CONCEPTUALIZING “HYBRID” FOOD NETWORKS: ENGAGING
CONVENTIONAL FOOD SYSTEM INFRASTRUCTURE TO BUILD LOCAL
FOOD SYSTEMS

A Thesis in
Rural Sociology
by
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ABSTRACT

Many alternative food movements have been built around the mantra of “cutting out the middleman.” Direct relationships between producers and consumers counter the faceless anonymity of conventional marketplaces and allow producers to retain a higher percentage of their profits. However, confining local food system development to direct marketing limits its scope and potential effect. Scaling up local food systems to meet growing demand may require alternative food movements to engage with the conventional food system, creating hybrid food networks that draw on heterogeneous resources and operating mechanisms. This thesis serves as an initial inquiry into the theories and practices surrounding hybridity in local food networks. I draw upon theories of economic sociology, particularly embeddedness theory and conventions theory, to provide a theoretical framework for understanding how actors balance competing priorities, with special attention to what I consider to be the “progressive political project” of alternative food networks. I then apply these theories to the value chain model, originally developed by Michael Porter and adapted to the agri-food field by Stevenson and Pirog (2008), which I argue serves as a framework for understanding how hybrid supply chains can be structured in ways that incorporate progressive values with conventional infrastructure. The value chain structure and governance mechanisms are used as points of comparison for three qualitative case studies, located in rural, urban and exurban regions of Pennsylvania. Each case study describes a hybrid food network that revolves around a conventional, wholesale produce distributor and explores the relationships that develop around their procurement and distribution of local produce. Analysis of these case studies reveals the importance of a region’s type of local food
movement in determining whether local produce is differentiated, which in turn influences the value that it is assigned and how distributors regulate their relationships with producers. These case studies suggest the possibility that local food systems that combine conventional infrastructure with local production and consumption may draw upon industrial conventions of organization, despite their local embeddedness. Participants in the urban hybrid food supply chain were better able to resist this industrial logic than those in the rural or exurban hybrid food supply chains, which allowed producers in the urban network to secure higher profit margins and negotiating capacity by marketing a specialized, niche product. However, in the urban network the challenge that direct marketing initiatives face of making local produce more accessible remains unaddressed. These findings suggest that in order to promote rural development by moving local produce through conventional food system infrastructure, additional strategies to generate and redistribute value are needed. Fostering a wider range of local food system infrastructure, such as locally-owned and operated processors, could help to strengthen hybrid food networks and enhance their contribution to rural development, while also increasing the ability of local food supply chains to serve institutional buyers that may have limited on-site processing abilities. In addition, support and facilitation of new business models based on shared ownership could strengthen hybrid food networks and provide producers and local communities more control over their local food systems.
Table of Contents

List of Figures ........................................................................................................... ix
List of Tables ............................................................................................................... x
Acknowledgements .................................................................................................... xi

Chapter 1- Introduction ............................................................................................... 1
   I. Alternative Geographies of Food ........................................................................... 3
   II. An Initial Conceptualization of Hybridity ........................................................... 5
   III. Overview of Thesis ............................................................................................. 9

Chapter 2- Conceptual Framework ............................................................................ 11
   I. Economic Sociology .............................................................................................. 12
      A. Embeddedness .................................................................................................. 13
      B. Applying Embeddedness to Conventional Relationships .................................. 14
      C. Conventions Theory .......................................................................................... 17
      D. Applying Conventions Theory to Conventional Relationships ......................... 18
      E. Embeddedness Theory in the Alternative Agri-food Literature ......................... 22
      F. Conventions Theory in the Alternative Agri-food Literature ............................... 26
      G. Hybrid Values: Engaging the Conventional Food System ................................... 32
   II. A Framework for Analysis .................................................................................. 39
      A. “Value Chains” and “Agriculture of the Middle” ............................................. 40
      B. Creating Partnerships ....................................................................................... 44
      C. The Role of Trust and Shared Governance ....................................................... 47
      D. Committing to the Welfare of all Participants .................................................. 55
      E. Differentiation and Value-Added ....................................................................... 57
F. Shared Goals: Environmental and Social Values........................61

III. Summary of Conceptual Framework and Research Questions..........64

Chapter 3- Research Design and Methodology.......................................67

I. Qualitative Methods and Research Design........................................67
   A. Collective Case Studies..........................................................68
   B. Sample Selection and Generalizability.....................................70
   C. Interviews and Questions.......................................................76
   D. Data Analysis and Validity.....................................................78
   E. Researcher Reflexivity.........................................................80
   F. Ethics......................................................................................81

II. Context.........................................................................................82
   A. Hybrid Food Network #1: The Rural Case....................................83
   B. Hybrid Food Network #2: The Urban Case...................................84
   C. Hybrid Food Network #3: The Exurban Case..............................85

II. Socio-economic Comparisons........................................................87
   A. Educational Achievement.......................................................88
   B. Age Distribution.....................................................................89
   C. Economic Indicators..............................................................91
   D. Agriculture.............................................................................93

Chapter 4- Analysis of Findings- Hybrid Food Network #1- The Rural Context..97

I. Background....................................................................................97
   A. The Distributor.......................................................................97
   B. Producers...............................................................................99
C. Buyers.........................................................................................100

II. Applying the Value Chain Framework..............................................101
   A. Creating Partnerships...............................................................101
   B. The Role of Trust and Shared Governance.................................105
   C. Committing to the Welfare of all Participants..............................108
   D. Differentiation and Value-Added................................................114
   E. Shared Goals: Environmental and Social Values..........................121

III. Summary......................................................................................123

Chapter 5- Analysis of Findings-Hybrid Food Network #2- The Urban Context...125

I. Background..................................................................................125
   A. The Distributor...........................................................................125
   B. Producers................................................................................127
   C. Buyers.....................................................................................127
   D. Outside Actor..........................................................................128

II. Applying the Value Chain Framework..............................................129
   A. Creating Partnerships...............................................................129
   B. The Role of Trust and Shared Governance.................................136
   C. Committing to the Welfare of all Participants..............................141
   D. Differentiation and Value-Added................................................147
   E. Shared Goals: Environmental and Social Values..........................152

III. Summary......................................................................................154

Chapter 6-Analysis of Findings-Hybrid Food Network #3-
The Exurban Context..............................................................................156
I. Background.................................................................................................................156
   A. The Distributor.....................................................................................................157
   B. Producers.............................................................................................................158
   C. Buyers.................................................................................................................159
II. Applying the Value Chain Framework...............................................................160
   A. Creating Partnerships.........................................................................................160
   B. The Role of Trust and Shared Governance.......................................................166
   C. Committing to the Welfare of all Participants..................................................169
   D. Differentiation and Value-Added......................................................................173
   E. Shared Goals: Environmental and Social Values..........................................178
III. Summary..............................................................................................................180

Chapter 7- Conclusion..........................................................................................182
I. Cross Case Comparisons.......................................................................................182
II. Contributions to the Field of Sociology of Agriculture and Food Systems........186
   A. Power in the Food System.................................................................................187
   B. Redistributing Value and Rural Development.................................................190
III. Contributions to Policy and Practice.................................................................193
IV. Potential Weaknesses of Study.........................................................................195
V. Areas for Further Research...............................................................................197
VI. Conclusion............................................................................................................198

References..............................................................................................................200

Appendix A- Interview Guides for Distributors, Producers and Buyers..............207

Appendix B- Sample Consent Form.......................................................................217
# LIST OF FIGURES

<table>
<thead>
<tr>
<th>NUMBER</th>
<th>PAGE</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Educational Achievement (Population over 25), 2000</td>
<td>89</td>
</tr>
<tr>
<td>2. Age Distribution, 2000</td>
<td>90</td>
</tr>
<tr>
<td>3. Percent of Families Living Below Poverty Level, 1999</td>
<td>92</td>
</tr>
<tr>
<td>4. Median Family Income, 1999</td>
<td>93</td>
</tr>
<tr>
<td>5. Number of Farms, 2002</td>
<td>94</td>
</tr>
<tr>
<td>6. Land in Farms (acres) 2002</td>
<td>94</td>
</tr>
<tr>
<td>7. Average Farm Size (acres), 2002</td>
<td>95</td>
</tr>
<tr>
<td>8. Percent of Population (above 16 years) that identifies fishing, farming and forestry as occupation</td>
<td>95</td>
</tr>
</tbody>
</table>
# LIST OF TABLES

<table>
<thead>
<tr>
<th>NUMBER</th>
<th>PAGE</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Producer Characteristics in the Rural Case</td>
<td>100</td>
</tr>
<tr>
<td>2. Buyer Characteristics in the Rural Case</td>
<td>101</td>
</tr>
<tr>
<td>3. Producer Characteristics in the Urban Case</td>
<td>127</td>
</tr>
<tr>
<td>4. Buyer Characteristics in the Urban Case</td>
<td>128</td>
</tr>
<tr>
<td>5. Producer Characteristics in the Exurban Case</td>
<td>159</td>
</tr>
<tr>
<td>6. Buyer Characteristics in the Exurban Case</td>
<td>160</td>
</tr>
</tbody>
</table>
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CHAPTER 1

Introduction

Over the past ten years, agri-food research has traced a shift in production and consumption trends that has been widely characterized as a response to the negative consequences of the globalization and industrialization of the food system. The increasingly globalized food system has been cited as related to three major problems in the U.S. today. First, failing rural economies and outmigration are seen as related to the disappearance of small and medium sized family farms under this system (Kirschenmann, Stevenson, Buttel, Lyson & Duffy 2008); second, the increased processing and affordability of food is blamed for the obesity “epidemic” facing the nation’s youth (Ammerman, Cavallo, Leung, & Gustafson 2006; Tillotson 2004); and third, in the face of global warming, the international scope of the current food system is faulted for contributing to harmful carbon emissions (Friedmann 2007). Alternative food networks (AFN’s), and more specifically short food supply chains (SFSC’s), have been described as emerging as a response to these trends (Maye, Kneafsey & Holloway 2007). These agri-food initiatives are considered an oppositional response on the part of producers who choose to exit the production treadmill of modern agriculture, and by consumers who are disillusioned by the social, environmental and health outcomes of the industrialized food system (Banks & Bristow 2000; Maye et al. 2007; Marsden; Whatmore, Stassart & Renting 2003).

However, the concept of “alternative” has been continuously contested and revised as fieldwork reveals a heterogeneity of approaches with complex relationships to

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1 The literature on the sociology of food and agriculture refers to this field alternately as “agri-food” or “agro-food” studies. In this thesis, I have chosen to use the term “agri-food,” except in direct citations.
the conventional food system (Holloway et al. 2007; Ilbery and Maye 2005; Maye et al. 2007; Whatmore and Thorne 1997). The proposal that many food networks are in fact hybrids, combining alternative and conventional practices and values, leads to questions as to how these networks operate and how to evaluate their potential contribution to changing the conditions of production and consumption. Understanding hybrid food networks that utilize existing food system infrastructure is particularly important given that many alternative food movements do not have the capacity to meet the growing demand for local, sustainable food (Friedmann 2007). The possibility that local food systems can be brought to a larger scale by relying on conventional food system infrastructure makes questions surrounding the conceptualization and operation of hybrid food networks particularly significant.

This thesis serves as an initial inquiry into the theories and practices surrounding hybridity in local food networks. Specifically, (1) how can we theoretically conceptualize hybrid food networks as they intertwine values and practices that have been traditionally classified as either “alternative” or “conventional?” (2) How do actors within hybrid food networks negotiate between different models and logics, and do they reflect “hybrid values” in doing so? (3) What are the rural development implications of utilizing conventional infrastructure in building local food systems? Before exploring these questions through theoretical literature and empirical data, I begin by describing alternative food networks, as described by researchers in the field of alternative geographies of food, as well as defining an initial conceptualization of what is meant by “hybridity.”
I. Alternative Geographies of Food

The term “alternative food networks” (AFN’s) has been used to describe “…newly emerging networks of producers, consumers and other actors that embody alternatives to the more standardized industrial mode of food supply,” (Renting, Marsden & Banks 2003, 394). These networks are contextualized within the globalized industrial food system and liberalized market structure, and have therefore been conceptualized in opposition to this system (Marsden et al. 2000; Maye et al. 2007; Whatmore et al. 2003). AFN’s have been defined both as “new” paradigms and as remnants of a pre-industrial food system that persisted despite global pressure (Marsden et al. 2000; Watts, Ilbery & Maye 2005; Whatmore et al. 2003). In defining the nature of AFN’s, researchers have attempted to delineate between those that are characterized by the quality derived from production processes (specialty products, certified organic, animal welfare, etc.) and those that emphasize the nature of relationships along supply chains (fair trade, farmers’ markets, community supported agriculture, etc.) (Maye et al. 2007). In conceptually defining these two types of AFN’s, those that focus on special qualities of products have been more associated with Europe, where emphasis is placed on the provenance, culture and history of food and on dedicated supply chains that rely on niche markets. In comparison, North American networks are described as more focused on the nature of relationships within the networks, and have been characterized as more oppositional and concerned with social justice (Holloway et al. 2007; Maye et al. 2007). Watts et al. (2005) suggest that the latter emphasis on relationships presents a stronger form of AFN because of its potential to withstand incorporation and subordination by conventional actors (Watts et al. 2005).
Despite the conceptual differences between these two types of AFN’s, in many ways they are actually intertwined, and research shows that neither type is confined to one region or another\(^2\). Many AFN’s are concerned with both quality and relationships and use short food supply chains (SFSC’s) and direct marketing as ways to forge producer-consumer interactions that are a source of quality construction. Often these relationships are characterized by trust, which is especially true for face-to-face interactions which allow the consumer to make unmediated judgments. Marsden et al. (2000) suggest that, “A common characteristic… is the emphasis upon the type of relationship between the producer and the consumer in these supply chains, and the role of this relationship in constructing value and meaning, rather than solely the type of product itself,” (Marsden et al. 2000, 425, italics in the original). Short food supply chains have become a focal point within the alternative food network literature because of their potential to transform the conditions of exchange while socially embedding constructions of quality (Ilbery and Maye 2005). As Renting et al. explain,

SFSCs on the one hand ‘short-circuit’ the long, anonymous supply chains characteristic of the industrial mode of food production. On the other hand, producer-consumer relations are shortened and redefined by giving clear signals on the provenance and quality attributes of food and by constructing transparent chains in which products reach the consumer with a significant degree of value-laden information. (Renting et al. 2003, 398). In direct producer/consumer relationships, this “value-laden information” is communicated directly, while spatially extended SFSC’s rely on other mechanisms, such as labels, to communicate the conditions of production and exchange (Watts et al. 2005). Watts et al. (2005) suggest that there are four dimensions of SFSC’s that characterize them as “alternative.” First, spatially they reduce the distance that food travels, or in the

\(^2\) It is worth noting that the majority of AFN research has focused on Europe and research on alternative networks in the developing world is only just emerging (Maye et al. 2007).
case of spatially extended SFSC’s, reduce the number of intermediaries; second, they are social alternatives that improve the traceability of food and increase trust and “community integration;” third, they are economic alternatives that provide a different way of making a living that allows for social and environmental goals; and finally, they allow a more diverse range of products to be valorized (Watts et al. 2005).

II. An Initial Conceptualization of Hybridity

The economic dimension of the “alternativeness” of AFN’s and SFSC’s has forced a more nuanced understanding of how these networks operate and what exactly is meant by “alternative.” Watts et al. cite Lee’s (2000) analysis of the horticulture industry, where he suggests that, “‘it is possible to identify spaces of production within the market but outside the norms of capitalist evaluation,’ (italics in original),” (Watts et al. 2005, 33). They and others feel that short food supply chains provide an economic survival strategy for struggling farmers that promotes rural development, and consider it, “…a mistake to class such producers as conventional simply because they acknowledge the centrality of economic considerations to their enterprises,” (Watts et al. 2005, 33). Others have demonstrated that, due to the structure of the current food system, some SFSC’s are heterogeneous and shift between alternative and conventional channels out of necessity. Attempts to refine the concept of “alternative” have led to a critique of the implied dichotomy between “alternative” and “conventional,” showing instead how producers and consumers negotiate social and economic priorities while attempting to re-assert control over the food system (Ilbery and Maye 2005; Maye et al. 2007). Producers of specialty foods for niche markets, for example, have been shown to “dip in and out,” (Ilbery and Maye 2005) of conventional and alternative resource streams and markets.
Because of the structure of the existing food system, Ilbery and Maye (2005) describe “…‘hybrid spaces’ which are contingent upon ‘conventional’ links if they are to survive and do business…The ‘dipping in and out’ of conventional food SCs [supply chains] also demonstrates the strong economic imperative that drives many small-scale food businesses,” (Ilbery and Maye 2005, 841). Reflecting on Ilbery and Maye’s (2005) findings, Watts et al. (2005) suggest considering, “…whether it may be necessary to begin thinking of alternative systems of food provision as being hybridized when considered at the level of the individual enterprise” (Watts et al. 2005, 35).

Ilbery and Maye (2005) conceptualize “hybrid spaces” as a combination of conventional and alternative resources and marketing. Whatmore and Thorne (1997) also contribute to an understanding of “agro-food patterns as hybrid networks,” (Whatmore and Thorne 1997, 296) in an examination of extended short food supply chains. Whatmore and Thorne begin with the concept of hybridity as it is used in Actor Network Theory, specifically to overcome the “nature-society binary” and include the role of non-human actors in networks (Whatmore and Thorne 1997, 292). They say that hybridity serves as a way of, “Breaking down the global-local binary through the idea of lengthening networks…” (Whatmore and Thorne 1997, 292). They take the example of fair trade coffee as an extended alternative food network and point to its hybridization by saying that, “In particular, it shows how the global reach of so-called alternative agro-food networks (or their capacity to ‘act at a distance’) enrolls coincident actants and spaces to those of ‘mainstream’ commercial networks” (Whatmore and Thorne 1997, 296). Whatmore and Thorne describe various processes and actors that fair trade and “mainstream” coffee supply chains have in common, but then go on to identify the aspect...
that they feel distinguishes fair trade and opens up the possibility for an “alternative geography of food.” They explain that despite the hybridity of fair trade coffee’s operations,

What is analytically distinctive, however, is how they strengthen relationships amongst formerly ‘passive’ actants in commercial networks— the producers and consumers— through a mode of ordering of connectivity which works for non-hierarchical relationships framed by ‘fairness’. (Whatmore and Thorne 1997, 301)

This description highlights the importance of strengthening relationships in extended networks, and indicates how alternative values and practices can be identified and maintained within hybrid networks.

In addition to hybrid resource streams and markets (Ilbery and Maye 2005), and hybrid actors and spaces (Whatmore and Thorne 1997), Trabalzi (2007) describes how artisanal buffalo mozzarella processors employ a mixture of traditional and mechanized production processes. He explains his use of the term hybridity as follows,

I use the notion of hybridity as a way of describing how local producers do not necessarily follow specific production logics, whether of scale or variety. My research shows that they exchange, borrow, absorb and appropriate practices, technologies, knowledge and conventions from all available models of production. The nature and extent of the exchange, and thus of hybridization, varies according to the nature of the product, to the position a particular firm occupies within the network and, ultimately, to the individual and collective conceptions of how production can and should be organized. (Trabalzi 2007, 283).

These researchers help to form a conceptualization of hybridity that encompasses a diversity of resources, production processes, markets, actors and spaces. Despite their continued reliance on the terms “alternative” and “conventional,” their recognition of the fact that actors and supply chains combine heterogeneous elements in their operations is an important step towards conceptualizing hybrid food networks.
While these researchers accept hybridity within the context of alternative food initiatives, researchers also describe a type of hybridity where corporate, mainstream actors appropriate alternative food movements. For example, Sonnino and Marsden (2006) use the example of the conventionalization of organic agriculture in order to warn of, “…the process through which the conventional sector can co-opt alternative food practices,” and the need, therefore, to, “…develop the type of regulatory mechanisms that can sustain those alternative practices,” (Sonnino and Marsden 2006, 185). Here, Sonnino and Marsden are critical of the hybridization of the alternative values of the organic movement with an industrial production logic, and call for regulations to protect “alternative” practices. Building on the idea of hybridity, Jackson, Russell and Ward (2007) look at,

…the way that ‘mainstream’ (supermarket) retailers have begun to appropriate ‘alternative’ discourses in their product development and marketing strategies. Our particular contribution is to challenge the all-too-common assumption that ‘alternative’ and ‘mainstream’ producers are diametrically opposed to one another in their production method and marketing strategies. (Jackson et al. 2007, 310)

These authors describe the threat that hybridization, or “co-option,” poses to alternative food networks and measure the “alternativeness” of agri-food initiatives by their ability to resist co-option (Allen, FitzSimmons, Goodman & Warner 2003; Sage 2003; Sonnino and Marsden 2006; Watts et al. 2005). Those concerned with the conventionalization of organic agriculture (Guthman 2004) or with the “mainstreaming” of the Fair Trade movement (Raynolds 2002) establish that there are deep tensions that arise around hybridity, and that interactions between the alternative and conventional food systems can operate in complex way.
While hybridity has therefore been theorized alternately as a necessary aspect of certain alternative food networks or as a process of co-option, little has been done to explore the operation of local food systems that pre-exist the most recent alternative food movement trends. While it is often assumed that locally-oriented food relationships are embedded in their social and ecological contexts (Murdoch, Marsden and Banks 2000), the fact that such local food systems enroll conventional food system actors raises the question of how actors in these types of hybrid networks balance competing values and goals. In order to evaluate hybridity, it is important to ask how the values of the agri-food movement, which seek to overcome the negative social, economic and environmental outcomes of the industrial food system, can be integrated into that very system.

**III. Overview of Thesis**

In this thesis, I use theoretical concepts and empirical data to conceptualize how actors assign meaning and negotiate values in hybrid food networks. In Chapter 2, I begin by exploring theories from economic sociology, particularly embeddedness theory and conventions theory. I do this in order to probe how value construction has been understood in what have been typically described as either “conventional” industries or “alternative” food networks. I use these comparisons to develop a framework for evaluating how hybrid food networks engage the conventional food system in order to express certain values and goals. I then apply these theories to a value chain model, which I argue serves as a way to conceptualize the construction of hybrid food networks that express alternative values within the structure of the current food system by incorporating various operating mechanisms.
Chapter 3 presents the research design and describes the use of qualitative methods to gather and analyze the empirical data, noting how those data are grounded by the theories described in Chapter 2. Working with multiple sources of secondary data, I also analyze the context of the three case study networks that form the basis of the empirical study for this thesis. Chapters 4, 5 and 6 describe the three case study networks, which are categorized as rural, urban and exurban, respectively. In addition to a brief description of the participants, these chapters apply the value chain framework that was developed in Chapter 2 as a tool for evaluating how these hybrid networks balance competing values and goals. Finally, in Chapter 7, I reflect on key comparisons between the three case study regions, and focus on how these findings contribute to the field of sociology of food and agricultural systems, their implications for policy and practice, the potential weaknesses of this study and areas for further research.
CHAPTER 2

Conceptual Framework

The summary of alternative geographies of food and the conceptualization of hybridity from Chapter 1 indicate that much has been done towards refining the concept of “alternative” and understanding the complex relationship between alternative and conventional food chains. The recognition of the potential hybrid nature of short food supply chains begs the question of how to conceptualize these chains as they intertwine values and practices that have been traditionally classified as either “alternative” or “conventional.” In order to address this theoretical question, it is helpful to refine it and ask more specifically, how do actors within hybrid food networks negotiate between different models and logics, and do they reflect “hybrid values” in doing so?

