure the high quality of their products by complying with quality regulations and by adding an element of pleasure to their products:

The business idea is that when a person is eating for pleasure, fish is suddenly transformed from regular foodstuff or something of a bulk item into luxury. Then, he or she is not so concerned about the price. Yet, it all depends on demand and supply. It is as simple as that. (Interview P1)

Retailers seem to have relatively clear views about local products that could break into the market in Central Finland. The most trusted products are vegetables (especially potatoes) and bread. The interviews did not seem to point to any outstandingly reputable or particularly successful local brands. Both producers and retailers continue to prioritise basic foodstuff (such as milk, dairy products, meat products and cereal)

as the targets of local food activity. Reference is often made to the food security issue and, interestingly, to the eventual superiority of “domestic production” rather than local food in the stricter sense.

Both stakeholder groups emphasise the value of effective specialisation. From the farmers’ standpoint, specialisation is based on the farm’s assets in know-how, investment and labour and on the capacity to network and tailor the supply to meet the needs of a limited number of buyers. Retailers are also increasingly under pressure to meet consumer demand. For instance, one of the major Finnish supermarket chains has already joined a programme of green marketing, which seems to make it particularly responsive to the local food concept.

...[T]oday for example our supermarket attracts many students, and there are highly educated people in the area, who are very much up-to-date and concerned about what they consume. There are also people who have adopted alternative consumption patterns such as vegans, and these people are very interested in the origin and quality of food products. And they also want to know about the environment, how the product has been produced and about its transport etc. (Interview R7)

Overall, the major issues cited by producers and retailers mainly included the present segmentation of consumer demand, basic food, quality of products, and the further specialisation of individual farms. The issue of meeting market demand and farmer-retailer interaction in the market place is an interesting issue for both groups, one which is to a large extent perceived in terms of managing delivery.

### The problem of trust in delivery

As mentioned above, food retail outlets are highly chained in Finland (Mononen–Silvasti 2006). This is identified as a problem by both producers and retailers, and causes difficulties for small rural entrepreneurs in getting products to

the chained suppliers. Farmers may seek alternatives such as direct marketing, but this can also result in negative impacts (e.g. randomness of sales). Additionally, in sparsely inhabited regions, the costs of transport may multiply and shift to consumer prices (Isoniemi 2005).

Nevertheless, all the farmers that we interviewed practice direct sales to some extent even if this does not suffice for sustainable livelihood. Most typically, direct sales are of great importance to farmers who have recently started local food production and to those few farms having found a steadfast group of very regular customers. Considering the challenges posed by the climate and the consequent seasonality of production and consumer mobility, most farmers are hesitant to rely too heavily on direct sales. A more reliable approach is the sale of products by way of collective or public purchase, as exemplified by restaurants and municipalities. Nevertheless, our interviews indicate that most farmers prefer ordinary retail access. Our findings also suggest that there is a need for new opportunities for wholesale business between producers and retailers.

Surely, since our business is small, we have faced this problem of contacting the big supermarkets. It seems that we have no say at their premises. Of course, the big stores do rally for local food nowadays and declare their willingness to increase supply. However, to make this effective, we really should have in place a wholesale unit of our own. (P12)

In parallel with this, retailers argue that the most significant bottleneck hindering the growth of local food sales is in fact the reliability of delivery. However, in their opinion, the bottleneck is mostly due to the small scale nature of local food production.

In my opinion local food farms should be big enough so that they can deliver their products to all the shops or at least to most of them in the neighbourhood. We end up putting ourselves in a difficult position if they deliver to one or

two shops, and then consumers come from elsewhere to ask why we are not stocking that particular product. (Interview R2)

Even retailers who have a contract with local food producers consider the situation somewhat delicate as “[a]ny problem in production on the farm affects us directly. When the supplier is a small entrepreneur, any hassle or failure may cause us great disturbances” (Interview R3).

To sum up, trust in delivery must be mutual. This means that not only farmers but also other functional partners such as retailers and wholesalers need to be convinced about the prospects of uninterrupted delivery. Moreover, both delivery and production need to meet the norms set out by public policy as well as any regulatory or assessment procedures – whether these concern the product itself or the production and delivery processes, including accounts on public benefits (cf. Steiner 2006). Therefore, there is clearly a risk that reliable delivery cannot be guaranteed by the measures taken by individual and particularly small scale farms.

### Networking and future perspectives

Finally, the prospects of local food production are examined within the context of community development and sustainable livelihood for family farms. We assume that, in order to meet the targets of sustainable development, local food initiatives should also secure a sustainable future for both farmers and the community. They should also support the development trajectory towards improved community resilience in light of globalisation and larger regional transitions. Indeed, it is interesting to question whether this challenge can be met solely by independent farmers, or whether it is best tackled through collective undertakings and new social innovations within the Finnish context – such as networks, social movements and cooperatives. According to our data, an interesting paradox emerges with regards to the future prospects of local food initiatives in Central Finland. On the one hand, local farmers appreciate a high level of independence

in social identity and farm production. On the other hand, more co-operation and networking seem to be needed in order to achieve the aim of sustainable business in the region.