In order to address these issues, I turn to theories from economic sociology that have been utilized in conceptualizing the construction of values that underlie relationships and quality in conventional and alternative industries and food networks. These theories help to understand how these issues have been evaluated in each domain, where they overlap, and what remains distinctive to each. My aim is to draw on these theories in order to conceptualize the values and practices of hybrid food networks, and to identify how conventional processes can potentially integrate the values of alternative food movements. In order to do so, I will attempt to describe specifically what stands out as the “progressive”\(^3\) political project of alternative food networks. I then describe the

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\(^3\) Although I attempt to explain my use of the word “progressive” with relation to alternative food movements later in this chapter, it is important to note the conceptual origins of the term, as well as the implications of its use in the current context. Specifically, progressivism originally refers to a series of reforms in the early twentieth century, referred to as the Progressive Era, which addressed the problems related to rapid industrialization and urbanization. Issues for reform included government regulation of corporate trusts, labor issues (including unionization and child labor issues), public health, education, alcohol consumption and corruption (Link and McCormick 1983). Although concerned with social justice,
value chain framework from the Agriculture of the Middle task force as a model for understanding how hybrid food networks can develop mechanisms to incorporate alternative values and goals into conventional infrastructure. This framework will then be used to analyze and evaluate qualitative data from empirical case studies, as described in Chapter 3.

I. Economic Sociology

The field of economic sociology has produced a breadth of theories that address the relationship between the social and economic spheres, and these theories have been widely applied in analysis of both conventional and alternative industries and food chains. Specifically, embeddedness theory helps to understand how actors in both alternative and conventional spheres balance economic and non-economic priorities, while conventions theory explains how actors negotiate different modes of understanding in order to justify their actions. A brief review of these theories will move me forward as I search for a way to conceptualize hybrid values in short food supply chains. Since these two theories grew out of studies of conventional industries, an examination of the theory includes its theoretical basis and how it has been developed through empirical studies of reformers also held specific beliefs as to what constituted “progress,” which had their basis in “Protestant moralism and scientific rationalism,” (Link and McCormick 1983, 25). Drawing on this moralism, reformers tended to be mid- to – upper class and although they, “acted out of a heartfelt desire to alleviate suffering and to institute justice,” (Link and McCormick 1983, 68) many also believed that certain social ills were related to moral weakness. As a result, many of their reforms were aimed at Americanizing and Christianizing ethnic and immigrant populations, and some supported social controls that bordered on repression of these populations. They also promoted the role of “experts” and it was during this era that social work emerged. In today’s context, many social activist groups continue to cite the reformist spirit of the Progressive era to address ongoing social problems, such as poverty and education (Center for American Progress website; Progressive Living website). In using the term progressive with reference to alternative food networks, I hope to engage the ideas of reforming the current system and incorporating values into economic systems. However, I am also aware that the concept of “progress” can be contested, and may reflect a middle class, Western perspective. As Naples (2003) says in reflection on the practice of activist research, “What counts as desirable ‘social change’?” (p. 5), and I may add in an important corollary, Who gets to decide? In this chapter, I will attempt to describe what researchers have called the “progressive political project” of alternative food networks, based on their fieldwork and theoretical explorations (McCarthy 2006).
conventional industries before turning to how the literature on alternative food networks has utilized and expanded on these ideas in its own way.

A. Embeddedness

One of the major contributions to economic sociology is Granovetter’s (1985) reworking of Polanyi’s term “embeddedness” (Polanyi 1944; Polanyi, Arensberg & Pearson 1957). First Granovetter identifies “oversocialized” and “undersocialized” views of how actors operate within the economy. The former is derived from modern sociology and assumes that individuals have internalized cultural norms to a point that action is automatic; the latter is attributed to the utilitarian tradition of classical and neoclassical economics and theorizes that the economy is composed of anonymous actors where social relations are merely “frictional drag,” (Granovetter 1985). Granovetter mediates between these two views by developing his conception of embeddedness, saying that, “[Actors’] attempts at purposive action are instead embedded in concrete, ongoing systems of social relations,” (Granovetter 1985, 487). He goes on to explain the role of personal relationships in generating trust and discouraging opportunism. While he highlights these personal aspects of economic transactions, he points to their economic rationality, in keeping with neoclassical economic theory. For example, maintaining one’s social reputation is a means to ensuring future business relationships, and therefore what may appear as an irrational action because it does not follow the logic of self-interest can actually be interpreted as completely rational and instrumental when social factors are taken into account (Granovetter 1985). Granovetter uses conventional examples such as trade associations, interlocking directorates of companies, and an oft-cited example of diamond markets that are embedded within ethnically Jewish
communities that serve to engender trust and discourage unethical behavior. Granovetter’s theory of how economic actors are embedded in social systems adds another dimension to the neoclassical concept of the self-interested, rational economic actor and opens the door for a framework of understanding how actors balance economic and non-economic values.

B. Applying Embeddedness to Conventional Relationships

Several empirical studies help to shed light on the role of social relationships in conventional economic transactions in order to expand on Granovetter’s embeddedness theory. Uzzi (1996) applies embeddedness to the garment industry, and observes two types of relationships between suppliers and buyers. The first he describes as “arms-length ties” which conform to neoclassical market relationships, and the second he calls “embedded ties,” which do not operate according to economic logic and which enable the development of social networks (Uzzi 1996). He identifies the three main embeddedness functions as “trust, fine-grained information transfer and joint problem-solving,” (Uzzi 1996, 677). Trust, Uzzi says, works as a governance mechanism that facilitates the exchange of resources, while information sharing pertains to high-value, privileged information. Joint problem-solving helps to maintain relationships; an unsatisfied customer that might terminate the relationship without explanation under the “arms-length” model is willing to provide feedback and the opportunity to rectify the situation under the embeddedness model (Uzzi 1996). However, Uzzi also notes that a

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4 It is important to distinguish the concept of “network” as used here and as used in the Alternative Geographies of Food Literature. Network studies in Economic Sociology have more to do with clusters of informal associations, often characterized by personal relationships, within and between firms (Carruthers and Babb 2000; Smith-Doerr and Powell 2007). In the case of Alternative Food Networks, the relationships described are more formalized by economic transactions, and often focus on the relationships and actions of specific supply chain actors (Murdoch et al. 2000; Renting et al. 2003).
firm with too many embedded ties is too closed off, and therefore the most successful firms have a combination of embeddedness and arms-length relationships. Interestingly, this analysis corresponds to Granovetter’s 1974 study of the importance of both strong and weak ties for individuals who mobilize their network resources to help them find employment (Granovetter 1974, cited in Carruthers and Babb 2000).

Doel (1999) also cites Granovetter’s embeddedness theory in her analysis of British retail stores’ supply chain relationships. Citing the importance of reciprocity, trust and interdependence, she expands on Granovetter’s conceptualization by trying to bridge what she perceives as a bifurcation between the social and economic spheres. She quotes Lorenz (1992), as saying “Industrial districts should be seen as an aspect of the many-sided nature of social relations in communities, rather than as something autonomous embedded in communities,” (Doel 1999, 71). Doel criticizes the use of embeddedness in studies that mention non-economic factors as side-issues, and which “(mis)use the concept of ‘embeddedness’: it has become a catchall category used to explain away any ‘noneconomic’ aspect of the governance process.” (Doel 1999, 72).

For Doel the key to understanding the role of relationships and social factors in economic activity is expressed by Lindberg and Campbell,

> It is not enough to assert that all economic action is embedded in networks of informal social relations (e.g. Granovetter 1985) and that such networks, rather than the largely fictitious pure market, account for whatever observable order exists in an industry. To do so neglects the important tasks of indentifying different degrees and qualities of embeddedness, specifying different kinds of networks, explaining how they developed, and determining how they moderate different types of exchanges (Lindberg and Campbell 1991, 8, cited in Doel 1999, 72).

While using the idea of “degrees and qualities of embeddedness” as her guiding theory, Doel also points to the economic imperative and “commercial viability” that are
ultimately at the heart of industrial organization. She discusses the importance of power between actors in determining the structure and nature of the relationships that develop; for example, in her study of retail food chains, she explains how retail actors’ power vis-à-vis their suppliers provided them with the positional advantage to decide not to use contracts in order to encourage competition among suppliers (Doel 1999, 76). While she found personalized social relationships within the business structure, and her actors referred to “gentleman’s agreements,” ultimately Doel believes that, when it comes to personal relationships, “What is far less apparent is the extent to which extra-business interactions assume causal primacy in structuring ongoing governance processes. Arguably the evidence suggests that, although they have a role, it is marginal and subordinate to straightforward commercial pressures,” (Doel 1999, 83). Doel’s nuanced investigation into the degrees of embeddedness therefore revealed the primacy of economic priorities in conventional relationships, despite the personal nature of business interactions.

These two studies point to the potential governance role of social relationships on economic activities, while at the same time reinforcing some principal concepts of classical economics, including rationality and the importance of capital accumulation. While social factors can play a role in maintaining economic relationships through trust, information sharing and joint decisions making, it is also possible that power imbalances between actors can relegate social relationships to the sidelines and prioritize economic rationales.
C. Conventions Theory

Conventions theory goes beyond exploring the relationship between social and economic factors to develop a more complex conceptualization of how values are formed, negotiated, justified and reinforced. Developed by Boltanski and Thévenot (1991), this theory explores the cognitive dimension of how individuals evaluate their actions by developing six “orders of worth” (Thévenot 2001), or “Worlds of Justification,” (Smelser and Swedberg 2005). While these authors began by examining how wage relations are predicated on certain norms and conventions, they expanded this investigation to encompass the conventions that justify all economic activity. Wilkinson (1997) helps to clarify their ideas in the English language, and explains that according to conventions theory, rules emerge through interactions. Wilkinson says that, “[Conventions Theory] is, furthermore, concerned with actions as justified and justifiable, rather than as the consequences of supposedly given interests,” (Wilkinson 1997, 319). The worlds of justification that Boltanski and Thévenot develop are six historically derived modes of justifying actions. As Wilkinson (1997) explains, “…all action, including the supposedly atomistic action of the competitive market, is justified by reference to a superior common principle or ‘common good’, represented in the latter case, for instance by a common acceptance of the price-equivalence of the traded goods,” (Wilkinson 1997, 319). While Boltanski and Thévenot originally defined six worlds, Thévenot recently developed a seventh world to account for a recent growing concern for the environment (Kirwan 2006). Wilkinson summarizes the development of the worlds of justification as follows:

Political philosophy, it is argued, was the arena in which these notions of common welfare justifying different forms of collective action were
elaborated. The authors use the Augustinian notion of the ‘city’ to describe the historical emergence of different forms of legitimate common welfare, also known as ‘grandeurs’ or ‘worlds.’ Six such coherent worlds are identified: (1) inspirational (based on Augustine); (2) opinion-based (Hobbes’ *Leviathan*); (3) domestic (various); (4) industrial (St. Simon); (5) market (Smith); (6) civic (Rousseau’s *Social Contract*). (Wilkinson 1997, 319).

The “domestic” world is theoretically connected to the concept of embeddedness. Wilkinson (1997) provides insight into how these two theories relate by saying that embeddedness theory, “…has correctly insisted on the importance of interpersonal social ties underpinning economic co-ordination, captured in the notion of trust, and which broadly corresponds to the ‘domestic’ world identified in the convention theory,” (Wilkinson 1997, 328). In comparison, Wilkinson explains that conventions theory is a more widely encompassing theory of action:

> Convention theory, on the other hand, aims at a general theory of possible forms of economic co-ordination where agreements extend beyond the confines of social networks. Here the analysis of the emergence of rules and norms based on a common evaluation of instruments and procedures of measurement, which therefore become the embodiment of common values, is crucial, allowing for the stabilization of more impersonal patterns of economic co-ordination. (Wilkinson 1997, 328)

We can therefore see an evolution of the conceptualization of the complexity of economic actions from a focus on the role of social interactions to a consideration of the broader process of norm creation and how actors understand and justify their actions by drawing on values from different spheres of rationalization.

**D. Applying Conventions Theory to Conventional Relationships**

Although several researchers have utilized conventions theory in empirical studies of conventional industries, Salais and Storper (1992) are most widely cited for taking the theory to a new level by developing their schema of four “Worlds of Production,” which
they base on their empirical studies of the French car industry. Salais and Storper’s approach provides an “analytical framework” that is “an application of Boltanski and Thévenot’s elaboration of different ‘cities’, or worlds, of justification.” (Wilkinson 1997, 322). Salais and Storper (1992) believe that, “The économie des conventions [conventions theory] is at base a product-centred theory of production organization, where it is the choice of product, within a set of possibilities and limits influenced by technologies and markets, which defines forms of production organization and economic coordination,” (Salais and Storper 1992, 170-171; italics in original). Salais and Storper develop a typology of production that is focused on the qualities of the product, which explains how production practices are determined by a combination of consumer judgments and types of resources. They divide production processes into two modes, standardized and specialized. They explain that,

A standardized product is fabricated with a known, widely diffused production technology in which quality is so widely attainable that competition comes to be almost completely centred on price…The specialized product, on the other hand, is made with a technology and know-how which are restricted to a community of specialists. The quality of the product is always an important ingredient in the competitive strategy of these firms, at the limit where price is a secondary element in competition. (Salais and Storper 1992, 175)

We begin to see here how Salais and Storper’s worlds of production contribute to understanding the interaction between production processes and the value of a product. They expand on this by describing products in terms of the market for which they are destined, which are either generic or dedicated:

A generic product can be sold directly on the market, because its qualities are so well-known… the generic quality of the product, in other words, permits it to be sold through relatively ‘anonymous’ market mechanisms…A dedicated product, by contrast, is oriented toward a
particular demand; its specifications or qualities are defined by the needs of a particular client or type of client. (Salais and Storper 1992, 175)

The four worlds of production are the various combinations that result from these two production processes and market types. The most common is the Industrial World, where standardized production processes create products that are destined for a generic market. Salais and Storper identify this world as that of “modern mass production.” On the opposite end of the spectrum is the Marshallian World, where specialized production processes are used to create dedicated products that are in direct response to a very particularized consumer demand. In this world, “…the specificity and local character of knowledge and the necessity of information,” make an “information-rich buyer-seller relationship,” imperative (Salais and Storper 1992, 178).

The next two worlds are the World of Innovation and the Network Market World. Salais and Storper describe the World of Innovation as highly technical and dependent on research to create specialized products for generic markets. For example, this could be a product such as a, “…high technology component which is produced using scarce and non-standardized information and skills, but whose application to final outputs is not bounded by the specifications of its initial consumers,” (Salais and Storper 1992, 176). This world is governed by “scientific and professional rules which define product qualities and serve as points of reference for evaluating production activity and development of new products,” (Salais and Storper 1992, 179).

The Network Market World combines production processes and market demand in ways that help to shed insights into the issues involved with value construction in hybrid networks. This world is defined as using standardized production processes to
create products that are dedicated to a particular consumer base. Salais and Storper say that this world,

...suffers from strong internal tensions. The localized nature of demand implies that there is an ongoing struggle to get the product to its market and thus a tendency toward over-production, which is exacerbated by the pressure to use a production process relying on economies of scale in order to meet the price competition associated with standardization. (Salais and Storper 1992, 177)

In order to overcome these tensions, firms tend to use flexible resources (such as temporary laborers) or to subcontract to other firms. As a result, actors in this world, “...often evolve compromises that make inter-firm relations more durable, reduce risks and fluctuation, and make excess capacity less necessary. They involve compromise and commitment,” (Salais and Storper 1992, 178). The mechanisms that Salais and Storper describe as essential to developing a successful world of production that combines standardized production with differentiated consumer demand are important elements to understanding how hybrid networks operate; in this case, standardized production processes could be understood as using “conventional” processes, while dedicated consumer demand may be interpreted to include buyers who value “alternative,” localized product qualities.

As mentioned earlier, the development of these four worlds of productions helps to understand the conventions that are used to balance economic and non-economic factors that determine product value. Salais and Storper say that, “One of the essential components of a world of production is thus a specific mode of evaluation of the quality of goods to which its actors conform,” (Salais and Storper 1992, 180; italics in original). They use this idea to explain quality and price judgments for each world of production:
Each of the four worlds of production has its own convention of quality and resulting price formation processes: the industrial standard and price competition in large, anonymous markets for the Industrial World; the localized industrial standard, and niche prices (which are held in check by the standard and the competition it encourages) for the Network Market World; the satisfaction of buyers is reflected in a price which embodies quasi-rents on quality in the localized, information-rich Marshallian Market World; and scientific-technical rules for product performance in the World of Innovation. (Salais and Storper 1992, 180)

Salais and Storper (1992) map interrelated conventions onto different spheres of production and marketing, thereby moving us one step closer to understanding how actors in different supply chains negotiate between worlds of justification, and how value and quality are constructed based on different production processes and markets.

**E. Embeddedness Theory in the Alternative Agri-food Literature**

While both embeddedness and conventions theories developed as a way to refine neoclassical economic theory, and therefore took as their bases conventional, mainstream industries and businesses, scholars who are interested in conceptualizing alternative food networks have capitalized on these theories as a way to distinguish between alternative, conventional and hybrid food networks. In addition to refining what elements are specifically “alternative” about new agri-food initiatives, the way that researchers have applied these theories contributes to the further conceptualization of hybridity. This is done through an expansion of the embeddedness theory to include the ideas of “local embeddedness” and “re-embedding” of the food systems, as well as critiques of the assumption that embeddedness is analogous to “alternative.”

Granovetter’s (1985) re-working of the social embeddedness of economic action has been widely expanded in the literature surrounding alternative food to go beyond social embeddedness and include the idea of “local” embeddedness, and of the product
itself being “embedded” with information (Marsden et al. 2000; Murdoch et al. 2000). The idea that short food supply chains are locally embedded implies that culture, community and local ecologies also shape economic action. Murdoch et al. (2000) are especially concerned with how supply chains are embedded in local ecologies, and argue that the problems with standardized, globalized food has led to the focus on quality and that, “Moreover, quality is coming to be seen as inherent in more ‘local’ and more ‘natural’ foods (Nygard and Storstad 1998). Thus, quality food production systems are being reembedded in local ecologies” (Murdoch et al. 2000, 108).

Another concept in the alternative agri-food literature is that of “re-embedding” of the food system. Barham (2002), in her discussion on the development of values-based labeling, says, “An outline of a theory of values-based labeling as a social movement argues that it is motivated by the need to re-embed the agro-food economy in the larger social economy,” (Barham 2002 349). She goes on to talk about embeddedness at this larger scale during a discussion of “Re-embedding capitalism,” (Barham 2002, 350). Although some economists and anthropologists suggest that economic relations were more highly embedded during the pre-modern period, Granovetter (1985) insists that the shift from high embeddedness in premarket societies to the division between the economy and social structure through modernization is overstated, and that embeddedness has always been a factor for economic relationships. Therefore, the use of the term “re-embed” in the literature surrounding alternative agri-food networks implies that alternative agri-food researchers see these networks as developing in opposition to the trend of globalization and set them apart as new, while at the same time recalling the
type of relationships that they attribute to a distant past. Murdoch et al. (2000) expand on the idea of re-embedding:

We have argued that economic relationships are subject to continuous processes of disembedding and reembedding, associated with efforts to outflank nature (appropriation and substitution, for example) and efforts to resist these outflanking maneuvers by reestablishing biological, as opposed to industrial, processes within food chains (see Morgan and Murdoch 2000). (Murdoch et al. 2000, 116).

These analyses of alternative food activities clearly expand on the conception of embeddedness; they include local ecologies, history and culture as embedded factors that influence economic activity, and also take a macro-perspective on embeddedness to give it a context that serves to distinguish alternative food networks from modern, industrial food trends.

While in many ways embeddedness is seen as a positive attribute of alternative food networks, scholars also utilize the theory as a vehicle to critique local food relationships and the assumptions that surround the quality of “localness.” For example, Winter (2003) and Hinrichs (2000) conduct empirical studies that help to clarify the role of social embeddedness and its interaction with economic priorities in alternative food networks. Winter critiques the use of embeddedness to conceptualize alternative food networks through empirical analysis that reveals the diversity of production methods that exist within “local” contexts (Winter 2003). Winter’s analysis draws heavily on Krippner’s (2001) critique of Granovetter, mainly that by pointing to instances of social embeddedness, Granovetter maintains the bifurcation between the economic and the social, while inadequately theorizing the market (Winter 2003). Winter warns, therefore, that, “we cannot equate ‘alternativeness’ with embeddedness in a deterministic manner,” (Winter 2003, 25). He analyzes the “turn to quality” and concludes that the relationship
between quality and local embeddedness is complex. For example, consumers at farmers’ markets appear to value local over organic produce; as Winter says,

Much of the emphasis in the new food economy literature and in policy initiatives has conflated specialty products of local provenance with organic and ecological products…Our evidence suggests that this conflation is a mistake. We found, on the contrary, considerable evidence of an ideology of localism based on sympathy for farmers. (Winter 2003, 29)

Winter goes on to cite evidence from his data that show how some of the local farmers whose products were re-valued in farmers’ markets use intensive production methods in keeping with conventional, industrial logic. These findings lead Winter to identify a “defensive localism” more concerned with national governance and economic issues.

Winter’s warning of the inaccuracy of conflating embeddedness with alter nativeness is partially based on his empirical finding of a case of hybrid food production and marketing. This finding helps to clarify the role of local embeddedness in quality construction, and points to the need to probe relationships around local food procurement beyond their social embeddedness in order to more fully understand the effects of these relationships on food network participants.

Hinrichs (2000) is also concerned with the treatment of economic factors in the application of embeddedness to alternative agri-food relationships. She asks,

Therefore if embeddedness is evident in all sorts of markets, might it also be possible to find trappings of the market in economic contexts suffused with social ties?... I argue it is precisely this tension between embeddedness on the one hand, and marketness and instrumentalism, on the other, that bring to light how dynamics of power and privilege continue to characterize…many direct agricultural markets. (Hinrichs 2000, 296).

Here again the complexity of the relationship between social and economic values in “alternative” networks is highlighted. As Granovetter (1985) pointed out, many actions
which appear social in nature can be rationalized with economic justifications. Hinrichs points to the inner tensions of alternative movements that promise both economic benefits and a social reconnection between producer and consumer. She emphasizes also that,

…marketness and instrumentalism are not necessarily morally negative. They should be assessed based on the structural positions, relative resources and intentions of actors in such markets…Recognizing how social embeddedness is qualified by marketness and instrumentalism is crucial for understanding the viability, development and outcomes of local food systems.” (Hinrichs 2000, 301)

This qualification of how embeddedness can be used to conceptualize alternative markets is helpful, as it provides an empirical basis that clarifies how actors balance social and economic priorities, as well as the importance of power dynamics and structural factors in determining food system outcomes. Hinrichs (2000) and Winter (2003) both use embeddedness to critique assumptions about the values of alternative food networks, and thereby demonstrate that embeddedness is not unique to alternative food systems, nor are economic priorities unique to conventional food systems. In addition, they illustrate the need to go beyond questioning the interaction of social and economic factors to include questions of relationships and structural power dynamics in evaluating the operation of local food systems.

F. Conventions Theory in the Alternative Agri-food Literature

Some alternative agri-food researchers have expanded on conventions theory by suggesting that the concept of “regard” describes the non-economic aspects of commercial relationships, and should therefore be considered its own World of Justification. Lee (2000) describes Avner Offer’s (1997) exploration of gifts in order to understand non-economic value and the concept of “regard.” According to Lee, Offer describes an “economy of regard” which is characterized by personal relationships:
Under such circumstances, exchange ‘is not only an economic transaction, it is also a good in itself, a ‘process benefit’, usually in the form of a personal relationship.’ (Offer, 1997, p. 451, emphasis in original). Such relationships ‘can take many forms: status, power, intimacy, love, friendship, kinship, sociability’, all involving ‘the grant and pursuit of regard’ (Offer, 1997, p. 451) or attention.” (Lee 2000, 139, italics in original)

Lee evaluates relationships in the horticultural industry where the knowledge and expertise of the producer are seen as a valuable good that satisfies both the producers’ and consumers’ needs. Lee says, “The argument is that the ‘grant and pursuit of regard’ may, through a form of mutually recognized reciprocity between transacting partners, displace narrowly economic relationships (normally imposed by financial evaluations) and enable sub-optimal production and exchange,” (Lee 2000, 139).

Lee expands here on the idea of embeddedness to describe non-economic benefits that outweigh economic considerations. Kirwan (2006) takes the notion of regard and ties it into conventions theory; “…the notion of a Regard Convention is suggested as a means of acknowledging the non-economic benefits of FSCs [Food Supply Chains] that are underpinned by direct marketing and, in particular, those that involve face-to-face interaction between the participants concerned,” (Kirwan 2006, 301). Kirwan applies conventions theory to farmers’ markets by examining quality construction through the lenses of the civic convention, market convention, domestic convention and his newly developed regard convention. He finds that actors in farmers’ markets have different motivations, and that often a market rationale can serve as the basis for personal relationships, since producers can see friendliness as a means to ensure consumer loyalty (Kirwan 2006). Kirwan finds that the “sense of conviviality, social intercourse and
perhaps even mutual endeavor between the producers and consumers,” (309) provides the foundation for a regard convention in farmers’ markets, and that,

…it is clear that consumers are also evaluating their experience at FMs [Farmers’ Markets] in non-economic terms, articulating it as friendship, acknowledgement and sociability. In this context, these ‘modes of evaluation’ (Thévenot et al. 2000) are not intent on establishing the value of the product to be exchanged, or justifying its purchase, but are nonetheless an important element of the overall evaluation of FMs by consumers. (Kirwan 2006, 309)

Kirwan goes on, however, to say that the commercial basis for personal relationships that producers describe might actually point to “…’pseudo-regard’, wherein it is not individualized and therefore (according to Offer, 1997) authenticated,” (Kirwan 2006, 309). Kirwan also says, however, that producers remain active in developing personal interactions because of their awareness of consumers’ needs, and that consumers are likewise aware of the commercial basis for these interactions. So, despite the potential to interpret producers’ interactions as “pseudo-regard,” Kirwan states that regard forms the basis for a negotiation between producer and consumer needs wherein, “Both sets of participants were apparently aware of each others’ primary requirements at FMs, but at the same time there was an attempt to create a retail medium that was more directly connected, and socially rewarding, than was otherwise available,” (Kirwan 2006, 310). This acknowledgement between consumers and producers of each others’ needs led to a sense of fulfillment that Kirwan defines as a non-economic value that, despite a commercial basis, is “outside of the normal parameters of capitalist consideration, suggestive of a ‘regard of the economy’ (Lee, 2000),” (Kirwan 2006, 310).

Because of its capacity to more thoroughly explain the combination of values that actors use to justify their actions, conventions theory is also used to explore the creation
of hybrid food networks. For example, Murdoch et al. (2000), were cited above for their proposal of the beneficial effects of recognizing the embeddedness of food chains in local ecologies. However, they move beyond embeddedness because,

In this endeavor we should not be fooled into thinking of localness, naturalness, and embeddedness as sufficient in themselves; rather, we must show how these qualities come to be asserted and negotiated in food supply chains. (Murdoch et al. 2000, 122)

They use conventions theory as a way to understand how actors “frame” their economic actions and how these relationships are structured. Conventions theory, combined with Worlds of Production, helps to outline how producers of standardized products move into specialized markets, and vice-versa. Murdoch et al. (2000) “reassess” alternative geographies of food by recognizing the ultimate commerciality of all such endeavors and the importance of “economic survival” (pg. 117). They note that meeting industrial standards is a prerequisite to having success in the global food system and warn that there is a risk of “‘fetishizing’ of localness” (Murdoch et al. 2000, 117).

Murdoch and Miele (1999) also apply conventions theory and Worlds of Production to alternative food networks in a way that provides insight into hybrid food networks. They describe how actors move into and out of alternative and conventional markets by combining industrial, commercialized practices with alternative ones. In this study, the authors very clearly delineate between alternative and industrial standards; they identify the primacy of price and costs as industrial standards, while alternative chains, “…will be less oriented to efficiency and competitiveness (in terms of cost and price) but will attempt to trade on the basis of environmental, nutritional an/or health qualities” (Murdoch and Miele 1999, 470). In applying conventions theory and Worlds of Production, they go on to say that,
Presented in this fashion it is clear that the theory of conventions maps easily onto the bifurcated food system discussed in the first section above for we would expect to find the conventions associated with the Industrial World to be dominant in the industrialized, standardized (‘Fordist’) food sector while those linked to the Interpersonal World would be expected to prevail in alternative food circuits. (Murdoch and Miele 1999, 472)

Here, Salais and Storper’s Marshallian World has been re-named the Interpersonal World by Murdoch and Miele; while the concept remains the same, this name reflects their emphasis on agri-food networks, where interpersonal relationships are characteristic of alternative direct marketing. Despite their emphasis on the duality of the food system, which doesn’t appear to leave room for hybrid\(^5\) chains, their analysis and application of conventions theory does provide the opportunity to see how these different Worlds of Production intersect. They examine a conventional producer who moves into the market world with a specialized product, and an alternative producer who moves into the market world by standardizing his product. For Murdoch and Miele (1999), what unites these two movements is a re-valuation of products based on alternative standards; consumers in this case value environmental, health and animal welfare factors above price, which inspires both producers to enter the market world to take advantage of the opportunities that these changes present. These two producers therefore change their operations to accommodate specific consumer demand through standardized products.

Although Murdoch and Miele (1999) don’t go as far as to characterize these producers as engaging in hybrid food networks, Trabalzi’s (2007) analysis shows producers that follow a very similar pattern to that outlined by Murdoch and Miele (1999), and explicitly identifies these producers as engaged in hybrid activities. Trabalzi

\(^5\) It is important to note that the term “hybrid” is used in Murdoch et al. (2000), Sage (2003) and Morgan, Marsden and Murdoch (2006) to mean hybridity between society and nature, as represented in food chains, and not between alternative and conventional values, as is meant here.
theorizes hybrid Worlds of Production to conceptualize the intertwining of production processes and marketing between artisanal and industrial producers of buffalo mozzarella in Southern Italy. Trabalzi describes small scale, artisanal producers that have incorporated industrialized and mechanized processes in their operations. Drawing on a study of the Camembert industry in France, Trabalzi says,

...these studies were important because they showed the limits of the notion of tradition- social and technical- as an ensemble of local conventions handed down, unchanged, from generation to generation… Producers consciously adapted their methods of cheese making according to changing environmental, technical, social and market conditions. (Trabalzi 2007, 290).

In addition to describing how artisanal cheese makers use mechanized, industrial practices, Trabalzi describes how industrial producers sell to specialty markets, both through the “Protected Denomination of Origin,” or PDO label, which relies on the identification of the product with the cultural, historical and geographic specificities of a certain area, as well as through their sales to local markets. Trabalzi defines the hybridity of the buffalo mozzarella cheese industry, therefore, by examining the heterogeneity within both industrialized firms and artisanal cheese-making enterprises:

This is so in part because industrialized firms at times target local and nonlocal markets simultaneously, in part because artisan producers use methods and techniques drawn from the industrial world, and last but not least, in part because the very notion of how production can and should be organized rests upon the collective and individual mediation between best practices and local values and beliefs. (Trabalzi 2007, 287).

These empirical examples demonstrate the power of conventions theory and Worlds of Production for explaining how production processes and markets determine both the economic and non-economic value of products. These empirical examples of hybridity in the agri-food context highlight the importance of Salais and Storper’s (1992) Network
Market World, since consumer demand encourages actors from other worlds of production to create standardized, dedicated products. Trabalzi’s research also points to the importance of context in determining local values and how different logics are resisted or incorporated in hybrid food networks.

These ideas help to conceptualize hybridity by pointing to the delicate balance of commercial and non-economic factors that actors use to justify their actions. Kirwan’s application of conventions theory to farmers’ markets shows how actors in these particular alternative food networks negotiate between market and non-market justifications. Ultimately, he is able to identify the ways that farmers’ markets retain socially derived benefits without sacrificing economic priorities. In comparison, Murdoch and Miele (1999) and Trabalzi (2007) use conventions theory and worlds of production to describe a hybridization process that may blur the line between “alternative” and “conventional” as producers and processors navigate the intersecting realms of tradition, local values, consumer demand and industrialization.

G. Hybrid Values: Engaging the Conventional Food System

These analyses suggest that what have traditionally been labeled as either “conventional” or “alternative” supply chains have much in common, and that both face challenges in balancing economic and non-economic values and goals. As commercial endeavors, both share a level of marketness and cannot deny the primacy of economic survival. They also both share non-economic values, including personal relationships based on trust and important evaluative factors that reach beyond self-interest. Embeddedness, whether social or local, does not guarantee alternative outcomes, and strong elements of the “domestic convention” can be found in conventional relationships.
Despite these similarities, the above sections point to certain aspects that are unique to the progressive political project of alternative food networks; identifying these aspects will allow us to trace them in hybrid food networks, and serve as the basis for evaluating hybrid value formation and the capacity for such networks to engage the conventional food system.

Alternative food network researchers who describe hybrid food networks believe that the key to their evaluation is to identify possibilities for certain types of values and goals to be expressed even when heterogeneous production and distribution methods and logics are used (Ilbery and Maye 2005; Trabalzi 2007; Whatmore and Thorne 1997). For example, Holloway et al. (2007) ask how,

…some sort of broader political project might be established which seeks to change the overall food supply system for the better, without reverting to a story of ‘alternatives’ positioned against a monolithic ‘conventional’ food system. One way of starting to answer this may be to focus on the effects of combinations of different projects, with their different ways, wheres and whys of arranging food production-consumption, in the struggle for what might be seen as more ‘progressive’ food systems. (Holloway et al. 2007, 90)

Holloway et al.’s call to look beyond the “alternative-conventional” divide leads them to describe the struggle to establish “progressive” food systems. Eschewing the term “alternative” and choosing instead the word “progressive” moves away from the dichotomous mode of analysis and opens up the possibility to allow for a range of values and systems to coexist. Referring to agri-food movements as “alternative” implies that they are “alternatives to capitalism,” (McCarthy 2006, 808), and that there may exist some type of “alternative standards of purity and perfection,” (DuPuis and Goodman 2005, 360). This perspective cannot account for the fundamentally economic base of “alternative” agri-food initiatives, and does not necessarily engage the current system.
As Holloway et al. (2007) suggest, it may be possible to conceptualize hybrid food systems that allow economic priorities while still attaching themselves to some “broader political project,” (pg. 90). McCarthy (2006) addresses the underlying nature of many alternative food networks by saying, “Few are so alternative that they eschew the circulation of capital in commodity form altogether; rather, they attempt to harness intrinsic dynamics of capitalism to progressive political projects,” (McCarthy 2006, 809). These “progressive political projects” often “…invoke the ‘triple bottom line’ of ecological, economic and social sustainability as both justification and goal,” (McCarthy 2006, 805).

There are specific goals that stand out as the progressive component of alternative and hybrid food networks. According to conventions theory, actors’ shared expectations shape the unwritten rules of their interactions, and in many instances these shared goals are what set alternative food networks apart. Barham’s (2002) study of values-based labeling aims to identify these goals, asking, “What is being constructed that is new and alternative? …What we seem to need is some sort of conceptual metric for gauging the progressive content of individual labels vis-à-vis capitalist ‘business as usual,’” (Barham 2002, 355, italics in the original). In describing a conceptual framework to answer the question of what is “alternative” in values-based labels, Barham turns to Conventions Theory to understand the process of developing “new social norms” that these labeling efforts represent. She concludes that:

I believe that we can assert that such movements hold the potential to be transformative to the extent that they reconnect production and consumption in a way that reopens ethical reflection and judgment and reinstates particular and social responsibility for outcomes, whether environmental or social. Convention theory could offer us the possibility of developing a deeper understanding of the extent of commitment of
values-based labeling groups by providing some criteria for making this judgment.” (Barham 2002, 357)

Barham’s argument repeatedly comes back to what she sees as the core of the potential distinction of alternative networks: a moral and ethical base. She states that, “values-based labeling is primarily a moral or ethical movement addressing aspects of economies based on current neo-liberal capitalism that are fundamentally at odds with human and ecological sustainability.” (Barham 2002, 350). Her analysis is especially relevant because it explores labels as mechanisms to convey and express these morals in supply chains that go beyond direct marketing relationships.

Barham’s emphasis on morals is echoed by Sage (2003), who also identifies morality as the distinguishing element of alternative food networks:

Even within a nominally ‘free market’ of buyers and sellers of organic and other local produce a sense of ‘entanglement’ arises from the hybridity of moral and money economies that impose certain obligations and responsibilities on both transacting parties. Recovering a sense of morality within the food and agriculture sector is arguably one of the important emerging characteristics of alternative food networks. (Sage 2003, 49)

Sage believes that this morality will develop through relationships and quality construction, and that this is what distinguishes alternative from conventional food supply chains. Watts et al. (2005), after an examination of alternative food networks along a spectrum of “strong” to “weak,” suggest that, “…research could consider the ‘alternativeness’ of alternative systems of food provision with reference to social and environmental criteria, thereby producing stronger hybrid alternatives that combine economic, social and environmental factors” (Watts et al. 2005, 36). While allowing for hybridization, Watts et al. (2005) clearly identify a combination of specific values as the
distinguishing element that defines “alternativeness,” and which could therefore be considered the progressive aspect of alternative food networks.

In addition to a type of morality, one of the shared goals of alternative food systems is a redistribution of power. DuPuis and Goodman (2005) bring up issues of local politics and power in a discussion of local food system development. They state, “We have to move away from the idea that food systems become just by virtue of making them local and toward a conversation about how to make local food systems more just,” (DuPuis and Goodman 2005). Holloway et al. (2007) recognize that hybridity may be a more apt conceptual framework for understanding many “alternative” food networks, but maintain that there is still the potential for hybrid food chains to be “progressive” through challenging the power dynamics of the dominant food system. They say that,

Although we can suggest as a result of our approach that there is no such thing as a singular ‘alternative’ food economy or system, there are important discourses surrounding being different and doing things differently. Drawing on these in varying ways makes possible a politics of food which goes beyond simply labeling a collection of different practices ‘alternative’, and instead examines how the specific ordering and spatiality of particular projects can effectively challenge centres of power in food supply. (Holloway et al. 2007, 90).

Holloway et al. (2007) raise the important question of the locus of power in the food system, one that is prominent for many other researchers. For example, when Murdoch et al. (2000) state that embeddedness and localness are not “sufficient in themselves,” (pg. 122), they point out that the growing attention to food quality will only achieve progressive goals if it is coupled with considerations of power within the system: “In other words, the concern for food quality must be seen as enabling the exercise of a new kind of power in food networks,” (Murdoch et al. 2000, 122). They say that small scale
producers will only achieve this power vis-a-vis the dominant food system if they are able to hybridize their operations:

We can speculate, then, that ecological conventions- even those labeled domestic and civic- are not sufficient to establish quality food producers as significant players in the global food system: these actors must be prepared to adopt and adapt to industrial and commercial criteria. (Murdoch et al. 2000, 117-118)

Winter (2003) also implies that the goals of alternative food networks are ultimately about power, although he does so within a critique of these networks: “Thus it is open to question whether we can equate either the turn to quality or the turn to localism as the first steps towards an alternative food economy which will challenge the dominance of globalised networks and systems of provision and herald a more ecologically sound agricultural sector,” (Winter 2003, 31). The ability of food networks to re-configure power in the food system in a way that challenges the dominant food system thus appears as a primary progressive goal of alternative food networks.

One way that short food supply chains subvert the power dynamics of the conventional food system is by redistributing value along the food supply chain. By doing so, they apply economic logic in order to promote social well-being, or in the words of conventions theory, combine justifications from the market world in order to promote the civic and domestic worlds. Acknowledging the commercial basis of these chains is done so that producers can, “…recapture value in the supply chain in ways which can hopefully ameliorate the conventional problems of the price squeeze,” (Renting et al. 2003). A connection is also made between the redistribution of value along the supply chain and the ability of these chains to “…create additional value for rural regions,” (italics in original; Marsden et al. 2000, 426). Part of the challenge that
AFNs present to the dominant food system occurs in the form of a new rural development paradigm that eschews the World Trade Organization’s globalized strategy of reduced protectionism, increased exports from developing nations and overall trade liberalization with the goal of creating, “…an agricultural trading system that is fair and market-oriented,” (Maye et al. 2007, 5). Instead, Marsden, Murdoch and Morgan (1999) clearly explain how, “…food chains are embedded within wider rural and regional economic development trends,” (Marsden et al. 1999, 295), including the emphasis on “rural diversification” of both products and markets. Focusing on Europe, these researchers trace, “The gradual reform of rural and agricultural policy structures…[that] put a stronger emphasis upon creating more effective local and regional production and value-added supply chains which may be able to create positive ‘defences’ for rural regions against the prevailing trends of globalization and further industrialization of markets,” (Marsden et al. 1999, 295). In both the US and Europe, rural development strategies have focused on exogenous development, often in the form of industrial recruitment; however, more recently emphasis has been placed on the role of entrepreneurship and community capacity for self-development (Emery, Wall and Macke 2004; Korschching and Allen 2004; Sharp, Agnitsch and Flora 2002). In rural areas, revitalizing the agri-food economy offers opportunities for endogenous development through entrepreneurship that focuses on creating specialty and value-added products and using innovative marketing techniques that re-connect producers and consumers. By doing so, they provide the opportunity for producers, processors and distributors to operate more independently and particularly to avoid vertical integration with large agri-food corporations. This, in turn,
empowers these independent agri-food enterprises and their consumers to create a food system that shifts the traditional balance of power.

Understanding the importance of power in the food system is key to evaluating hybridity, and the relative power of actors in food networks stands out as one aspect to understanding how hybrid food networks may engage the conventional food system in ways that enhance their ability to contribute to rural development. The fact that actors use alternative and conventional resources, processes and markets, and that they combine economic and non-economic values, may be less important to evaluating hybridity than understanding who has the power to make decisions that affect the welfare of participants in the system, including their social, economic and environmental well-being. Taking these perspectives into consideration, if hybrid food networks can restructure existing food system infrastructure in order to achieve environmental, social and economic sustainability while challenging local power dynamics, we may say that they are achieving progressive political goals. This, in turn, would distinguish a type of “progressive” hybridity from one that reproduces the relationships and operating mechanisms of the conventional food system in ways that continue to create negative social, economic and environmental effects.

II. A Framework for Analysis

The theories of economic sociology outlined above help to understand more broadly how actors negotiate values and meanings and what progressive goals remain distinctive to the political project of alternative food networks. While the processes of value construction have been analyzed in conventional and alternative spheres, there is little to no empirical data that explores how actors understand their participation in hybrid
food networks. To what extent can we expect a primarily conventional short food supply chain that is locally embedded to incorporate “progressive” values while still retaining its economic priorities? How do actors in this type of chain negotiate their different interests and do they share a vision of their actions as reaching for progressive goals? What framework can be used to evaluate this hybridization? I argue that the value chain approach, as outlined by the members of a national task force concerned with “Agriculture of the Middle,” provides a model of hybrid extended short food supply chains. Therefore, how this framework establishes mechanisms to ensure progressive values, while still drawing on a conventional business logic and incorporating traditional industrial actors, can be used to evaluate other potentially hybrid food networks.

A. “Value Chains” and “Agriculture of the Middle”

Value chains, or values-based chains, have been conceptualized and promoted by a, “national task force on regenerating an agriculture of the middle,” (Stevenson and Pirog 2008, 134). The Agriculture of the Middle initiative (as described on their website, www.agofthemiddle.org), “‘…seeks to renew what is being called the agriculture of the middle. This term refers to a disappearing sector of mid-scale farms and related agri-food enterprises that are increasingly unable to successfully market bulk agricultural commodities or sell products directly to consumers,’ ” (Lyson, Stevenson and Welsh, 2008, xiii). While the Agriculture of the Middle task force roughly estimates that most mid-size farms have gross annual sales between $100,000 and $250,000, they identify their marketing position as the most important element in defining a farm’s mid-size status, “Strictly speaking, it is not a scale phenomenon. Yet while it is not scale determined, it is scale related. That is, farms of any size may be part of the market that
falls between the vertically integrated, commodity markets and the direct markets,” (Kirschenmann et al. 2008, 3). This group also identifies mid-size farms, and related agri-food enterprises (such as processors and distributors), as uniquely positioned to respond to growing consumer demand for differentiated, value-added products. The appropriateness of mid-scale enterprises in short food supply chains that revolve around the growing concern for quality products has also been identified by researchers in Europe. Renting et al. (2003), in a study based in Europe, note that,

Generally speaking, SFSC’s appear to be mainly taken up by medium-sized farm businesses: a minimum production level is often necessary to make the activity viable and to generate sufficient income to finance investments, whereas large volumes are sometimes at odds with the specific and differentiated processing and marketing structures involved. (Renting et al. 2003, 405)

Stevenson and Pirog (2008) are responsible for developing the value chain framework for agri-food enterprises of the middle as part of the Agriculture of the Middle task force. The value chain notion was formally developed by Michael Porter (at Harvard Business School), and refers to supply chains that feature "value added" and/or "differentiated" products (Stevenson, personal communication). In applying this value chain model to the agri-food sector, the structural elements are enhanced by adding an “ethical” element that focuses on the notion of values-based business relationships (Stevenson, personal communication). Stevenson and Pirog describe a “value chain” model that combines the concepts of quality construction around differentiation and value-added products from the business literature with this added emphasis on building relationships along extended supply chains. The value chain structure that they describe therefore integrates conventional supply chain management techniques with the progressive political goals that were identified earlier in this chapter.
Stevenson and Pirog focus this value chain framework on the agri-food sector by applying it to what they call “midtier food value chains,” or:

…strategic alliances between midsize independent (often cooperative) food production, processing, and distribution or retail enterprises that seek to create and retain more value on the front (farmer or rancher) end of the chain, and effectively operate at regional levels. (Stevenson and Pirog 2008, 120)

For Stevenson and Pirog, the progressive goals that distinguish value chains are defined first and foremost in relation to the issue of power in the conventional food system. They say that this power imbalance is one of the major sources of the problems facing food supply chain participants:

A significant part of the peril is the result of the increasing concentration in the processing and retail sectors of the system that creates power imbalances in market relationships. Such imbalances enable strategic behavior in traditional agri-food supply chains that often seriously disadvantage the least powerful participants, notably farmers, ranchers, and other food enterprises of the middle like regionally based food processors, distributors, and retailers… (Stevenson and Pirog, 2008, 119)

Stevenson and Pirog therefore suggest value chains as a business model that can help to restore a power balance to the food system, much as described by Holloway et. al (2007).