As a consequence of the structural changes in agriculture and uncontrolled urbanisation, there has been a progressive decline in social capital, including the co-operative culture and practices traditionally found in villages. Hence, the present challenge in Finnish agriculture is to call forth new bottom-up civic organisations that aim to support small entrepreneurs in local food production and delivery, for example. However, only a couple of the farmers we interviewed seemed to be actively taking part in the revival of co-operation and bottom-up collective action as they had already joined the new Finnish cooperatives (cf. Köppä et al. 1999).

Of course, I do know some other small scale farmers through the cooperative. So if there is any need for some machine, you will know where to find it for a special occasion. Or else you can yourself offer help to someone else. The cooperative is functioning even in this way. (Interview P15).

There are also some examples of addressing the missing producer-retailer wholesale link by setting up a new cooperative. For example, one of the leading retailers (*Keskimaa*, a member of the S-Group) has chosen to conduct local food business only with the local cooperative and, as a result, the cooperative attracts farmers and strengthens the reliability of delivery. A significant amount of social capital and trust is, however, required in this cooperation, as well as in a large proportion of the contracts made with individual farms, especially since many of these are not formalised in writing. Therefore, social sustainability needs to be addressed not only in economic terms but also as a socio-cultural issue.

The emerging socio-cultural aspect of the local food issue tends to be more heavily emphasised by retailers than by farmers. The former indicate, for example, that local food business is

not only about the delivery of products, “objective” quality or food security, but it is also a matter of emotions: consumers presume that local food is cleaner, fresher and healthier. On the one hand, retailers seem to express a slightly more optimistic view than producers on the future of local food in Finland. On the other hand, they identify some clear barriers and future threats that could slow down the breakthrough of local food into retail markets.

... [T]he fact that the shops are so chained may bring about a situation where no single local food provider has access to the chain operating on the national level. Furthermore, if the power of individual shop keepers is diminished in terms of being able to choose at least a part of the products they buy for themselves [ in national retail chains]), then it is all to the detriment of local food. (Interview R3).

In sum, our interviews indicate that the producers’ prospects strongly depend on the consumers’ potential to prioritise at least some sort of local food. Furthermore, the farmers who are the most advanced in the production of local food generally have visions of emerging local networks (e.g. producers’ cooperatives) and refining products in the form of small scale industrial production. However, the chain culture of the food retail business sets important limits to local food practices and calls forth intensive input by farmers and other local actors in order to secure market access and enhance higher visibility in retail business.

## Discussion

Our empirical case study shows that local food production is still very much in the making in Central Finland. Even at the risk of over-generalisation, we expect that similar prospects and barriers can be found in other parts of Finland and across Northern Europe. We find that some farmers have already responded to the echo of consumer demand for local food. However, the response often aims to do little more than to pro-

long farm livelihood with contemporary assets, mainly addressing current needs and circumstances. Moreover, farms seldom have a strong identity or business strategy to promote local foods. For example, farmers have not reached the stage of local product branding. Thus, entrepreneurial innovations in farming have remained relatively weak, with current network strategies proving to be rather sporadic instead of well-founded, permanent or, indeed, sustainable.

Concerns for the environment and food security are increasingly affecting consumer-citizens as well as, according to our results, farmers, retailers and public institutions. As a result of the rapid modernisation of agriculture, there are growing public concerns about the depleting socio-economic and socio-cultural resources of rural regions. This issue has been raised on the political agenda of the EU and is also gaining visibility in the socio-political blueprints of individual EU member states. From the Finnish perspective, the critical question to be raised in relation to rural development schemes is: what kind of role can traditional family farms play in the eventual revival of rural development?

Many features in regional development and in the social division of labour suggest that rural communities need to struggle in order to secure livelihood for their citizens. However, they also need to seek and create new opportunities for rural entrepreneurship. An innovative way forward may be to introduce new assets in order to enhance both regional and local food security and the quality of services in food supply. Yet, many challenges still need to be addressed in terms of socio-economic organisation before a refined balance can be achieved between effective local food systems and present-day sustainability demands. With regards to the socio-cultural aspect of emerging local food activities, future prospects remain even more open to new initiatives.

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APPENDIX 1. The data of the case study on local food: farms and retailers in Central Finland

<i>Farm</i>	<i>Sex</i>	<i>Mode of production</i>	<i>Main products</i>
1	Male	Conventional	Fish products
2	Male	Conventional	Butchery service
3	Male	Conventional	Meat products
4	Male	Conventional	Fish products, vegetables
5	Male	Organic	Bakery products, crop products, strawberries
6	Female	Organic	Meat products
7	Female	Conventional	Restaurant services
8	Female	Conventional	Bakery products
9	Male	Conventional	Potatoes, strawberries
10	Female	Conventional	Bakery products
11	Female	Conventional	Bakery products
12	Male	Conventional	Crop products
13	Male	Conventional	Crop products
14	Male	Conventional	Milk products, candies
15	Male	Organic	Vegetables

<i>Interview</i>	<i>Position of interviewee</i>	<i>Sex</i>
1	Shopkeeper	Male
2	Shopkeeper	Male
3	Shopkeeper	Male
4	Shopkeeper	Male
5	Head of shop	Male
6	Shopkeeper	Male
7	Shopkeeper	Male
8	Manager of unit of meal and prepared food	Female
	Shopkeeper trainee	Male
	Manager of unit of milk and drinks	Male
9	Shopkeeper	Female
10	Manager of unit of industrial foodstuff	Female
11	Director of business of grocery and daily consumer goods	Male