While there is a distinctly economic priority to the goals of establishing value chains, the proponents of value chains and Agriculture of the Middle believe that securing the economic sustainability of mid-sized agri-food enterprises will have beneficial social and environmental consequences (Kirschenmann et al. 2008; Stevenson and Pirog 2008). According to this task force, producers that are integrated into conventional, consolidated food supply chains will lose the independence they need in order to make decisions that include non-economic factors such as the sustainability of the land and rural communities (Kirschenmann et al. 2008). They say that,
In addition to managing the farm for profitability, most farmers also made decisions that assured the survival of the farm in its particular community so that it could be passed on to future generations in good health. This is not to suggest that small, independent farms have always been managed to prevent soil loss, protect water quality, or maintain vibrant communities…But it is to say that many independent farmers have included these nobler considerations in their management decisions. (Kirschenmann et al. 2008, 9)

Taken in this context, it is clear that the value chain model described by Stevenson and Pirog (2008) employs supply chain management techniques which were developed in conventional industries in order to guarantee the values and goals that have been identified as part of the alternative food movement’s progressive political movement earlier in this chapter.

Stevenson and Pirog also suggest that these “new midtier food value chains” will have to, “…piggyback whenever possible on the existing assembling and distribution infrastructure of strategic partners, like food service companies,” (Stevenson and Pirog 2008, 135). Therefore, while value chains have progressive goals, they also rely on hybridized relationships with traditional food chain infrastructural organizations. These chains combine strategies and infrastructure from conventional industries with alternative values, thereby making this model appear as an ideal type of a “progressive” hybrid food network. The criteria used by value chains to structure and institutionalize progressive values therefore constitute a highly valuable resource for developing a framework to analyze other hybrid food networks that may incorporate progressive practices in conventional structures.

Some of the key mechanisms that Stevenson and Pirog suggest distinguish value chains from traditional supply chain relationships, and which are important for reaching progressive goals, include: creating partnerships that include shared governance;
highlighting the role of trust through both procedural mechanisms and personal relationships; committing to the welfare of all participants; differentiating value-added products; and sharing the environmental and social values and goals described above (Stevenson and Pirog 2008). These elements correspond to many of the discussions of values, conventions, quality construction and relationships that are described in the previous sections of this chapter. The next five sections lay out a value chain framework that justifies the key mechanisms mentioned above using embeddedness and conventions theories in an attempt to create a framework for the evaluation of how hybrid food networks can engage the conventional food system.

B. Creating Partnerships

Stevenson and Pirog (2008) contrast value chains with two other business models, “…arms-length (market) relationships with suppliers, and vertical integration through internal ownership of productive capacity,” (Stevenson and Pirog 2008, 122). One of the key differences between traditional supply chains and value chains is that relationships are constructed as strategic alliances in the value chain model. Stevenson and Pirog (2008) utilize this distinction as the basis of defining value chains, “The overall business model of value chains features close cooperation between strategic partners within the chain and competition between chains doing business in given product sectors,” (Stevenson and Pirog 2008, 122). Stevenson and Pirog (2008) go on to say that this model, based on cooperation along the vertical structure of the supply chain, helps these chains to increase efficiency and adaptability; in comparison, they find that vertically integrated chains are not as flexible in the marketplace as value chains, while traditional adversarial relationships impede the functioning of the chain as a unit.
Increased efficiency and adaptability are accomplished, in part, through information sharing. When information flows freely along the value chain, actors can work together to coordinate the supply chain, for example when they, “…accurately share forecasts, manage inventories, schedule work and optimize deliveries,” (Stevenson and Pirog 2008, 127). In addition to managing the supply chain in this manner, “…effective information sharing enables partners to evaluate performance, detect problems, and engage in problem solving (Handfield and Nichols 2002, 258),” (Stevenson and Pirog 2008, 127). Information sharing can be a real challenge for actors in value chains that are accustomed to adversarial, competitive relationships. This is especially true when the data that they are asked to share includes sensitive economic information about their operation. Treating each other as partners and recognizing mutual interdependence helps to enhance the trust that is needed so that valuable information can be used to coordinate the supply chain. Stevenson and Pirog also say that open and honest communication, as well as respect and mutual understanding between partners, are important elements that define a value chain as procedurally just (see section below; Stevenson and Pirog 2008).

While Stevenson and Pirog tend to focus on describing the vertical strategic alliances that characterize value chains, they mention two other important aspects of value chain development that fall outside the rubric of these vertical partnerships. The first is the importance of horizontal partnerships, such as farmers’ cooperatives. Horizontal linkages help producers aggregate their product to achieve the volume that is needed to be efficient on a regional scale. The second aspect of value chain development that they describe is the importance of combining strategic partnerships with other, more traditional supply chain relationships. They describe partnership selection as follows:
There is a strong case to be made for carefully selecting as value chain members those ‘strategic partners’ whose businesses create the highest value and the greatest differentiation in the marketplace. Other businesses in the supply chain that produce generic or non-strategic inputs are more appropriately dealt with in some form of arm’s-length or market relationships—e.g., online bidding or auctions. (Stevenson and Pirog 2008, 122-123)

As mentioned earlier, the fact that Stevenson and Pirog’s (2008) value chain model allows for partnerships with generic, conventional actors despite its alternative values and goals makes it an example of how hybrid food supply chains can negotiate between alternative and conventional logics.

Many aspects of partnership development in the value chain model echo the analysis of embedded relationships described by Uzzi (1996) with relation to the garment industry. First, an emphasis on information sharing recalls Uzzi’s description of how the value of information is derived from personal relationships and trust, “Social relations make information credible and interpretable, imbuing it with qualities and value beyond what is at hand,” (Uzzi 1996, 678). In value-chains, the fact that actors see each other as partners helps them to share sensitive information that they might not divulge in a more typical supply chain relationship (Stevenson and Pirog 2008). In addition, Stevenson and Pirog imply that this shared information helps value chains to engage in joint problem solving and decision making, which were also important elements of embedded relationships described by Uzzi. As we may recall, Uzzi said that joint problem solving helped to maintain relationships in the face of obstacles, which might otherwise result in the termination of the relationship under an arm’s-length model (Uzzi 1996). Finally, Uzzi also described the importance of combining embedded and arms-length relationships, and not relying on one or the other exclusively. This idea is clearly seen in
Stevenson and Pirog’s description of appropriate partner selection and the combination of strategic and generic actors in the network. In terms of shifting power in the food system, treating producers and food processors as partners is an important conceptual difference, especially since these actors “…are accustomed to operating as cheap input suppliers in adversarial and/or arm’s-length market relationships,” (Stevenson and Pirog 2008, 129). Treating these actors as partners, and not just suppliers, is one of the ways that value chains stand out as an example of a progressive hybrid food network.

C. The Role of Trust and Shared Governance

In addition to information sharing, creating effective partnerships is also dependent on high levels of trust and shared governance. As Stevenson and Pirog say, “The issue of shared governance is where the distinction between suppliers as providers and suppliers as partners is joined,” (Stevenson and Pirog 2008, 127). These elements, in turn, are highly influenced by questions of power and perceived justice. The Agriculture of the Middle task force is concerned with empowering mid-size producers, and Stevenson and Pirog cite value chains as one way of shifting the balance of power in the food system (Lyson et al. 2008; Stevenson and Pirog 2008). However, Stevenson and Pirog balance the ideas of partnerships and power with realistic views of supply chain operations,

‘Real partnership means all participants benefit and all have a say in developments,’ (van Donkergoed 2003,1). This does not mean, however, that all partners will have equal power in strategic business alliances. In reality, most value chains are unbalanced with regard to power (Kumar 1996, 96; Kaplinsky and Morris 2001, 29),” (Stevenson and Pirog 2008, 127).

Although power issues are important, Stevenson and Pirog say that ultimately successful governance and partnership creation depend on whether or not, “…the less powerful
partners experience the governing actions of the more powerful partners as fair or just (Kumar 1996, 96),” (Stevenson and Pirog 2008, 128). They describe fairness as encompassing both the benefits received from the relationship as well as, “…procedural justice, or the perceived fairness of the powerful party’s process for managing the relationship,” (Stevenson and Pirog 2008, 128).

This second item, procedural justice, is where the role of shared governance becomes important. Governance mechanisms include, “…legislative (setting standards for the chain), judicial (monitoring performance in the supply chain), and executive (coordinating procedures and flows in the supply chain) (Kaplinsky and Morris 2001, 31),” (Stevenson and Pirog 2008, 127). In addition, Stevenson and Pirog list the principles underlying procedural justice as open communication, the more powerful party’s equitable treatment of all partners, the ability for partners to appeal the powerful party’s decisions, the providing of a rationale for decision making by the powerful party, mutual understanding and mutual respect (Stevenson and Pirog 2008, 128).

These procedural mechanisms and principles provide the basis for fostering trust. Here, Stevenson and Pirog distinguish between personal and process-based trust, which they also refer to as inter-organizational trust:

While dimensions of inter-organizational trust can be derived from studies of inter-personal trust (Handfield and Nichols, 2002, p. 164), it is important that trust in value chains be based not on personal relationships but on organizational procedures, or ‘process-base trust’ (Dyer, 2000, p. 180). In other words, it is trust in the fairness, stability, and predictability of the procedures and agreements among strategic partners; and that policies are consistent and stable over time, and do not change with new management or personnel. (Stevenson and Pirog 2008, 124-125)

By suggesting that trust should be inter-organizational, Stevenson and Pirog imply that value chains transcend personal relationships, which could potentially shift when certain
individuals leave organizations, and instead serve to link the enterprises in a more meaningful way. Procedural mechanisms for establishing inter-organizational trust include minority ownership, quality assurance systems, third party certification and long-term agreements. These types of mechanisms embed trust in the procedural management of the supply chain.

Despite their emphasis on procedural justice and mechanisms of inter-organizational trust, Stevenson and Pirog also recognize that not all value chain relationships will necessarily employ these mechanisms, and that they may rely more on a sense of interdependence. They mention intangible elements that are integral to building and maintaining trust, “Key elements of organizational behavior that generate and maintain trust include reliability, fairness, competence, goodwill, loyalty, and respect for the risks and vulnerabilities associated with business models based on interdependence (Handfield and Nichols 2002, 163-173; Dyer 2000, 89; Kumar 1996, 96-98),” (Stevenson and Pirog 2008, 125). They apply these elements, for example, in discussing the use of contracts. They say, “Once trust is established in value chains, legal contracts tend to be simplified, or in some cases, replaced by informal agreements. As one author put it, ‘What holds these relationships together is not legal force, but mutual obligations and opportunities,’ (Kumar 1996, 98),” (Stevenson and Pirog 2008, 132). In addition, when giving the example of a successful value chain, they point to the fact that the farmers’ cooperative that initiated the value chain did so, “…without a single legal contract- affirming that Oregon Country National Beef is engaged in an effective, interdependent value chain characterized by high levels of trust and experienced mutual benefit among all strategic partners,” (Stevenson and Pirog 2008, 133). The key for this
ranchers’ cooperative is not necessarily the formal mechanism of a legally binding contract, but rather the recognition of interdependence and shared goals, which leads to inter-organizational trust. As Stevenson and Pirog (2008) say, “…inter-organizational trust is the mutual confidence of enterprise partners that each will fulfill its agreements and commitments, and will not exploit the other’s vulnerabilities (Handfield and Nichols 2002, 88),” (Stevenson and Pirog 2008, 125). While they therefore promote the use of agreements, contracts, and other procedural governance mechanisms, they also recognize that these alone are not what establish or maintain supply chain relationships. As discussed above, the principles that create fairness and trust between partners, even in the face of power imbalances, must form the basis of formal or informal agreements in order to create a successful value chain.

This interplay of institutionalizing trust through procedural mechanisms on the one hand, and relying on feelings of interdependence instead of formal contracts on the other, is a point that is also explored by many scholars in the field of economic sociology. However, the procedural mechanism for instituting trust, here explored in the form of contracts, is compared to personal, and not inter-organizational, trust. For example, Granovetter says that contracts, “…do not produce trust but instead are a functional substitute for it.” (Granovetter 1985, 489). He goes on to say,

These conceptions are undersocialized in that they do not allow for the extent to which concrete personal relations and the obligations inherent in them discourage malfeasance, quite apart from intuitional arrangements. Substituting these arrangements for trust results actually in a Hobbesian situation in which any rational individual would be motivated to develop clever ways to evade them; it is then hard to imagine that everyday economic life would not be poisoned by ever more ingenious attempts at deceit. (Granovetter 1985, 489, italics in original)
Granovetter believes that personal trust is more important than formal contracts in discouraging opportunism. Looking at the “flip side of Granovetter’s thesis,” (624), Shapiro (1987) explores, “…the sources of trust, if any, when economic transactions are not embedded in social relations,” (Shapiro 1987, 624-625). She views contracts as important for, “those unable to personalize their transactions,” (632) and studies the use of agents and second tier organizations in “the transition from embeddedness to impersonal trust,” (640). These scholars imply that contractual agreements are signs of impersonal trust and disembedded social relationships, where Stevenson and Pirog imply that agreements help to develop trust between supply chain entities by forming links that are stronger than personal relationships.

Researchers of alternative food systems also describe the importance of personal trust for establishing relationships. For example, Whatmore et al. (2003) cite that one of the main characteristics of alternative food systems is that they “reconvene ‘trust’ between food producers and consumers,” (p. 389). Because much of the literature surrounding Alternative Food Networks has focused on direct marketing, the unmediated relationships between producers and consumers have inspired an emphasis on personal trust. In Salais and Storper’s Worlds of Production, personal trust forms the basis of the values and practices that characterize the Marshallian (or Interpersonal) World of justification. The belief that the conventions and unmediated relationships that underlie the Marshallian World of production are one of the hallmarks of alternative food networks has been widely promoted (Kirwan 2006; Morgan et al. 2006; Murdoch and Miele 1999).
In both conventional and alternative chains, personal trust is described in ways that make it appear preferable to standardized, arms-length relationships. It is interesting, therefore, that Stevenson and Pirog (2008) do not pick up on the theme of personal trust, but instead develop the notion of inter-organizational trust. This is especially important because these supply chains are extended, and therefore the discussion of power, as described above, becomes a vital factor in determining what type of trust is most needed in organizing and establishing the chain. Other Agriculture of the Middle scholars echo the importance of power when discussing the role of contracts, saying, “For us, the key to determining whether contracts can enhance the socioeconomic well-being of farmers of the middle is the position of power from which these farmers operate,” (Hendrickson, Heffernan, Lind & Barham 2008, 79).

The importance of power in determining the effectiveness of a procedural mechanism such as a contract is also described in the economic sociology literature. Doel (1999) presents a case of British retailers wherein the imbalance of power plays the most important role in determining the lack of contracts, and where the lack of contracts is not indicative of personal trust, as Granovetter seems to imply. In her case study, she says,

So, retailers do not need contracts because the power differentials they enjoy render suppliers compliant and effectively remove planning problems from their domain. They do not want contracts because the associated obligations would weaken the efficacy of competitive bidding. In terms of governance, therefore, contracts have no role. In the food industry, the absence of contracts is certainly not indicative of obligational relations with implied notions of trust and reciprocity. (Doel 1999, 76, italics in original)

Doel explains the lack of contracts as a function of power imbalances and the desire to maintain competitive bidding within an industry that one participant describes as, ““a
very volatile business,”” (Doel 1999, 76). Doel observes that personal relationships between actors do not ensure long-term business relationships because of frequent changes in personnel, thus supporting Stevenson and Pirog’s emphasis on creating relationships between organizations and not individuals (2008).

The use of procedural mechanisms to foster a sense of trust and fairness can be seen in both the conventional industries and alternative food networks. Salais and Storper (1992) use the conventional car industry as an example to demonstrate the necessity of creating strong networks in order to handle the “internal tensions” that arise from creating dedicated products through standardized methods. As mentioned earlier in this chapter, their description of the Network Market World, and the strategies that they describe to overcome the contradictions of combining dedicated and standardized processes and markets, contributes to a conceptualization of hybrid food networks. They describe how “partnerships” evolve in order to create “committed network markets” that rely on commitment, trust and information sharing between firms. Stevenson and Pirog also draw on the industrial car industry to explain the necessity of procedural mechanisms in networks:

Toyota, for instance, owns roughly 30 percent of the shares of its major suppliers- an important practice for creating an attitude of mutual destiny and cooperation within the extended enterprise. As one analyst observes, ‘This is a significant enough ownership stake to build goal congruence- and trust- between Toyota and its supplier partners,’ (Dyer 2000, 107-108). (Stevenson and Pirog 2008, 123)

The model of shared ownership in order to foster a sense of a shared future can also be seen in Community Supported Agriculture (CSA) direct marketing schemes, in which consumers buy a share in the farm before the harvest, thereby helping to invest in the farm, and in exchange receive a portion of the harvest (Cone and Myhre 2000; DeLind
and Ferguson 1999; Schnell 2007). This model is also cited as inspiring a sense of sharing the risks and benefits of farming between the producer and consumers, since, “…if there is a poor harvest, everyone gets less, not just the farmers,” (Cone and Myhre 2000, 187). This model therefore shifts the power dynamic of traditional producer/consumer relationships and creates a sense of mutual interdependence that is similar to the minority ownership example utilized by Toyota (Cone and Myhre 2000; DeLind and Ferguson 1999; Schnell 2007).

Although the use of procedural mechanisms to foster trust is not unique to either conventional or alternative relationships, value chains still stand out from these other supply chain models. Traditional, arms-length supply chains are more competitive, and mechanisms are needed to alter these traditional relationships in ways that shift the locus of power:

The new food value chains will need to build business scenarios that provide farmers or ranchers and local food processors with some level of countervailing economic power as well as agreements and procedures to govern relationships with more powerful partners that are experienced as fair and just. (Stevenson and Pirog 2008 129).

Value chains differ from arm’s-length relationships in terms of shifting power and creating a sense of fairness through agreements and procedures. They also differ from many alternative food networks because, once extended beyond direct relationships, they can no longer rely on personal trust but rather need to find ways to create trust in the processes that are established between themselves and other actors. These “new food value chains” appear as hybrids, then, by shifting power and establishing fairness in ways that have been observed in both alternative and conventional businesses, and yet which stand apart from these two modes of organization.
D. Committing to the Welfare of all Participants

One of the major elements of the value chain framework described by Stevenson and Pirog is, “commitment to the welfare of all participants in the value chain, including fair profit margins, fair wages, and business agreements of appropriate extended duration,” (Stevenson and Pirog 2008, 120). Japanese firms with developed value chains describe this philosophy with the motto, “‘co-existence and co-prosperity,’” (Stevenson and Pirog 2008, 130). To explain the importance of fair distribution of profits, Stevenson and Pirog (2008) quote a proponent of value chains as saying, “‘The only solution that is stable over the long term is one in which every element in the supply chain, from raw material to end consumer, profits from the business…’” (Stevenson and Pirog 2008, 130). In order for all participants in the value chain to profit, strategies are needed to generate value and distribute it fairly. Stevenson and Pirog describe these strategies as differentiation and value-added (see section below) and pricing mechanisms. While these strategies are economic in nature, their ultimate goal is to use economic survival as a means to ensuring the social well-being of participants along the supply chain. In comparing these mechanisms to the industrial food system, they say, “Such strategies differ fundamentally from commodification strategies based on achieving the lowest costs of production globally, what have been called the ‘race to the bottom’ or ‘immiserising growth’ (Van Donkersgoed, 2003, p.2; Kaplinsky Morris, 2001, pp. 21-22),” (Stevenson and Pirog 2008, 15).

There are two elements of pricing that Stevenson and Pirog describe as necessary for all participants of the value chain to benefit. In the first, “…strategic partners are rewarded based on agreed-on formulas for adequate margins above production costs and
adequate returns on investment,” (Stevenson and Pirog 2008, 131). In addition to ensuring fair profit margins, Stevenson and Pirog also include, “…fair and livable wages for workers employed by value chain partners, including fringe benefits and promotion opportunities,” (Stevenson and Pirog 2008, 131). The second mechanism that they describe in order to ensure economic profitability for all participants is, “‘target- or cost-based’ pricing,’ (Dyer 200, 121-122; Handfield and Nichols 2002, 236-238; Kaplinksy and Morris 2001, 62),” (Stevenson and Pirog 2008, 131). In this model, “The allowable costs of production along the value chain are determined by calculating backward from a selling price that it is estimated a customer will pay. Agreed-on profit margins are then subtracted from this selling price, with the allowable costs of production determined by what remains. This approach not only builds in the supplier’s profit requirements up front but sets the stage for all partners to share information regarding ways to reduce costs based on an understanding that the benefits of such cost reductions will be shared across the chain. (Stevenson and Pirog 2008, 131).

Value chains differ from the competitive pricing and bidding in most industries precisely because they are based on the concept that all participants deserve to be fairly rewarded based on their costs and return on investment.

Stevenson and Pirog promote pricing models and economic goals as the means to achieving “the welfare of all participants in the value chain,” (120). Despite this economic focus, they clearly connect economic viability to social well-being and rural development. They say that value chains are an integral part of developing regional food economies, and mention the Iowa-based Regional Food Systems Working Group’s vision of the purpose of regional food systems, “‘A regional food system supports long-term connections between farmers/ranchers and consumers while helping to meet the health, social, economic, and environmental needs of the communities within the region,’”
(Stevenson and Pirog 2008, 129). Therefore, while value chains redistribute value for participants, by doing so they also contribute to over-all community well-being. It is also important to note that Stevenson and Pirog extend the concept of the value chain to include the well-being of consumers, workers and communities.

This perspective is in keeping with the concept of redistributing value along the supply chain as a rural development strategy that was mentioned earlier (Marsden et al. 2000). The potential tension between economic and social priorities that value chains implicitly express in their conceptualization of “welfare” in economic terms was also prominent in the alternative food network literature explored above. In the case of value chains, “marketness” (Hinrichs 2000) is utilized to ensure the profitability and survival of participants along the supply chain, but in such a way that is in keeping with alternative values. In the words of conventions theory, value chains combine justifications from the market and domestic worlds, where both economic success and social factors play an important role. Therefore, while Stevenson and Pirog distinguish these strategies from the conventional “race to the bottom,” they also maintain the centrality of economic priorities in order to achieve progressive goals.

E. Differentiation and Value-Added

Differentiation, which can take the form of adding value through strategies such as processing or labeling, is the basis by which value chains can command the premiums that are necessary to ensure the welfare of all participants. As Stevenson and Pirog state, “Premiums are achieved and maintained through multiple strategies including high product quality, brand recognition, and the control of production levels to match market demands…” (Stevenson and Pirog 2008, 135). Stevenson and Pirog identify various
characteristics that can be used to differentiate products based on consumer demand and preferences:

The demand is increasing for food products with an enlarging range of unique attributes, which may be based on functionality (specialty flours for artisanal bakeries), food safety (antibiotic- and/or hormone-free meat), environmental impact (organic or integrated pest management grown), geographic location (regionally based products with U.S. certification marks, such as Vidalia Onions), or other value giving characteristics (Schnieders 2004). (Stevenson and Pirog 2008, 121)

Stevenson and Pirog suggest that producers that are able to take advantage of the special skills or qualifications that are necessary to create these differentiated products will have a competitive advantage in the marketplace (Stevenson and Pirog 2008). In addition, they say that determining how to add value or differentiate products should ideally be part of a process that includes a dialogue between producers, partners and consumers.

One area of differentiation is a label or brand that helps to tell the “farm story” (Stevenson and Pirog 2008, 120) of the product. In addition to adding value to the product, a farm-based brand can help to even out power imbalances along the value chain. Stevenson and Pirog indicate that, “An important mechanism for farmer or rancher empowerment is their retention of control of the food product throughout the value chain, either through actual ownership or maintenance of a farmer- or rancher-based brand through to the consumer,” (Stevenson and Pirog 2008, 130). In addition to providing information about the producer and a recognizable brand that creates consumer trust, labels are an important part of communicating the various quality attributes mentioned above (such as hormone-free or organic).

This element of the value chain framework corresponds to the description of quality construction between actors that is one of the central elements of emerging...
alternative food networks. In describing how the domestic convention overlaps with theories of embeddedness, Wilkinson (1997) says that these two theories merge around the central theme of quality construction:

The domestic mode shares with Granovetter’s ‘embeddedness’ concept a common base in the trust emerging from interpersonal actors...The underlying point, however, is probably even stronger, suggesting an ‘elective affinity’ between the domestic mode, with its component of interpersonal trust, and the emerging ‘economy of quality’. (Wilkinson 1997, 335)

While Wilkinson identifies the growing importance of interpersonal trust to the “economy of quality,” Stevenson and Pirog identify mechanisms to construct quality beyond what is created through personal interactions, since value chains are extended beyond direct producer consumer relationships.

Strategies to construct quality in extended supply chains are also addressed in the literature surrounding alternative food network, where conveying quality attributes to end consumers is done through, “…clear signals on the provenance and quality attributes of food and… constructing transparent chains in which products reach the consumer with a significant degree of value-laden information,” (Renting et al. 2003, 398). Researchers describe such mechanisms as labels and standards, such as certified organic or fair trade, as ways to communicate quality and the nature of relationships along the supply chain (Barham 2002; Watts et al. 2005; Whatmore and Thorne 1997). In discussing the growth of regionally labeled products in Europe (appellation d'origine contrôlée, or AOC labels), Thévenot describes a combination of the market world of justification and non-economic justifications (Wilkinson 1997). Wilkinson quotes Thévenot as saying that labels and brands go beyond marketism because, “‘It is co-ordination by opinion which is in question, in which value is a ‘notoriety’ whose support is not the appropriable good
but a recognizable sign’ (p.43).” (Wilkinson 1997, 334). Wilkinson goes on to say, “In the case of agrofood, brand-based publicity tries to position itself on the values of tradition and the notion of ‘farm’ products, or associates its products with ecological values,” (Wilkinson 1997, 334). Wilkinson therefore sees labels and brands as key to quality construction through the world of opinion.

Kirwan draws on this interpretation by applying the justification of the world of opinion to farmers’ markets. He says that, due to the high media profile of farmers’ markets,

…which has almost universally praised their virtues… to some extent at least, FMs in the UK are being evaluated according to their public recognition or, in CT terminology, within the world of opinion or renown. Within the domestic world, worth is based upon a hierarchical chain of interaction, whereas within the world of renown it is based on ‘the result of other people’s opinion… conventional signs of public esteem… [and] the number of individuals who grant their recognition’ (Boltanski and Thévenot, 1999, p. 371). (Kirwan 2006, 307)

The success of labels and farm-based brands therefore partially depend on how their quality attributes are evaluated in the larger sphere beyond the supply chain, since public opinion influences consumer demand.

Product differentiation and value-added in the value chain framework is therefore in large part reliant on consumer perceptions. As Salais and Storper (1992) pointed out, there is, “…a specific mode of evaluation of the quality of goods,” (pg. 180; italics in original) that all actors must share in order to give value to the products being exchanged. In the context of this study, it is relevant to mention that one area of quality construction that has emerged centers on the conceptualization of local and regional food products. As Stevenson and Pirog mention, regional provenance is one area of differentiation that value chains can use to gain a competitive advantage in the market and command
premium prices. As mentioned earlier, quality is increasingly associated in consumers’ minds with local provenance, despite the fact that many researchers have outlined the ways that “local” does not necessarily ensure positive social or environmental benefits (DuPuis & Goodman 2005; Hinrichs 2000, 2003; Ilbery and Maye 2005; Nygard and Storstad 1998; Winter 2003). Some researchers relate the development of alternative food networks with a “local food movement,” which has popularized the idea that buying local products has social, economic, environmental and health benefits (DeLind 2006). DeLind (2006) identifies this movement’s origins with that of the organic food movement, and says that the local food movement actually grew out of frustration with the perceived co-option of the organic movement through government standards and the increasing participation of large corporations in organic production. She says,

…the codification and commercialization of organic has helped to catalyze a ‘second generation’ response to food system issues- the local food movement. This movement focuses on reconnecting people to their food supply and reinvigorating the values (and relationships) inherent in community through the production, purchase and consumption of local food. (DeLind 2006, 123).

This popular movement has helped to define quality in spatial terms, which in turn has bestowed value on labels that indicate product origin. Therefore the alternative values that consumers seek to express through their purchases provide the basis for the success of differentiated products created by they type of value chains described by Stevenson and Pirog (2008).

F. Shared Goals: Environmental and Social Values

The value chain framework, as described by Stevenson and Pirog, shares many of the social and environmental goals that constitute the basis of the local food movement, as outlined above. Despite an emphasis on redistributing economic value, the value-
chain approach also emphasizes issues of social equity and environmental sustainability (Stevenson and Pirog 2008). As mentioned earlier, Stevenson and Pirog’s vision of the role of value chains in developing regional food systems includes not only the well being of those involved in the chain, but also the environmental and social welfare of rural areas and communities. In addition, they mention the importance of shared goals and vision in partnership selection, “Wise value chain construction also involves selecting partners that bring distinctive competencies but similar values and goals (Kumar 1996, 98; Handfield and Nichols 2002, 49),” (Stevenson and Pirog 2008, 123).

In order to ensure the quality attributes that differentiate their products, as well as the shared vision of value chain participants, Stevenson and Pirog suggest the use of standards and third party certification. The areas that they identify as in need of standards indicate the social and environmental values that they believe value chains should incorporate:

> Particularly important and challenging will be establishing standards for all the partners in the value chain, and engaging such disparate dimensions as food quality, environmental stewardship, animal care, workplace conditions, and business ethics. (Stevenson and Pirog 2008, 130)

The issues that Stevenson and Pirog identify here are those that have arisen as part of the critique of the industrialized food system, and are often outlined as some of the main values that alternative food networks aim to reincorporate, and that consumers are actively looking to express through their purchases (Stevenson and Pirog 2008).

These social and environmental goals correspond to the discussion of ethics and morals by Barham (2002) and Sage (2003), and also relate to the civic and green conventions laid out in conventions theory. For example, Kirwan found elements of these two conventions at farmers’ markets when participants cited reasons for their
participation that included reducing “food miles,” (Kirwan 2006, 307). Kirwan defines the civic convention as, “…concerned to evaluate the quality of something in terms of its benefits to society as a whole. Civic worth is less about personal trust relationships, as in the domestic convention, and more about the collective welfare of society and its constituent citizens (Boltanski and Thévenot 1999; Thévenot et al., 2000),” (Kirwan 2006, 306). The “green worth” is something that Thévenot identifies as potentially emerging to meet environmental concerns (Kirwan 2006), and has been taken up by others: “Similarly, Murdoch et al. (2000) suggest the possibility of an ecological convention that would more specifically acknowledge the general well-being of the environment in determining the ‘quality’ of a particular product, over and above its more general relevance with the domestic and civic conventions,” (Kirwan 2006, 304).

The fact that Stevenson and Pirog (2008) explicitly mention setting standards in order to ensure social and environmental values is especially important in establishing these goals as part of the overall aim of value chains. Researchers have critiqued alternative food networks, especially those that rely on spatial definitions of quality, for not adequately addressing issues of social and environmental justice. For example, Watts et. al.(2005) warn that, “…it should not be assumed that systems of food provision which present a stronger economic alternative are more beneficial, either environmentally or socially than conventional SFCs [Short Food Supply Chains],” (Watts et al. 2005, 34). Allen et al. (2003), in a study of agri-food initiatives in California, issue a similar warning and demonstrate how important issues of social justice (including farm worker rights) were absent from the discourse surrounding these networks (Allen et al. 2003). Other studies have similarly shown that, because many AFN’s depend on price premiums
to support the “recapturing of value,” they may be inherently exclusionary on the consumer end, and may inadvertently reproduce local power inequalities (DuPuis and Goodman 2005; Hinrichs 2003; Winter 2003). As DuPuis and Goodman (2005) point out,

AFN/SFSC [are] seen as new sources of value added that can be retained locally and hence as catalysts of rural economic regeneration and dynamism… formulations of this market-oriented, ‘economic’ localism also occlude place politics, not least the struggles to appropriate and sustain the flows of economic rent arising in the ‘new economic spaces’ created by AFN/SFSC (Ploeg et al., 2000; Marsden et al., 2002; Ploeg and Renting, 2000; Renting et al., 2003). (DuPuis and Goodman 2005, 364)

These critiques are important for understanding the significance of Stevenson and Pirog’s suggestion that alternative social and environmental values be included in a formalized, standard-setting process among value chain participants. Rather than rely on assumptions of the social and environmental benefits of engaging mid-size farms in regional food systems, Stevenson and Pirog imply that these values need to be explicitly laid out and agreed upon by value chain members in order to be effective. It is clear, then, that while the value chain framework draws heavily on a business model that was developed within an industrial, conventional context, this framework also promotes progressive goals and values that ultimately challenge the dominant food system by restructuring the nature of power relationships and quality construction between actors.

III. Summary of Conceptual Framework and Research Questions

In this chapter, I have offered in-depth analysis of embeddedness and conventions theory in order to explore the similarities and differences between relationships and quality construction in conventional and alternative industries and food networks. This analysis is also a way to begin to understand how actors in hybrid food networks
negotiate and justify economic and non-economic values and practices. I argue that actors in traditionally defined alternative and conventional arenas are influenced by economic and non-economic factors, and therefore hybrid networks are not unique in experiencing a tension between different value sets. However, I also distinguish a progressive political project that is unique to alternative food networks, and which serves as the basis for understanding how hybrid food networks can integrate existing food system infrastructure with progressive values. Based on this, I argue that evaluating “progressive” hybrid food networks has less to do with the conventional resources, processes and markets that actors use than it does with how these networks address power issues in ways that restructure the current food system. One important way that they do so is by redistributing value along the chain, thus potentially contributing to endogenous rural development and thereby presenting a challenge to the dominant food system.

I concluded this chapter by applying elements of embeddedness and conventions theories to the value-chain framework, as well as identifying how this framework restructures conventional food industry relationships to ensure progressive goals. I argue that this framework, as laid out by the Agriculture of the Middle task force (Stevenson and Pirog 2008), forms a model for “progressive” hybrid food networks by integrating conventional business mechanisms and alternative values, as well as engaging actors from the conventional food industry.

While the conceptual framework described in this chapter enhances a theoretical understanding of value construction in hybrid food networks, little has been done to empirically explore the processes of how actors assign meaning and negotiate values in hybrid food networks. In order to contribute to a fuller conceptualization of hybridity, I
will use the key elements of the value chain approach (partnership, governance, welfare, product differentiation and shared goals) as a framework to evaluate three hybrid food networks from rural, urban and exurban contexts in Chapters 4, 5 and 6, respectively. This empirical data, together with the theoretical analysis offered in Chapter 2, helps to address the three central questions proposed in this thesis: 1- How can we theoretically conceptualize hybrid food networks as they intertwine values and practices that have been traditionally classified as either “alternative” or “conventional”? 2- How do actors within hybrid food networks negotiate between different models and logics, and do they reflect “hybrid values” in doing so? 3- What are the rural development implications of utilizing conventional infrastructure in building local food systems? Before analyzing empirical data in Chapters 4, 5 and 6, I will explain my methodology and the context of the three hybrid food networks in Chapter 3.
CHAPTER 3

Research Design and Methodology

I. Qualitative Methods and Research Design

I have chosen qualitative methods in order to provide detailed, in-depth description of short food supply chains. Although there is no single definition of qualitative methods, Weiss (1994) suggests that qualitative methods are appropriate when one wishes to describe an organization, process or system, and to examine how behaviors of different actors within these areas interrelate (pp. 9-10). He specifically says that a qualitative approach, “…permits description of the many sectors of a complex entity and how they go together,” (Weiss 1994, 10).

In this chapter, I first explain the structure of the research design by drawing on theories of qualitative analysis, including those that deal with case studies, sample selection and its influence on the researcher’s ability to make generalizations, the role of question development in qualitative interviews, the analysis of data and methods for establishing validity, researcher reflexivity and ethical considerations. For each area, I first describe its relevance to qualitative methodology and then apply these principles to how this study was conducted. In the next section, I provide an in-depth context for each case study. Specifically, I use census data to classify the three case study sites as rural, urban and exurban, and then investigate some of the socio-economic factors that characterize the areas, including education, age distribution, economic indicators and an analysis of the agricultural setting.
A. Collective Case Studies

One qualitative approach to research methods is the case study. As an application of qualitative methods, Creswell regards the case study as, “…a methodology, a type of design in qualitative research, or an object of study, as well as a product of the inquiry,” (Creswell 2007, 73). Although Stake (2000) describes case studies as, “…not a methodological choice but a choice of what is to be studied,” Creswell (2007) believes that “…the type or approach of qualitative inquiry shape[s] the design or procedures of a study,” (Creswell 2007, 1). Viewed either as a methodology or a choice of what to study, case study development follows certain guidelines in order to form a coherent analysis. Stake defines three types of case study: intrinsic, instrumental and collective. Whereas intrinsic case studies are interested in the case for its own sake and not in terms of relevant theory, a case is instrumental if it, “…is examined mainly to provide insight into an issue or to redraw a generalization. The case is of secondary interest, it plays a supportive role, and it facilitates our understanding of something else,” (Stake 2000, 437). Collective case studies are several instrumental studies that are brought together because, “…it is believed that understanding them will lead to better understanding, perhaps better theorizing, about a still larger collection of cases,” (Stake 2000, 437). Stake (2000) says that cases are bounded systems; outside information may be useful in defining the context of the case, but the case itself must be well defined in order to focus on the specific dynamics involved.

This research uses qualitative methods to develop three collective case studies. Because the food supply chain can be considered a “complex entity,” qualitative methods are an appropriate means of exploring the interrelationships between actors. In this
In this study, collective case studies are used to explore the values underlying relationships and quality construction in a “hybrid” food network. This research aims to contribute to a theoretical understanding of extended, hybrid food supply chains in alternative food movements. By giving respondents a chance to explain themselves and ask questions during the research process, qualitative methods are a good tool for examining issues such as values, which often defy simple definition.

The bounded systems in the cases that I examine in this study are short food supply chains that include producers, distributors and buyers. The upstream and downstream links beyond producers and buyers are also considered as part of the context that informs these participants’ actions, although these additional links in the network were not fully explored in the present study. So, for example, I asked producers about the sources of their inputs, but because of time limitations I did not include suppliers or laborers in the study. In order to focus the study and relate it to theories of alternative food networks, the cases are bounded spatially according to participants’ own perceptions. I focused on “local” actors, whom I allowed the distributors to define based on their experiences and which producers and buyers they considered to be “local.” For each case study site, the following stakeholders were identified and interviewed:

1. Distributor

2. Local producers who sell to the distributor (for a total of three per case).

3. Local buyers who purchase from the distributor (for each case, this includes the Food Service Director at a local school, and two others, including local institutions, farm stands, restaurants, etc. for a total of three per case).
4. Members of an outside organization that might help to facilitate the relationships between distributors and producers and/or buyers

Each case study included seven participants, for a total of twenty one⁶ for the entire study.

B. Sample Selection and Generalizability

Sampling is one of the major differences between qualitative and quantitative methods, and it has a large impact on what types of conclusions can be drawn about the larger population. In the case study approach, purposeful sampling is used, in which, “…the inquirer selects individuals and sites for study because they can purposefully inform an understanding of the research problem and central phenomenon in the study,” (Creswell 2007, 125). In addition, sample sizes in collective case studies are smaller than in quantitative studies, since examining too many sites would restrict the researcher’s ability to perform an in-depth analysis (Creswell 2007; Stake 2000). Because of the use of purposeful sampling and small sampling sizes, as well as the nature of in-depth description of individual cases, there is a tension between focusing on what is unique or particular about a case and what aspects can be generalized to a larger population (Creswell 2007; Mitchell 1983; Stake 2000). Both Stake (2000) and Creswell (2007) emphasize that generalization is not a necessary component of all case study research, “The intent in qualitative research is not to generalize the information (except in some forms of case study research) but to elucidate the particular, the specific (Pinnegar and Daynes 2006),” (Creswell 2007, 126). However, when researchers wish to inform theory

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⁶ For the urban case study, I was ultimately unable to reach one producer. This producer consistently scheduled times for interviews and then was unavailable at the scheduled time. However, the urban case was also the only one that included an outside actor, so that the total number of participants per case remains seven.
through case studies, the tension between the particular and the generalizable becomes problematic. Mitchell (1983) explores the epistemological relationship between the particular and the general and describes the problem as one of “typicality,” wherein, “The basic problem in the use of case material in theoretical analysis, however, is that of the extent to which the analyst is justified in generalizing from a single instance of an event which may be- and probably is-unique,” (Mitchell 1983, 189). In order to justify the use of case studies in theoretical analysis, Mitchell distinguishes between statistical inference and logical inference; the former is validated through statistical methods that enable assumptions about the population to be made based on a random sample, whereas the former is the necessary theoretical work that is done to infer the meaning of observed relationships (Mitchell 1983). While qualitative analysis cannot perform statistical inference, Mitchell says that the logical use of theory and analysis within the case makes the results relevant: “We infer that the features present in the case study will be related in a wider population not because the case is representative but because our analysis is unassailable,” (Mitchell 1983, 200). Mitchell sees value even in “atypical” cases because theoretical sampling of a case is done,

...in terms of its explanatory power rather than for its typicality. Formally any set of events deemed to reflect the abstract characteristics that the observer wishes to use in analysis may be used. Since the analyst’s purpose is to demonstrate how general explanatory principles manifest themselves in the course of some ongoing set of events the particular set of events is in itself a subsidiary consideration. (Mitchell 1983, 203)

In terms of selection, Stake (2000) affirms that typicality is less important than the ability to formulate an in-depth analysis. For Stake, the “opportunity to learn,” is a major criterion for selection, and takes precedence over any assertion of typicality. Therefore, some of the important selection factors that he describes include which cases present the
best circumstances for in-depth study, including accessibility to participants and spatial proximity.

My sample selection was theoretically informed, as suggested by Mitchell (1983), and also related to the “opportunity to learn,” as defined by Stake (2000). The theoretical review in Chapter 2 pointed to certain characteristics that should define the case if the research is to contribute to theoretical understandings of hybrid value formation in food networks. First although there is a common reference to AFN’s as “new” and “innovative,” (Marsden et al. 2000; Maye et al. 2007), this is tempered by recognition that, “There is nothing new about SFSC’s: they preceded the now conventional, internationalized FSC’s, and have not been entirely displaced by them (Battershill and Gilg, 1998: 477; Hinrichs, 2000:298; CPRE, 2002a),” (Watts et al. 2005, 31). This draws attention to supply chains that meet the same needs as those that are newly formed, but which pre-date the recent popularity of the “local food movement.” Second, SFSC’s negotiate economic priorities in such a way that often requires utilization of conventional resources and markets in the formation of what have been termed “hybrid” networks. Indeed, actors within these chains do not always identify themselves as “alternative,” which calls into question how the values of social relationships, quality and social and environmental equity might be defined and understood in the hybrid context, especially where actors do not intentionally feel that their participation is oppositional. Third, in the US the appropriate scale for AFN’s might include regional value chains that offer new venues for exploring how values and trust are expressed when they are spatially extended. This indicates the need for further research into the roles of actors all along the chain, including distributors, processors and retailers. These actors are also important to
consider because they have the potential to be a significant source of employment in rural areas that are in need of locally-developed job opportunities (Watts et al. 2005).

In this study, three small to mid-sized wholesale produce distributors were chosen for analysis based on their participation in short food supply chains that connect local producers and buyers. These three distributors have all been in the wholesale produce business for at least ten years, and were not formed with the specific intention of taking advantage of the recent intensified enthusiasm surrounding local foods. Although they purchase some produce directly from local farms and serve a purely regional market, they are deeply connected to the global food chain, with the majority of their purchases imported from out of state or internationally and coming through conventional brokers or produce markets. These distributors can therefore be considered as forming part of the pre-existing food system infrastructure, participating in a hybrid food chain by nature of their participation in both local and global resource streams and markets, and spatially extending short supply chain relations to a regional level. I use the fact that the distributors handle both local and imported produce as selection criteria to classify them as participating in hybrid short food supply chains. However, the degree to which their handling of local produce is incorporated into their conventional operations in potentially “progressive” ways is a subject of investigation.

While selection of these cases is therefore embedded in theoretical considerations, opportunity for learning was also a factor of their selection. These three wholesale produce distributors were identified in the context of a research project that examined Farm-to-School (FTS) networks in the state of Pennsylvania (Hinrichs and Schafft 2008). Farm-to-School programs involve promoting consumption of local food products in
schools. These programs are often considered to be an example of alternative food supply chains since they include the development of direct relationships between producers and schools, as well as agricultural education that focuses on local products and producers (Senate Bill No. 1209 2006). However, this study revealed that several schools rely on small to mid-scale wholesale produce distributors to fulfill their produce needs, and that these distributors therefore served as mediators for local produce relationships.

The three wholesale distributors were identified as part of a multi-methods study in which a survey was sent to the food service directors of all 501 public school districts in the state of Pennsylvania to explore their purchasing patterns and perceptions of local food. This survey had a 75.4 percent response rate, and responses were used to identify schools that were involved in some type of “farm-to-school” activities, including purchasing local food for the school cafeteria. Eight school districts were chosen for investigation using qualitative methods based on their high levels of farm-to-school activities. Within the resulting sample of 8 case studies sites, we found that three used a small- to mid-scale local distributor as an intermediary for the purchase of local food for the school cafeteria. These distributors provided points of entry for exploration of three hybrid food supply chains. In examining the contexts of the supply chains that form around these three distributors, I classify one as rural, one as urban and one as exurban based on participants’ perceptions and census data. However, these classifications are used to understand the context, and were not part of a sampling strategy.

Although there is not a precise way to categorize these distributors, evidence from a survey of organic handlers (such as distributors and processors) indicates that while the
majority of handlers have gross sales under $500,000, the industry is dominated by the ten percent of handlers that gross over 25 million dollars (Dimitri and Oberholtzer 2008). Because of similar processes of vertical integration and corporatization of both the conventional and organic food industries, these data help to establish the general structure by which to categorize the size of wholesale distributors. Loosely defined, then, small distributors may gross between under 1 million to 5 million, medium-size between 5 and 25 million, and large more than 25 million. An important factor that defines these distributors is that they are independently owned and operated, which sets them apart from the corporate dominated industry and means that while they have more business autonomy, competition from large, corporate-owned companies is a major challenge.

Initial contact with these distributors took place within the context of the Farm-to-School study, and therefore all three distributors are located within the state of Pennsylvania. My familiarity with their cases helped me to make contact with them to follow-up and expand the case studies to include additional producers and buyers and to analyze these chains in terms of the value chain framework. A snowball sampling method was used wherein the three wholesale distributors served as key informants and provided the names of other important actors in the food supply chain. The distributor was asked for the names of those producers and buyers whom he considered relevant based on their spatial location (“local”) and on the nature of their established relationship with the distributor. In one case, during the course of the initial interview with the distributor, it emerged that an outside organization was highly active in facilitating the relationships between the distributor and producers, and therefore the scope of the study was expanded to include this actor.
In this study, the small sample size restricts my ability to generalize the results to a larger population. However, by grounding the analysis in theories related to alternative food networks, economic sociology and the value chain framework, I hope to further develop these theories by focusing on emerging patterns and themes that will point to areas that require further investigation.

C. Interviews and Questions

Through semi-structured and open-ended interviewing, a qualitative researcher can explore emerging issues in addition to those of interest for the study. Interview questions were developed in order to address the underlying themes that arose from the theoretical considerations discussed in Chapter 2. As a model of writing questions and conducting interviews, Creswell (2007) suggests that,

> The questions are a narrowing of the central question and subquestions in the research study. These might be seen as the core of the interview protocol, bounded on the front end by questions to invite the interviewee to open up and talk and located at the end by questions about ‘Who should I talk to in order to learn more?’ or comments thanking the participants for their time for the interview,” (Creswell 2007, 133).

I followed this general model for developing interview protocols for each category of participant (see Appendix A for interview protocols). In general, questions focused on the practices and motivations of participation in the short food supply chain that revolves around local produce and the wholesale produce distributor. The interview protocol included questions intended to elicit both the case study context and the elements of the value chain framework that were laid out in chapter 2. Questions about background information for the participant and his/her operation, how the participant defined local and what resource streams and markets he/she utilizes were designed to elicit context information for case study development. For the value chain framework, first, questions
related to how relationships were started and maintained and the type of information that was shared were used to analyze the nature of partnerships in this chain. Second, questions about agreements and contracts sought to elicit perceptions related to the role of trust and shared governance in the chain. The third area of questions included how items were priced and the benefits and challenges of selling or buying local produce, which were used to understand how participants viewed commitment to the welfare of all participants. Fourth, how or if local food was labeled or promoted was used as an indicator of whether or not local products were differentiated or considered to be value-added items. Finally, what the participants perceived to be the goals of the local food movement and who might benefit from such a movement were used to understand whether the participant felt that his or her actions tied into a shared vision or goal. Through these questions, I sought a sense of how economic, social and environmental values interact in these chains, and a story emerged for each case study as part of the larger picture of how actors operate, interact and see themselves.

My goal was to conduct face to face interviews with every participant. One-on-one interviews enable the researcher to make observations about the context of the individual, to develop a sense of familiarity and comfort with respondents, and to gauge non-verbal communication that might be lost over the phone (Creswell 2007). However, due to time and budgetary constraints, one phone interview was conducted with a respondent whose schedule made a site visit difficult. Though personal contact is preferable, as Creswell says, “A telephone interview provides the best source of information when the researcher does not have direct access to individuals,” (Creswell 2007, 133).
The interviews varied in length from between 20 minutes to 2 hours, with the majority averaging around 45 minutes. In addition, it is important to note that the three distributors were interviewed twice, approximately six months apart, although the first interview focused solely on selling local produce to schools. The second interview allowed for follow-up and expansion of the study to include relationships with other local buyers. One interview with the distributor in the rural context was performed with the distributor and the producer at the same time; although this could potentially affect the information that each was willing to share about the other, because of their social relationship, the two respondents appeared comfortable talking together and chose to perform the interview jointly. The interview with the food service director in the exurban school district was also performed as a focus group at the school’s request, and included the food service director, district superintendent, her assistant, the high school nurse and two representatives from the food service company that employs the director.

D. Data Analysis and Validity

The interviews were transcribed verbatim and were coded according to pre-established themes as identified in Chapter 2 as part of the value-chain framework. While this framework was used as a method of analysis, emerging themes that did not fit the framework were just as important to informing theory as those that did correspond. Therefore, use of the framework to code transcriptions did not suppress information, although it did inform the structure of the analysis.

In addition, Creswell (2007) and Stake (2000) emphasize the importance of understanding the context of case studies. Stake refers to “holistic” case studies that take into account the fact that,
With its own unique history, the case is a complex entity operating within a number of contexts—physical, economic, ethical, aesthetic, and so on... Many find the search for cause of little value, and dramatize instead the coincidence of events, seeing some events as purposive, some as situational, many of them interrelated. They favor inquiry designs that seek data describing diverse operations of the case. (Stake 2000, 439-440)

In addition to enhancing the depth of the study, including context and description is part of establishing the “trustworthiness” of the study (Creswell 2007, 202), which Creswell uses to talk about the validity of the researcher’s analysis. He says that

Rich, thick description allows readers to make decisions regarding transferability (Erlandson et al., 1993; Lincoln and Guba, 1985; Merriam, 1988) because the writer describes in detail the participants or setting under study. With such detailed description, the researcher enables readers to transfer information to other settings and to determine whether the findings can be transferred ‘because of shared characteristics.’ (Erlandson et al., 1993, p. 32). (Creswell 2007, 209)

In addition to using context and description as a way to deepen the case and increase the credibility of the analysis, using multiple types of data is an important element of establishing validity. Creswell considers multiple sources to be a major component of case study research, and also describes how various researchers use multiple sources in establishing validity and, “…to support or contradict the interpretation,” (Creswell 2007, 204). Stake refers to this as “triangulation,” which he defines as “…redundancy of data gathering,” (Stake 2000, 443). He says that, “Triangulation has been generally considered a process of using multiple perceptions to clarify meaning, verifying the repeatability of an observation or interpretation,” (Stake 2000, 443).

In this study, while interviews were the main source of data, I have also made use of observations, promotional materials (including websites and flyers from producers, distributors and buyers) and US census data in order to increase the validity of my
interpretations. Personal observations were particularly useful for describing buyers’ operations and understanding the role that local food plays in these operations.

E. Researcher Reflexivity

Researcher reflexivity is a means of enhancing the validity of a study. According to Creswell (2007),

Clarifying researcher bias from the outset of the study is important so that the reader understands the researcher’s position and any biases or assumptions that impact the inquiry (Merriam 1988). In this clarification, the researcher comments on past experiences, biases, prejudices, and orientations that have likely shaped the interpretation and approach to the study. (Creswell 2007, 208).

Creswell also mentions the importance of reflecting on the potential power relationships that are formed between interviewers and interviewees, since these may be asymmetrical or hierarchical and can therefore influence how comfortable a respondent feels about sharing his/her experiences. All of the issues described above are important to consider because they can potentially influence the course of interviews.

Personally, as a young, academically trained woman, I feel that it is possible for respondents to see me as potentially naïve and distant from the realities of their trade. This is especially true for distributors and producers who, in this study, tended to be older men. I hope, however, that my previous experiences researching this subject, and my practical experiences working in food production, helped me to establish a positive rapport with producers and distributors. Instead of resenting my naïveté, I feel that some producers and distributors were pleased with the chance to share their experiences in a way that educated me about the challenges that they face.

I believe that it is also important to reflect on my personal opinions and attitudes towards the local food movement, since one common pitfall in interviews is that
respondents might tell the interviewer what they think he/she wants to hear (Weiss 1994). I have participated in various forms of “alternative” food production and marketing, including community gardens, a farmers’ market and an organic farm. However, I also co-managed a small restaurant in Mexico for one year that drew on purely conventional resources while serving a very small, local population. Although there is potential for me to feel biased towards “alternative” methods of food production and distribution, my experiences living and working with low-income populations have made me acutely aware of the fact that many of these alternatives face serious operational challenges and can also be exclusionary. I believe that my enthusiasm for local foods is tempered by some of my practical experiences, and therefore my hope that alternative values might be expressed in hybrid chains is coupled with an appreciation of the challenges and difficulties involved in providing fresh produce that is both accessible to wider portions of the population and capable of sustaining all participants along the food chain. I believe that this appreciation may have prevented my support of local food movements from influencing interviewees’ responses. By reflecting on these issues and remaining aware of this possibility, I hope that I was able to minimize this potential source of bias.

F. Ethics

Finally, in any study that includes human subjects, it is important to consider the ethical dimension of how interviews are conducted and how information is shared. As with all university-based research, this study underwent an approval process with the Institutional Review Board, which analyzed the format of the study and the potential risks and benefits for participants (Creswell 2007). In keeping with the regulations of the Institutional Review Board and the Office for Research Protection, all participants signed
a consent form that described the purpose of the study and outlined their rights as participants (including the right to withdraw at any time, the right to ask questions, and the right to not answer any question; see Appendix B for a copy of the consent form). One of the most important aspects of this consent form is confidentiality, which is especially important because sensitive economic data were gathered for most participants (such as gross sales for producers and distributors). A promise of confidentiality was also important in order to make participants feel comfortable and encouraged them to speak freely. Revealing details about their relationships with others in the supply chain is potentially an uncomfortable position, and I feel that the promise of confidentiality was important in gathering accurate data. As a result, in the following analysis no names are used and all information about participants is described in a way that conceals their identity. In addition, gross sales are presented in categories instead of in specific amounts.

II. Context

The context of the three case study sites is important in order to provide rich description so that readers can make better judgments about the researcher’s analysis. Specifically, I will analyze census data to provide the basis for establishing the classification of the three case study sites as rural, urban and exurban, and then investigate some of the socio-economic factors that characterize the areas.

The US Census, as of 2007, distinguishes between metropolitan and micropolitan areas. Metropolitan Statistical Areas are defined as an area with a population of 50,000 people or more, while Microstatistical Areas are defined as an urban area with a population between 10,000 and 50,000 (US Census Bureau). Both of these definitions
also include “…adjacent territory that has a high degree of social and economic integration with the core as measured by commuting ties.” (OMB Bulletin 06-01, pg. 2). These definitions are useful in classifying the three case study sites into urban, rural and exurban areas.

A. Hybrid Food Network #1: The Rural Case

In the rural case, the seven actors are dispersed between six adjacent counties. The Census Bureau identifies three micropolitan areas that are located in three of these counties, and which constitute a combined statistical area. A combined statistical area is described as:

… adjacent Metropolitan and Micropolitan Statistical Areas, in various combinations, may become the components of a new set of complementary areas called Combined Statistical Areas. For instance, a Combined Statistical Area may comprise two or more Metropolitan Statistical Areas, a Metropolitan Statistical Area and a Micropolitan Statistical Area, two or more Micropolitan Statistical Areas, or multiple Metropolitan and Micropolitan Statistical Areas that have social and economic ties as measured by commuting, but at lower levels than are found among counties within Metropolitan and Micropolitan Statistical Areas. (OMB Bulletin 06-01, pg. 2)

In this region, the Combined Statistical Area consists of three interrelated micropolitan areas. Two of these areas had populations of approximately 5,000 people according to the 2000 US Census, and the third had a population of around 10,000 (US Census Bureau). The participants in this case identified their area as being rural with small towns, which corresponds to the presence of these micropolitan areas. In order to validate their perception of rurality, it helps to look beyond census data, since the Census Bureau classifies metropolitan and micropolitan areas, leaving rural as a residual

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7 I use the data from the 2000 Census since more recent data is not available for many of the counties included in this and other case study regions.
category. In 2003, the Center for Rural Pennsylvania (CRP) defined rural based on Pennsylvania’s population density:

Population density is calculated by dividing the total population of a specific area by the total number of square land miles of that area. In 2000, the population of Pennsylvania was 12,281,054 and the number of square miles of land in Pennsylvania was 44,820. Therefore, the population density was 274 persons per square mile. (CRP website)

According to the Center for Rural Pennsylvania’s definitions, any place with a population density above 274 is considered urban, while any place with a population below this level is considered rural. While this definition differs from that used by the US Census (which uses a population density of 1000 people per square mile for urban areas; US Census Bureau website), the Center for Rural Pennsylvania’s definition is useful because it is specific to Pennsylvania. Using the CRP definition, all six counties in this first case study region are classified as rural. When taken in combination with the areas identified as micropolitan and metropolitan by the US Census, it is appropriate to classify the first case as rural, albeit with several small commercial centers.

B. Hybrid Food Network #2: The Urban Case

For the urban case, the distributor, buyers and one of the producers are all located within a metropolitan area as defined by the US Census Bureau. The county where these six actors are located is also defined as urban by the CRP. Only one actor, the second producer, lives outside of this area (approximately 60 miles from the distributor). While this producer’s county is classified as rural by the CRP, it is also part of a Combined Statistical Area with the metropolitan area, according to the US Census Bureau. Therefore, the food network in this case is classified as urban.
C. Hybrid Food Network #3: The Exurban Case

The third case is a little more complicated to categorize. According to the Center for Rural Pennsylvania’s system, all of the actors in this case are in rural counties. The distributor, all three of the buyers and two of the producers are located within one county, and all six of them are concentrated within and around a Micropolitan Statistical Area. While the micropolitan areas in the rural case had populations equal to or less than 10,000 people according to the 2000 Census, this micropolitan area had a population of approximately 26,000 people according to the 2000 Census. In addition to its size, the census identifies this micropolitan area, along with the county where the third producer is located, as a Combined Statistical Area in conjunction with the metropolitan area identified in the urban case. The micropolitan area is within 60 miles of this metropolitan area, and is only 20 miles from a metropolitan area in a bordering state. In order to reflect both its rural character and its social and economic integration with these nearby metropolitan areas, I have chosen to classify this third case as “exurban.”

The term exurban is not used either by the US Census or the Center for Rural Pennsylvania, and a generally accepted definition is hard to find since many researchers use different parameters to characterize areas that do not fit neatly into urban/rural categorizations. One way to define an “exurb” is spatially. For example, Davis, Nelson and Dueker (1994) use a “working definition” of exurbia that combines the work of several previous studies and says that, “Exurban counties surround all metropolitan areas, extending outward about 60 to 70 miles from circumferential highways,” (Davis et al. 1994, 46). By this definition, the case study area under investigation is an exurb of the
major urban area described in case study region #2, since the actors are located approximately 60 miles from the urban center.

In addition to a spatial definition, researchers at the Brookings Institution (2006) summarized a variety of other characteristics that have been used to describe exurbs within both the popular and academic press. According to these authors,

Exurbs, it is argued, lie somewhere beyond the suburbs. At the urban-rural periphery, outer suburbs bleed into small-town communities with an agricultural heritage. Not yet full-fledged suburbs, but no longer wholly rural in nature, these exurban areas are reportedly undergoing rapid change in population, land use and economic function. (Berube, Singer, Wilson, & Frey 2006).

According to this definition, exurbs are found in the changing dynamics of communities on the fringe of suburban and rural life, and Davis et al. argue that, “…within any exurbia there are suburban subdivisions, large farms, small towns, some factories, ranchettes and hobby farms,” (Davis et al. 1994, 45). They also say that while exurb population characteristics vary, they often include urbanites and suburbanites that move towards rural areas for a lifestyle change, while maintaining “affluent, managerial and professional,” (54) occupations, as well as blue-collar workers already living in the exurban area (Davis et al. 1994). Because of these combinations, exurbs can display heterogeneous characteristics, for example:

Exurbia can have many apparent dichotomies such as lavish country estate near inexpensive mobile homes, households in country settings next to commercial agricultural operations, and small-town-oriented households mixed with urban-oriented commuter households. (Davis et al. 1994, 47)

In addition, much employment for exurban areas comes from nearby urban/suburban areas, and therefore commuting is common for exurbanites (Davis et al. 1994).
Case study region #3 can be characterized by many aspects of this definition. It has a rural character, as evidenced by both the CRP’s rural classification and the high number of farms and land in farms in this area (see section D below). In addition to the rural quality of these two counties, there are pockets of suburban-type housing that correspond with higher levels of educational achievement and lower poverty levels, such as in the township where the school district for this network is located (see sections A and C below). The presence of the Micropolitan Statistical Area complicates the dynamics of this area since it is a small city that has high poverty levels and lower educational achievement levels than the rest of the county (again, see sections A and C below). This Micropolitan Statistical Area is only five miles away from the school district’s township, which illustrates a dichotomy as described by Davis et al. (1994) above. Finally, high commuting levels can be observed in the fact that the two counties where participants for this case study region are located form a Combined Statistical Area with the nearby urban area. For these reasons, I classify the third case as exurban.

II. Socio-economic Comparisons

In order to contextualize some of the claims made by actors in this study, it is helpful to compare the socio-economic conditions of the cases. Specifically, relative age, education and economic conditions were used by actors in these case studies to explain the presence or lack of a local food movement. Therefore, a comparison of these cases according to these characteristics will help to understand these perceptions. In addition, since all three case study sites include local agriculture, data is presented to help understand the farming situation for each area. While the urban and exurban case are mostly concentrated in one county, with one participant for each case located in a
neighboring county, the rural case is dispersed among six adjoining counties, although none of the actors is further than 37 miles away from the distributor. In order to compare these cases it was therefore necessary to consolidate the available data. I used county-specific data from the 2000 US Census, and for each indicator I took an average of the data from all of the counties included in the case study region. In the following analysis, I use these averages to compare across cases, although in certain instances I make use of more specific data within each case where I feel that taking an average may have obscured important variation. While taking an average may have skewed some results, the urban and exurban regions each consist of two counties, and have one of these counties in common with each other; therefore, the county that they share will have a similar influence on both sites, thereby minimizing the effect of using averages to make comparisons between these two regions.

A. Educational Achievement

In the urban case, several actors attributed the prominence of a local food movement to highly educated consumers. Therefore, comparing educational attainment levels between cases is an important part of understanding the context of these cases. In Figure 1, educational achievement is measured by percent of the population over 25 years of age with a high school degree and with a bachelor’s degree or higher. As can be seen in Figure 1, the urban case study region does have higher educational achievement levels than for the state of Pennsylvania (for Pennsylvania, 81.9% of the population graduated from High School or higher, compared to 86.6 % for the urban case; 22.4 % of the population had a bachelor’s degree or higher for Pennsylvania compared to 25.9 for the urban case). In addition, in the urban case a higher percentage of the population has a
bachelor’s degree or higher than in either the exurban or rural case (19.3% for the exurban case and 15.7% for the rural case). Comparatively, the rural case stands out for lower achievement levels for both high school and bachelor’s or higher degrees (77.8 and 15.7, respectively) than either the urban or exurban cases.

This comparison shows that educational achievement levels are indeed higher for the urban case study area than for either the exurban or rural cases. One point of interest, however, is that the school district in the exurban case study region described itself as being comparatively wealthy and well-educated. According to the 2000 Census, the township where the school is located does have comparatively higher educational achievement levels (88.3% of the population has a high school degree or higher, and 27.1% have a bachelor’s degree or higher) than the rest of the exurban case study region.

B. Age Distribution

Several participants in the exurban region mentioned that their area has a high elderly population, which one participant associated with the lack of a strong local food movement. Therefore, the distribution of age in these regions is an important area of
consideration in order to fully understand the context. To begin, it is interesting to note that compared to the age distribution pattern for the entire United States, in the state of Pennsylvania and the three case study regions a relatively higher percentage of their populations is 60 or older than for the entire US (19.8% for Pennsylvania, 21% for the exurban area, 20.1% for the urban and 20.4% for the rural case compared to 16.2 for the entire US; see Figure 2, below). Within the case study regions, the differences between age distributions are slight, especially for the elderly population (as described above).

However, when the micropolitan area that constitutes the major commercial and residential center for the exurban case study region is taken by itself, the percentage of the population that is above 60 years of age is 24.9%; the percentage of adults over the age of 60 for the township where the school district is located within the exurban region is even higher, at 31.5%. These percentages are high compared to those of the urban center (20.2%) and the combined statistical area in the rural region (average of 19.5%). This suggests that the exurban actors’ perception of a high relative elderly population
may be accurate on a smaller geographical scale, despite the observed similarities in age distribution between case study regions.

C. Economic Indicators

An actor in the exurban case study region implied that the lack of a local food movement in that region is related to the fact that it is economically depressed. In order to analyze this assessment, I compare data related to the mean family income and percent of families living below the poverty line across case study sites, and in comparison to state and nation-wide levels. Figure 3 shows the percent of families living below poverty level according to the 2000 US Census. Compared to national averages, all of the case study sites and the state of Pennsylvania have a lower percentage of families living below poverty level (the national average is 9.2%, compared to 7.8% for Pennsylvania, 7% in the urban case, 7.5% in the exurban and 6.3% in the rural case). While the exurban case has a lower percentage of families living below poverty level compared to both national and state averages, it does have a higher percentage than either the urban or rural case. In addition, when the micropolitan area that is the major concentration point for the exurban area is taken by itself, the percentage of families living below the poverty level in 1999 is drastically higher than any of the averages reported above (17.1%), and is higher than either the metropolitan center in the urban case study region (15%), or the combined statistical area in the rural case study region (average of 9.6%). It is interesting to note that the percent of families living below poverty level in the township where the school district is located is substantially lower than any of the areas mentioned above (1.7%).
While the percent of families living below poverty level is higher for the exurban case study region than for either the rural or urban cases, when we turn to median family income, it is the rural case study area that has the lowest median family income levels (see Figure 4; $43,027, compared to $46,339 for the exurban case and $50,515 for the urban case). However, when the main county in the exurban area is taken by itself and not combined with the neighboring county, where only one of the actors lives, its average is much closer to the rural average ($41,463). In addition, when the metropolitan area in the urban case study is taken by itself, the median family income drops from $50,515 to $38,795, indicating that the suburban communities in the outlying areas of that county have inflated the average for the case study region.

*Source: US Census Bureau (American Fact Finder, Profile of Selected Economic Characteristics, Census 2000, Summary File 3)*
D. Agriculture

Finally, because this research focuses on the connections between producers, distributors and buyers, it is worthwhile to compare the agricultural situation of each case study region. For this, I compare three major indicators: number of farms, land in farms (acres), and average farm size (Figures 5, 6 and 7), and then I compare the percent of the population that identifies farming, fishing and forestry as their occupation (Figure 8).

Figures 5 and 6 show a similar pattern between the three case study regions. The exurban case has both a larger number of farms than either the rural or urban cases (938.5 compared to 819 in the urban case and 775.7 for the rural case), and a greater amount of land in farms than either the rural or urban case (115,486 acres, compared to 88,886.5 acres in the urban case and 103,538.2 acres for the rural case). While this indicates a strong agricultural sector in the exurban case study region, these data also point to a higher amount of concentration in the rural area, which has the lowest comparative number of farms, but the second highest amount of land in farms compared to the two other case study regions.
This concentration of farm land in the rural case can also be seen in a comparison of average farm size. Compared to the national average farm size of 441 acres, the state and case study averages are much lower (133 acres for both Pennsylvania and the rural case study region, 123.5 acres for the exurban case and 98 acres for the urban case). The rural case study region has a higher average farm size than either the exurban or urban cases.
Finally, although there are more farms and more land in farms in the exurban case study region than in either the urban or rural case, it is important to consider the significance of agriculture as an occupation for the populations in each of these cases. Figure 8 shows the percent of the population (above 16 years of age) that identified farming, fishing and forestry as his/her primary occupation for the US, Pennsylvania and the three case study regions.

These data demonstrate the relative importance of the agricultural sector to the rural case study region compared to the other case study regions, the state and the entire US, despite
the fact that all of these percentages are very low. One percent of the population reported agriculture, fishing and forestry as his/her occupation in the rural case study region, compared to .7% for the US, .5% for the state, .4% for the exurban case and only .3% for the urban case.

In the next three chapters, I analyze the qualitative empirical data that I gathered through interviews and secondary sources between October of 2007 and October of 2008. I begin with a short description of the actors in each case and how the orientation of the actors influences the development of relationships and quality construction around local food. I then apply the value chain framework described in Chapter 2 in order to evaluate how partnerships are developed along the supply chain, how trust and governance are employed within relationships, to what extent actors commit to the welfare of all participants along the supply chain, how actors perceive the differentiated qualities of the local produce, and to what extent they share the social, environmental and potentially progressive goals of the local food movement. Chapter 4 examines the first case study hybrid food network, which is located in a rural context; Chapter 5 looks at the second case study hybrid food network, which is urban; and finally Chapter 6 describes the third case study hybrid food network, which is exurban.
CHAPTER 4
Analysis of Findings
Hybrid Food Network #1- The Rural Context

I. Background

Participants’ identification of this area as rural greatly influences how the local food system is conceptualized and promoted. The popular perception of the area’s agricultural history shapes regional identity, including expectations surrounding local food. Despite the fact that the rural region actually has fewer farms and less land in farms than the exurban region (as described in Chapter 3), connections to local agriculture are used to promote regional tourism to this area, and foster a local food movement around particular items, such as sweet corn and cantaloupes, and particular sources, such as farm stands. High consumer demand for these items coupled with the popularity of farm stands and produce auctions limits the amount of local produce that the distributor handles. Despite strong social ties between the distributor and producers, these relationships ultimately rely on the conventional produce industry for prices, which restricts the distributor’s purchases to when producers have a surplus; this, in turn, further limits the extent of the local produce relationships that revolve around the wholesale distributor.

A. The Distributor

The history of the rural distributor’s business dovetails with that of both the agricultural and produce industries, and sheds light on the source of many of the characteristics that distinguish this network. The distributor grew up farming, and describes his father as a truck farmer who sold to local markets. He reminisces about
working with his father when he was young, saying, “…when I started with my father you packed the truck the night before, and in the morning you’d head out and start delivering to restaurants, churches, schools, sell right off the truck, ya know?” The business grew from this small scale, and when his father passed on the farm to the distributor and his brother, his brother took over the farming side while the distributor took control of the produce business. By relying on family labor, particularly the help of his wife, he was able to grow from a small, local supplier to a wholesale distributor who identified his gross sales in 2007 as in a category between 5 and 9 million dollars, and reported employing approximately 35 people. The produce business is now run out of what used to be the barn on the family homestead, and is surrounded by fields that the distributor rents to neighbors who farm.

As the business grew in scale, it became more embedded within a produce industry that is increasingly national and international in scope. The distributor’s current purchases of local produce range from 10-15 percent of total purchases during the winter and 20-25 percent during the summer; the remaining 75-90 percent of produce comes from a mix of international and domestic sources, which are so intermingled that the distributor could not estimate their relative percentages. The majority of his sales (60 percent) are to restaurants, while about 3-5 percent goes to schools and the rest to institutions (such as prisons and universities) and to various farm stands, convenience stores and “mom and pop” stores.

The distributor described changes in his occupation in terms of the increasing international, counter-seasonal sourcing of the produce industry as well as the loss of local agriculture. For example, he says:
…you know, years ago you had different seasons for different stuff…you had your oranges from Thanksgiving to January, that was your oranges season... you know, now you can get that stuff all year round. You know, it has helped, but it’s also hindered the produce industry. Your local farmers, if you had your first peach crop in the area, you got premium dollar…and that kind of stuff used to be very local, 200-250 miles away. But now that stuff is available all year round from anywhere. You can get anything you want- if I can’t get it fresh for you local, I can get it with one phone call. You know, if it’s not coming from Pennsylvania, it’s coming from someplace else.

The loss of a seasonal advantage has hurt many local farmers in this rural region, and in another part of the interview the distributor lists off the producers that used to be within a fifteen mile radius, saying that only one is left today. The converging trends of losing local sources of produce and the increasing availability of out of season, imported produce have influenced this distributor’s operations and his perceptions of local food.

B. Producers

Two of the producers in this case have farms that are much larger than the Pennsylvania average of 133 acres, and the smallest producer (who farms 125 acres) pools his produce with several other small farmers in order to sell higher volumes. All three producers had gross sales that exceeded 250,000 dollars in 2007, and two of the producers sell a very small percentage of their produce through the distributor and sell the majority through a broker or major supermarket chains instead (see Table 1 below for details). This network is also characterized by the intergenerational nature of the relationships between the distributor and both producers and buyers. For example, the distributor had business relationships with the father of one producer and the grandfather

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8 Although the interview guide’s highest income category was “over $250,000,” more than one producer in this network indicated that his gross income in 2007 was actually in the millions of dollars, indicating that the categories that were used were inadequate to capture the full range of gross sale amounts across all case study regions.
of another; one producer says of the distributor: “Oh, I’ve known him all my life, almost.”

Table 1: Producer Characteristics in the Rural Case

<table>
<thead>
<tr>
<th>Producer</th>
<th>Number of Acres</th>
<th>Number of Employees</th>
<th>Gross Sales (2007)</th>
<th>Amount Sold to Distributor</th>
<th>Other Major Outlets</th>
<th>Products</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Producer #1</strong></td>
<td>300</td>
<td>8-40</td>
<td>&gt;$250,000</td>
<td>1-5%</td>
<td>Broker</td>
<td>Cucumbers, yellow and green squash, tomatoes, bell and hot peppers</td>
</tr>
<tr>
<td><strong>Producer #2</strong></td>
<td>125</td>
<td>11-16</td>
<td>&gt;$250,000</td>
<td>&lt;1%</td>
<td>Supermarket Outlets</td>
<td>Cantaloupes, watermelon, cucumbers, sweet corn, tomatoes, winter squash</td>
</tr>
<tr>
<td><strong>Producer #3</strong></td>
<td>250</td>
<td>30</td>
<td>&gt;$250,000</td>
<td>Not Specified</td>
<td>Farm stand, other orchards, supermarkets</td>
<td>Apples, peaches, plums, nectarines</td>
</tr>
</tbody>
</table>

C. Buyers

The buyers in this network vary in size, and all three depend heavily on this distributor mostly during the winter. The two buyers that run year round turn to other sources of local produce during the summer. The restaurant and the farm stand are regional tourist attractions, particularly the restaurant, which stands out for its size and the combination of the restaurant with a series of stores and hotels that are concentrated on one acre of land. These relationships are also intergenerational, and the owner of the restaurant, whose family business has grown from seating 100 people to 750, reports that his grandfather first established the relationship with the distributor. The owner of the farm stand, which grew out of his family’s own agricultural operation, has been buying
from the distributor since approximately the early 1990’s, placing the relationship at around 15 years. As for the School Food Service Director (FSD) for the district, the relationship with the distributor is more recent, starting six years ago when she assumed the FSD position in this district.

Table 2: Buyer Characteristics in the Rural Case

<table>
<thead>
<tr>
<th>Buyer</th>
<th>Number of Employees</th>
<th>Other Produce Sources</th>
<th>Other Characteristics</th>
</tr>
</thead>
<tbody>
<tr>
<td>School District Food Service</td>
<td>23</td>
<td>Food service company</td>
<td>Total student population: 1,187; 45% free and reduced population</td>
</tr>
<tr>
<td>Farm Stand Store</td>
<td>10-12</td>
<td>Produce auction; Contracts with local farms</td>
<td>Regional tourism attraction</td>
</tr>
<tr>
<td>Restaurant</td>
<td>560</td>
<td>Produce Auction</td>
<td>Regional tourism attraction; seats 700-800 people;</td>
</tr>
</tbody>
</table>

II. Applying the Value Chain Framework

A. Creating Partnerships

Distributor and Producers

The distributor alternates between acknowledging the needs and goals of the producers that he works with, which makes the producers sound like strategic partners, and reverting to standard, arms-length relationships, where the producers sound more like suppliers. When he talks about traditional supply chain relationships, he implicitly compares his business methods to the practices of typical industry players who take advantage of producers. By doing so, he gives the impression that, in comparison, his
relationships are less adversarial and more beneficial for producers. For example, the distributor tells several anecdotes in which he compares himself to the “spies” that brokers send out to inspect producers’ fields and to buy low-priced produce. In one anecdote, he describes these spies as “whores” who take advantage of producers by lying to them about market prices in order to drive down prices. Through this anecdote, he establishes himself as morally superior and just towards farmers. He also compares himself to the broker to whom Producer #1 sells most of his products. He says:

Some of these broker’s practices I don’t agree with. I feel he could give [Producer #1] a better return some days than he does… I think he’s taking a bigger percentage than’s necessary. I don’t work on percentage…The farmer did all the work, and all you had was the phone call.

Again, by comparing himself to other actors in the industry, he creates the impression that the relationships that he maintains with producers are not the same as the adversarial relationships that are often seen as characterizing the mainstream produce industry.

Despite the distributor’s reflections on his own fairness compared to standard, unfair industry practices, he also talks about his relationships with producers in ways that indicate that he treats them more as suppliers than as partners. For example, even as he describes industry spies in unflattering terms, he qualifies the statement by saying, “And you know, you can’t blame the guy for trying to buy ‘em, I do the same thing, I try to get the guys down in price. I don’t go down to ridiculously cheap, you know?” Despite his intentions to give producers what he calls a “fair shake,” ultimately the distributor also needs to seek out low-priced items in order for his business to remain competitive.

The tension between how the distributor presents himself ethically and how he actually treats producers is especially highlighted when he talks about consumers’ needs. When the distributor transfers the responsibility for his relationship with producers onto
the demands of consumers, it makes these long-term relationships sound much more tenuous. For example he says:

I might deal with them this year and not next year, it’s just depending on the market, it’s no bad feelings between the farmer, no favor between me and the farmer, but maybe they just don’t have what I need and that’s how you need it. Have it this year, might not have it next year.

There is a definite lack of any sense that the distributor will work with a producer and the consumer to coordinate supply and demand, or that they will work together to address problems. Consumer demands take precedence over pre-established relationships with local producers; if the distributor can better meet these demands by sourcing a product from a non-local source, either because of price or quality considerations, he will. For example, he says that if one producer has cantaloupes that are smaller than the standard size, he lets the consumer decide whether or not to buy it, leaving the producer on his own:

If it’s a good growing season they’ll all have good counts, if it’s bad he’s got a lot smaller stuff, doesn’t mean the quality’s different, it’s good quality fruit, but they might just not have the size you need, and on my part, all I do is tell this customer, this is what’s available, you know…

In this context, the distributor is passing information along the supply chain, but not in the strategic manner suggested by the value chain framework; instead of sharing information in order to coordinate the chain, the distributor serves as a conduit for information without the sense that he is committed to local produce sources. The distributor unwittingly contributes to competition between local and international producers by comparing prices and quality between these two sources and not privileging one over the other based on the nature of their commitment to each other, as described in the value chain model. This tension also points to the inherent difficulties of creating a
sense of partnership all along the supply chain, including meeting the often diverging needs of producers and consumers.

Although the producers seemed to like the distributor on a personal level, in general they do not describe the relationship in ways that would indicate that they feel a partnership with the distributor. Specifically, they vary in their perspectives on the role of the distributor in terms of information sharing. One of the producers feels that he received more information from the supermarket chain that he primarily deals with and little to no information from the distributor. Another, however, feels that the distributor provides valuable advice, not in terms of changing growing patterns or pricing, but about the timing of markets:

Typically, with him having the broker in Baltimore... he can kind of give us some feedback on what those markets are doing... he may give some advice as to what to do. He pretty much- being the type of distributor he is, he can pretty much see what prices are doing... [the advice he gives is about] the picking and the packing, how much product we’re going to put out, if, maybe if we have 2 different crops that are ready, and he says this market’s getting hot, we may adjust our field crews for the day.

While the perspectives of the producers differ, in at least one case we can see coordination between the producer and distributor, even if it’s on a smaller, temporally restricted scale than that described in the value chain framework. While the producer finds this information sharing valuable, the fact that his total sales to the distributor are around one percent indicates that a full partnership is not really present.

**Distributor and Buyers**

Because of the long term relationship between the distributor and his buyers, their relationships reflect a level of commitment that may indicate a type of partnership. For
example, the restaurant owner says that maintaining the relationship is more important than having a strict economic bottom line when dealing with the distributor:

> It’s that trust in [the distributor] that you’ll get a good price, you’ll get good stuff, it’s quality, so that’s why we keep buying from him. So whether it’s a difference of 10 cents, or 15 cents this week, or another 25 next week, we really do just continue to buy from [the Distributor].

The social and intergenerational nature of their relationship, coupled with customer service and consistency, serve to maintain this relationship in the face of fluctuating prices. This perspective may indicate that the buyer sees the distributor more as a partner and less as a supplier, since he is willing to make small economic sacrifices to maintain the relationship.

B. The Role of Trust and Shared Governance

**Distributor and Producers**

The distributor’s intergenerational social ties with the three producers foster personal trust; while this may lead to perceived fairness, it does not necessarily create inter-organizational trust or shared governance. The distributor acknowledges the role of personal trust in maintaining these relationships and gives a compelling example of how producers will deliver their products to him before they’ve settled on a price. “Nine times out of ten, [Producer] will send me stuff with no price on it…and I price it after I sell it…I’ve done that for years, I guess they just trust me.” When asked how he decides which producers to buy from, the distributor responds, “…as far as buying from the people I deal with, they’re just reputable people, they’re honest and reputable people.” Personal characteristics such as honesty form a basis of trust for the distributor, and this trust appears to be reciprocal. However, the producers’ trust that the distributor will be honest
in pricing their products is based partially on personal trust and partly on a reliance on the market to determine prices.

Despite personal trust between producers and the distributor and the fact that the producers perceive the distributor’s pricing mechanisms as fair, this chain does not share governance in a way that would establish partnerships and ensure equity along the supply chain. For example, when asked about his opinion on contracts, the distributor replies that he wouldn’t want to enter into any with producers:

Because there’s no demand- there’s no guarantee of what I’m going to need or use. I tell them just raise a variety, raise whatever you want… You know, as far as saying raise five acres of cantaloupe and I’ll take them all, I have no guarantee that I’ll be able to move that many, you know, plant what you want, give me a call, I’ll do my best to try and help you out.

Here, a lack of partnership along the chain results in inconsistent relationships that are dependent on fluctuating demand. No procedures are in place to coordinate the chain, and the distributor says that he tells producers, “I’ll tell you guys, if you don’t have it, you don’t have it, but it’s just a phone call away to find it someplace else.” In addition to not using contracts or agreements, this quote reflects that there is no sense of mutual interdependence, which is evident in how easily the distributor is willing to source products someplace else.

As for producers, the majority seem to feel that contracts aren’t necessarily in their best interest either, since they perceive that this would tie them into producing a certain amount of product: “The way I understand it, if you sign a contract, you’ve gotta have it. And, and it’s too- it’s too wishy-washy with produce, there’s no guarantees, about anything.” Instead of perceiving contracts as a way to share the risks of uncertain conditions, this quote reflects how producer #2 feels that contracts would actually make
him more vulnerable. Producer #1 describes his interactions with both his broker and the distributor as “a gentleman’s agreement.” While he makes it sound as though he therefore has an informal agreement with these two companies, ultimately these relationships appear more predicated on personal relationships than on inter-organizational trust.

**Distributor and Buyers**

The longevity of the relationships between the distributor and his customers fosters a sense of trust that is derived partly through consistent and beneficial business relationships, but which also comes from personal trust based on residential proximity. When I asked the distributor how he first made connections with his buyers, he replies, “We all go drinking Friday nights and meet in the bar! Just over a beer, over some drinks.” Although quality, availability and price are important factors for buyers in choosing to work with this distributor, the fact that they move in similar social circles helps to maintain these relationships, and may serve as a check on their business relationship. Although they do not enter into agreements that would have legally enforceable consequence if the trust were broken, the distributor’s reliance on “word of mouth” and social connections with producers and buyers is presumably also a good incentive to remain honest, reliable and responsive to any potential problems. Despite a lack of inter-organizational trust, personal trust may serve as a governance mechanism, as suggested by Granovetter (1985).
C. Committing to the Welfare of All Participants

Distributor’s Perception

The distributor talks openly about giving producers fair prices in order to maintain the relationship. For example, he talks about their shared economic goals, the reciprocity of the relationship and his attempts at maintaining fairness as follows:

So you know, I try not to take advantage of them. They need to make a profit, I need to make a profit, that’s why we’re both here; lot of people want to gouge you, and I try not to do that. I try to make a fair profit to cover my expenses, give as much back as possible. Because if you don’t give any back this year, they won’t be there next year.

This clearly reflects the distributor’s recognition that producers’ economic rewards are related to their operation’s survival and economic sustainability. He indicates that he tries to maintain “fair” pricing and profits, which he compares to the practices of the adversarial produce industry (see section A, above). He is aware of how small a return producers get when supply chains are extended in the conventional produce industry:

Your produce, do you have any idea how many people, how many hands— you go to [Supermarket Chain] here, grab a head of lettuce, do you know how many people have got a percent of that before… ya know, [Supermarket Chain] is making a profit off of it, [Supermarket Chain] has bought it through a broker, trucks had to haul it here, the trucking company went through a broker, the farmer sold it through a co-op, the co-op through a broker, then the farmer pays to ship and have it there, the farmer gets nothing out of it, that head of lettuce.

In comparison, when asked if he feels that he pays fair prices for local produce, the distributor responds, “I think I do, I think I do, if I didn’t these guys wouldn’t be selling to me. They wouldn’t be coming back and, you know, dropping it off with no price tag on it. But they must trust me, must think they’re getting a fair return.” Interestingly, although the question did not specify for whom prices might be “fair” (the distributor could easily interpret “fair prices” to refer to his own operation), the distributor assumes
that it is related to producers and their needs, suggesting his empathy for agricultural producers.

Although he talks about fair prices, the distributor says that he is only interested in local products when producers’ prices are comparable to the same non-local product: “If they’re just getting started and have very little volume, if they can get a premium price—call me when you have a surplus, then I can deal with it.” The “premium price” that the distributor is referring to here has to do with the timing of the product, since producers can receive higher prices when there is scarcity in the market for a particular product. It is not a higher price based on the quality of being a local producer or based on a producers’ costs, but rather on market conditions. Fairness is therefore not built into the price of local items, despite the distributor’s recognition of the need to pay farmers good prices to help them stay in business.

It is interesting to compare the empathy that the distributor displays for producers with his uneven concern for end consumers and his employees. The distributor and one producer, in a joint interview, lament the tight budgets that limit what schools can purchase, but also blame “lazy” food service employees that the distributor describes as, “Cafeteria ladies sitting around drinking coffee in the mornings talking about what they did the night before. If they get to work, the kids get better food.” In addition, as a supplier for local prisons, the distributor exhibits disdain towards prison inmates and laughs at the fact that the prisoners complained of a lack of variety in the fruits provided, saying, “That’s not a social club! They’re not in there because they’re nice people!...They’re tired of only apples, oranges and grapefruit. I’ll come out and give them a snowball sandwich!” This mixture of concern and disdain for the end consumer
depending on their social status reveals an uneven commitment to the interests of the participants in this chain.

In terms of his employees, the distributor mentions the importance of paying fair wages in the context of remaining competitive as an employer. When he talks about how the “middleman” is often assumed to profit disproportionately in the produce industry, he says, “…they always say the middleman makes big bucks. He’s like anyone else, he’s got expenses- I got 35 guys, they want a paycheck every Friday, they want paid vacations, paid holidays, and you’ve got to give all that stuff to compete with industry in town. And it’s hard.” Providing for the welfare of employees is an obligation that the distributor has in order to maintain his business, and he again shows uneven concern for the well-being of all participants when he complains about the workmen’s compensation program and the fact that he feels that some of his employees abuse it.

**Producers’ Perceptions**

Despite the distributor’s emphasis on fairness for producers, the fact that he only deals with local farmers when they can meet his needs on price and volume limits him to buying surplus produce when the market is flooded and prices are low. Producer #2 says of him, “Oh, if he can buy a similar product for cheaper, you won’t see him. You won’t see him. He’s a money man.” This particular producer has an arrangement with a supermarket chain that pays him a relatively steady price throughout the season, something that the distributor does not offer. Therefore, for this producer the economic value of selling to the distributor is small, and consists purely of an extra outlet for surplus product.
Producer #1 feels that he gets better prices from the distributor than from his regular broker. He says, “[The distributor] typically has a better return, because I don’t think there’s as many hands in the pot… Where, if we go through our broker, there may be several brokers between us and the final destination of the product.” Producer #1 recognizes the value of the shorter supply chain through the distributor, although because of the scale of his operation he only sells about one percent of his product through the distributor. In comparing selling to his regular distributor and selling to the broker, Producer #1 says of his relationship with the latter, “…we’re pretty much at the market’s mercy,” thus revealing the vulnerability that many producers feel in the conventional produce industry.

As for farm laborers, although this question was only touched upon in these interviews, participants’ responses help to shed some light on potentially contentious issues. Producers #1 and #2 rely on Mexican migrant workers; one finds these workers through a government program called H2A, while the other says that he uses a “broker” to source these laborers, who are most likely also recruited through the H2A program (Bauer N.D.). Although little information about these laborers was garnered within the scope of these interviews, the producers did indicate that they hire different workers every year through either the H2A program or the broker. In addition, a recent report by the Southern Poverty Law Center on the H2A program cites numerous problems with how it is designed and enforced which tend to lead to the exploitation of workers. For example, the report says that these workers are not allowed to switch jobs if they are mistreated, are threatened with deportation if they file complaints and that the government fails to enforce regulations that are intended to protect workers. This often
leads to workers not receiving full pay, living in poor conditions and not receiving adequate medical treatment for work-related injuries. This report quotes Charles Rangel, the House Ways and Means Committee Chairman, as saying of the H2A program, “‘This guest-worker program’s the closest thing I’ve ever seen to slavery,’” (Bauer N.D., 2). The report also mentions labor brokers, such as the one used by Producer #2, whose abusive practices have been challenged in court by the Southern Poverty Law Center. Although it cannot be assumed that the poor conditions described in this report are necessarily present on the farms that form part of this study, the report raises important issues that many large farms face when dealing with migrant labor.

In terms of producers’ awareness of or connection to the wellbeing of the buyers and end consumers in this chain, producers do not mention them very often. Producer #2 did, however, bring up potential issues of social justice for consumers when he mentions that the savings that chain stores experience on low-priced mid-season produce rarely gets passed on to consumers: “Everything’s ok as long as you’re giving a deal, but they won’t pass it on! See, and I think- personally I think that is wrong. Food is- food is very expensive at the other end.” This producer shows concern for the end consumer and reflects on how producers and consumers are losing out in this unfair situation; while he receives low prices for his products, consumers continue to pay high prices.

**Buyers’ Perceptions**

The distributor states that his customers wouldn’t pay more for local produce and that they expect local produce to be cheaper than imported food items. Two of the buyers, however, report that they were willing to pay more for local produce, citing both consumer demand and supporting the local community as their rationale. The owner of
the farm stand goes as far as to say that he’d pay more for national produce over international: “Our customers want something that’s local… I would pay a little more, definitely, for local, or even, you know when it’s out of season produce and it’s coming from Florida. I’d much rather see a Florida tomato than a Mexico tomato.” The restaurant owner also confirms that he’d be willing to pay more for local food, but qualifies the statement by saying:

It all depends- that’s a very hard question, cause you’re still- you’re running a business, you have to save where you can, but all the family has been of the opinion that you do whatever you can locally within your community first, and then travel outside.

Both these buyers state that they are willing to pay more for produce in order to support local communities and producers. However, it remains unclear whether they put this willingness into practice when buying through the distributor, especially since they use the distributor more during the winter season and have alternate sources of local produce during the summer.

The Food Service Director brought up the idea of reciprocity in terms of buying local produce during our interview. She cites supporting local businesses and the direct connection of supporting the school’s tax base through the support of local farmers: “I mean, you’re a tax payer, the farmer is a tax payer and why wouldn’t you support it?” The restaurant owner echoes the concept of the reciprocity of supporting local farmers: “…we’re helping out the community, local farmers, within that radius, that have served us in coming to our establishment, we’re buying off of them…” This idea of reciprocity extends beyond supporting local farmers to supporting the local economy in general through businesses, including the distributor. When asked about how much local produce he purchases through the distributor, the restaurant owner explains:
Being a wholesaler, I’m sure that things come from New Jersey, California, Florida… is it all within that 100 mile radius? No, no. But it’s a local produce company. Um…so yeah, are things coming out of state? Absolutely. But he’s a local produce person and we buy off of him.

These three buyers believe that buying locally helps to support those that support them, and fosters both the local economy and community. In this way they recognize the importance of supporting agri-food businesses in addition to local producers.

D. Differentiation and Value-Added

Distributor’s Perception

Although the distributor repeatedly says that there is little demand for local produce, he does acknowledge that in the peak season people expect that certain items come locally. He says, “When we get in to local produce, local cantaloupes and local tomatoes, I just, everybody wants that, so that’s what you buy.” Despite the popularity of perceived local specialties in summer, the distributor’s business is much more profitable during the off-season when he can handle more imported produce, since in this rural area there are multiple sources of local produce in the summer that make it hard for him to compete:

But when there’s local produce available, you can either call me, or you can go down to [the Farm Stand] yourself…You’re not going to bother me to start with. Ok? Normally if I have to haul the stuff 100 miles I can make money, and I don’t make a whole lot of money selling local produce… cause there’s just a lot of local stuff available….I can’t buy stuff off the local farmer and haul it to [Supermarket Chain] and compete with the local farmers.

These alternate sources of produce diminish the role of the distributor during the summer, while creating a niche market for him in the winter.

However, the identification of certain items with local identity is strong for consumers, but the distributor reports that consumers don’t necessarily fully understand
seasonality. The distributor laughed at consumers who, eager for local sweet corn, asked if any was available in mid-June. Demand for items that consumers believe should come locally gives the distributor a second niche, since he can source certain items regionally and provide produce that is in demand and perceived as a specialty of the area before the local season starts. The farm stand owner explains his perception of the distributors’ role as follows:

You know one of the big things [the distributor] does is Eastern Shore sweet corn, he does a really good job with that, getting it fresh off the shore, and you wouldn’t necessarily call that local… it’s a regional thing- within 150 miles away- and he does an excellent job with that, picking it up right at the farms, making sure it’s iced and cold when it comes to us, actually- uh, within, a, half a day of when it was picked. So we get excellent, early corn that way, for like fourth of July.

The distributor also describes how he sources items such as watermelon and tomatoes regionally to take advantage of demand for local produce at the edges of the season.

The fact that buyers source local produce from other establishments over the summer may help to explain why the distributor doesn’t perceive much consumer demand for local produce, and therefore why the distributor does not consider local produce a differentiated product that is worthy of a price premium. This is partially reflected in his opinion of labels, such as PA Preferred, which is run by the PA Department of Agriculture to help identify and promote Pennsylvania produce. When asked about these labels, the distributor says that he feels that promotional efforts are too expensive and not necessarily beneficial for producers: “I’m not a big advertising person. So, it’s an expense for them. And I don’t know if it’s justified by the return, because there’s no guarantee that they’re going to get an extra quarter or dollar a package just because it has a PA label sticker on the box.”
Producers’ Perceptions

In this rural network, producers do not control any type of brand on their produce, and mark products as “local” to a very limited extent. Producer #1 belongs to PA Preferred, although he does not have labels that identify his produce as such. Although Producer #2 only has labels that identify his product as from the USA, he sells to a supermarket chain and feels that this market opened up for him because of an increase in demand for local products. He therefore sees value in identifying local as a point of differentiation, although he does not label his produce as a way to take advantage of this. While recognizing the potential niche for local food, Producers #2 and #3 both imply that supermarket chains promote local food purely to take advantage of their current popularity, but in a manner that demonstrates a lack of true commitment to regional food systems. Producer #2 criticizes this practice because he feels that regional conditions are important factors in creating differentiated products. He says, “The chain stores—anything east of the Mississippi is local! But, in my opinion, it’s not, for the simple reason… they can’t grow cantaloupes as good as we can here in the hills.”

Producer #2 employs strategies to increase his volume in order to offer competitive prices in the wholesale market. This producer says that the only reason he can compete is because he offers high volumes, which he achieves by pooling his produce, that from his brother’s farm, the produce from several smaller, Amish farmers and from produce auctions. While this horizontal aggregation is a strategy for forming regional value chains, this aggregation is not accompanied with value-adding strategies that would enable these producers to shift the balance of power in their favor and receive fairer prices.
Producer #3, on the other hand, is focused on reducing his volume in order to focus on local and direct markets and thereby earn higher profits. Because of this, he recognizes the value of “local” in adding value to his products. For him, selling to the distributor is part of a deliberate strategy to downsize his operation and get away from selling to big brokers and exporting an undifferentiated product that is treated as a commodity. Citing the difficulty of competing against international produce and processed products, he’s shifted the focus of his business back towards local and direct marketing. Asked about direct marketing, he responds:

That for me is a sacred word, we’re rapidly trying to get back to more local things, we’re doing a lot less of that wholesale, this year will be a big transition for us… we have our own farm market now and we sell direct to the public, selling a lot more local to people like [the distributor], we’re more involved in distributing other products too.

This producer is trying to regain profitability by diversifying both his products and markets. He is transitioning from 500 to 250 acres in order to shift into direct marketing and local markets, including the distributor.

**Buyers’ Perceptions**

Consumer demand for local produce is partly determined by the popular perception of the area’s agricultural heritage, which influences which items consumers believe should come locally and which sources they consider appropriate for purchasing these items. As the distributor explains, because of the rural nature of the area and the importance of agriculture, during the summer there are many sources of local produce that buyers prefer to use. For example, due to the restaurant’s size, its owner finds it more economical to buy produce by the ton or half ton from the local produce auction. The farm stand owner has a pre-season agreement with two local farmers to provide
produce, in addition to the sweet corn that he and his family grow themselves. For these
buyers, freshness and volume make these sources more appealing than buying through
the distributor, and the farm stand owner says, “When my local sources become
available, that immediately takes precedence over what would be handled through a
distributor.”

In this network, the three buyers reflect varying degrees of promotion of local
foods. The farm stand has the most overt identification of local produce, with a separate
row distinguishing the produce and signs that say, “our own,” “raised here” or otherwise
indicating the provenance of the item. People travel to this farm stand specifically for
items that they perceive as a specialty in this area, making local produce the major draw
for customers that come from as far as 100 miles for home grown sweet corn. So strong
is the draw that the farm stand owner says, “They wouldn’t look at something that was
shipped in, actually, I couldn’t sell certain items- like corn, if I had my own sitting there
and something that was shipped, I don’t think I could sell the others!”

The restaurant offers slightly less publicity about the provenance of its produce,
although at the time of the interview they had recently signed up for signage from the
Pennsylvania Department of Agriculture’s Simply Delicious produce promotion program.
Although this was the first actual promotion of local produce, the entire business is
constructed in such a way to promote regional specialties. According to a promotional
brochure, this includes items such as “Pennsylvania Dutch Pot Pie,” and other home-
cooked, “treasured family recipes passed down from generation to generation.” This
brochure emphasizes “country” cooking and fresh ingredients, and the owner says that
local customers ask if produce is from “market,” or local, and expect that it will be. The
image of the restaurant as a traditional, family-based country establishment is carefully constructed and sold to the customer as part of an experience that goes beyond food. Half of the business used to come from tourists on bus trips from major urban centers, although the owner believes that now a majority of the customers are regionally based, within 80-100 miles. The idea of a family restaurant with fresh, country cooking is a kind of legacy for this business, one which the owner suggests includes local produce and local agricultural relationships. This is evident in the development of promotional literature surrounding the business. The restaurant owner describes how he plans to use the business’ history as a way to promote his local produce relationships:

My grandfather actually started going to the auction, which was… gosh, 20, 25 years ago, and we’ve just kind of kept the tradition of going… My mother’s a writer, she’s since retired from the business, so she’s writing up a history of the business, about my grandfather going out to auction and we’ve got some photos and things of that nature. So we just want to push to say we’re doing local things.

The reference to tradition and the creation of a legacy of local produce procurement is part of how “local” is differentiated and given value in this region.

In the school district, the identification of local produce is much less overt. The district’s Food Service Director (FSD) believes that most students don’t realize that their produce is coming locally, and the FSD herself makes assumptions about what food is local, which aren’t always accurate. When pushed to explain which products come locally, the FSD wavers between items that she identifies as fresh, and those that she imagines must be local:

Um, let me think a minute. Uh, oranges, no, we use those, we have fresh fruit every day, on the line, uh, carrots, I’m sure, and your celery when it gets warmer, see, but then we’re off, when I start up in August that’s when a lot of the fresh that they raise I buy, ‘cause like, it’s ripe and ready to go- peaches, nectarines, we get in plums…
Here the FSD identifies items that she believes are most likely grown in the region based on her perception of what items should be local. Based on the Pennsylvania climate, it may seem reasonable to assume that an item such as carrots could be a local item. However, the distributor states that:

They don’t grow carrots in Pennsylvania no more… The only carrots being grown in Pennsylvania is somebody growin’ it out in their backyard in their garden. As far as buying local grown Pennsylvania carrots, I have no idea where I could do it, no contacts.

The FSDs assumptions about local food replace any mechanisms, such as labels, that could differentiate Pennsylvania products.

Adding to the FSD’s confusion is the fact that she identifies the distributor as a producer. On the survey of Pennsylvania FSDs described in Chapter 3, she took the opportunity to express her additional thoughts in a final, open-ended question, writing, “I deal with many local producers- I truly believe in servicing/purchasing locally. Plus, our produce is delivered up to 3 times a week,” (emphasis in the original). When follow-up interviews were performed with the FSD and the distributor as part of this study, it became clear that the Food Service Director confuses the freshness that comes with multiple deliveries with local provenance, and that the distributor himself does not actually farm. The FSD is clearly confused as to what products come from local farms compared to what is provided by a local business, which indicates that local products are not differentiated or identifiable for her when coming through the distributor. In addition, the FSD is influenced by the rural context of the distributor, which may also be a factor since the school district is located in a mining area with few agricultural ties. For example, when the FSD tells the interviewers to go visit the distributor, she says,
“…now that you’d have to get directions, because I had to go there once, and it’s out- and there’s cows and there’s all things, so that’s a good place to go.” She suggests that the interviewers visit the business in part to get a sense of the agricultural context, which infuses her perception that the food that she buys is local.

E. Shared Goals: Environmental and Social Values

Participants in this network did not volunteer environmental goals as reasons for their participation in a local food system. Transportation and freight are a common area of concern for these participants, but their comments were consistently aimed at the prohibitive cost and the ability of freight companies and truck drivers to make a higher profit than farmers. Keeping produce local is seen as a way to recoup economic control of the chain, but not in terms of potential environmental benefits of shortening the food supply chain. A few respondents referred to organic produce, but usually these comments were limited to its prohibitive costs and not its potential environmental benefits or the possible role of certification in setting agreed-upon standards for the chain. One producer is particularly negative and resentful towards organic produce, calling the allowed substances used by organic growers, “nature’s poisons.” One buyer also mentions organic produce, but again, only in terms of the prohibitive prices, saying that they don’t label produce as sustainably raised or organic because they prefer to, “Just let [customers] know where it’s from and they can make their choices from there. Buyers are fairly discerning, usually.” Here, produce is promoted as local, perhaps relying on the inherent assumptions that local food is healthier and more environmentally sustainable (Winter 2003).
As mentioned in the section describing how the welfare of all participants is perceived, consumers in this network share a vision that their purchases are bolstering the local economy and thereby fostering their local community. However, these social goals do not necessarily translate into a holistic view of a local food system among actors. Of all the actors, the distributor appears to be the least in touch with the concept of a local food system. In addition to believing that buyers would not pay more for local produce or even ask for it, except on limited seasonal products, he seems unsure as to what a local food system would consist of, asking “As far as local food system, how do you mean, like fruit stands, you mean?” However, it seems that participation in the interview sparked his interest and may have led to further discussion with other actors, since he asked the interviewer about how the producers had responded to questions about the potential benefit of local food systems.

Other respondents seem more aware of the shared goals of a local food movement, and cited the benefits of such a movement as reasons for their participation in local supply chains. Producer #2 in particular cites the push for local food as part of the reason that his sales have increased and that he no longer is faced with the problem of surplus product. He says:

I think that chain stores that have a lot of stores in Pennsylvania, they’re pushing local product, and I think that’s part of the reason that it seems to be getting easier to…Because the last couple of years, as a whole, I don’t need to call anybody and say, hey listen, I’ve got two hundred bins of ‘lopes, I need to get ‘em out of here. I don’t do that. I’ve got to go the other way, I’ve got to tell them, hey, instead of a load you’re probably getting a half a load, stuff like that.

Producer #2 identifies the benefits that he’s received from the local food movement as coming through sales to chain stores, and not through the distributor; this is due to the
fact that the chain stores actively promote Pennsylvania produce, and are willing to give the producer steady prices throughout the season instead of basing them on the market, as the distributor does.

III. Summary

The popular perception of the importance of agriculture in this rural context creates a local food movement wherein connections to local agriculture are used to promote regional tourism to the area. This influences how local food is differentiated and also affects how much local produce flows through the short food supply chains that revolve around the wholesale distributor. The promotion of local agriculture through products that are considered regional specialties leads buyers and consumers to consider farm stands and auctions as more appropriate sources for fresh, local produce during the summer months. This consumer preference ultimately limits the role of local purchasing through the distributor and serves to restrict the relationships between producers and the distributor.

Despite the limited amount of local produce that the distributor handles, the strong social ties between him and the producers appear to foster perceived fairness, fair pricing and beneficial governance mechanisms. However, ultimately prices and quality standards are determined by the market value and standards for similar non-local items, which further limits the extent of the relationship between producers and the distributor and ultimately perpetuates the arm’s-length nature of produce industry relationships. Because of the distributor’s commitment to customer service, his relationships with buyers appear stronger and potentially more like partnerships according to the value chain framework than his relationships with producers. Despite a lack of shared governance mechanisms, this feeling of partnership includes reciprocity, and the belief on
the part of buyers that their purchases help to bolster local businesses and therefore the local economy.
CHAPTER 5
Analysis of Findings

Hybrid Food Network #2- The Urban Context

I. Background

The urban context has fostered a local food movement that has gained popularity over the past five years, according to participants from this region. This movement corresponds to a larger national trend and is manifested by efforts to promote urban agriculture, farmers’ markets and sustainable agriculture (DeLind 2006). A more pronounced local food movement has influenced the organization and coordination of the actors in this network, and has led to the participation of an outside non-profit organization that sees local food promotion as a means to support sustainable agriculture. The presence of an active local food movement has also stimulated consumer demand for local products, which makes actors in this network highly aware that local food has value in a successful business strategy. Meeting this consumer demand requires a greater degree of the type of coordination described by the value chain framework than was observed in the rural case.

A. The Distributor

Unlike the distributor in the rural network, this actor studied accounting in college and had no connection to agriculture prior to taking over the produce business. He and his father bought a small produce company and over the years shifted it from a retail and wholesale business to a purely wholesale operation. The company’s gross sales in 2007 were in the category of between 10 and 14 million dollars, and the business employs around 40 people. Of the produce that he purchases, 6-8 percent is from farms located
within 100 miles, 12-15 percent is from Pennsylvania farms located beyond 100 miles (which the distributor called “huge” in size) and the remainder of what he purchases is a mix of national and international produce. As with the rural distributor, the proportion of national versus international produce was obscured for the urban distributor since all produce is transferred through the same handful of brokers. In terms of the produce company’s sales, approximately 8-10 percent goes to school districts, including the large urban district, 2-3 percent goes to retail outlets, and the remaining 87-90 percent of sales is to restaurants.

Purchasing and promoting local foods is a central component of the distributor’s business strategy. He feels that offering high quality local produce allows him to take advantage of a niche market and gives him a competitive advantage:

…you’re always looking for a way to expand your business to be a leader, ok, you always want to be one step ahead of the game …this product I bring in nobody else has, if I can keep that up, if you’re the only one to have this program in place, that nobody can touch, it’s sort of like Microsoft- everybody uses Microsoft because they’re the leader, because they set the bar, and I know that that’s sort of a skewed analogy…

The distributor compares himself to Microsoft and makes references to being a leader in this niche market, and being able to “monopolize a customer.” In the quote above, it is unclear why the distributor believes that this is a “skewed analogy.” Perhaps it is related to the fact that, while Microsoft has been seen as a leader in innovation, it has also been criticized for creating a monopoly. By referring to this comparison as a “skewed analogy,” perhaps this distributor is expressing some of the tension that arises from maintaining economic priorities, including competitiveness, while handling a product that his customers value for its non-economic qualities.
B. Producers

Both of the producers in this case study region run hydroponic greenhouses, and one of the producers also grows beans and potatoes on four acres. Compared to the producers in the rural context, these producers are much smaller in scale, both in terms of land area and sales. Nonetheless, according to the Ag of the Middle definition, they still fall within a mid-size range based on their marketing strategy (see Chapter 2 for a definition). In this network, the wholesale produce distributor is one of the primary outlets for the producers, who are dedicated to selling to wholesale markets. These producers grow specialty products that command a premium, especially with high end restaurants.

<table>
<thead>
<tr>
<th>Producer</th>
<th>Number of Acres</th>
<th>Number of Employees</th>
<th>Gross Sales (2007)</th>
<th>Amount Sold to Distributor</th>
<th>Other Major Outlets</th>
<th>Product</th>
</tr>
</thead>
<tbody>
<tr>
<td>#1</td>
<td>3400 square feet</td>
<td>3-6</td>
<td>$100,001-$250,000</td>
<td>50%</td>
<td>Other Wholesale Produce Distributors</td>
<td>Hydroponic lettuce</td>
</tr>
<tr>
<td>#2</td>
<td>4 acres</td>
<td>3</td>
<td>$100,001-$250,000</td>
<td>Approximately 30%</td>
<td>Other Wholesale Produce Distributors</td>
<td>Hydroponic arugula, microgreens and garnishes; potatoes, beans</td>
</tr>
</tbody>
</table>

C. Buyers

Compared to the school district in the rural region, this urban school district is very large, and therefore has very different operations that restrict its ability to handle
produce⁹. The restaurants in this area also differ from the restaurant in the rural region, in that both are small and target higher-end consumers.

Table 4: Buyer Characteristics in the Urban Case

<table>
<thead>
<tr>
<th>Buyer</th>
<th>Number of Employees</th>
<th>Other Produce Sources</th>
<th>Other Characteristics</th>
</tr>
</thead>
<tbody>
<tr>
<td>School District</td>
<td>389</td>
<td>Food service company</td>
<td>Total student population: 28,265; 66% free and reduced meals</td>
</tr>
<tr>
<td>Restaurant #1</td>
<td>25</td>
<td>Direct from farmers at back door, farmers’ markets, other produce companies, farmers’ cooperative</td>
<td>High end restaurant; seats 60 people</td>
</tr>
<tr>
<td>Restaurant #2</td>
<td>16</td>
<td>Farmers’ markets, specialty food company, farmers’ cooperative</td>
<td>High end restaurant (prix fix $70 menu); Seats 50</td>
</tr>
</tbody>
</table>

D. Outside Actor

One notable outside actor relevant to this network works for a state-wide non-profit organization that promotes sustainable agriculture. On its website, this organization states that its goals are to:

…improve the economic prosperity, environmental soundness and social propriety of Pennsylvania food and agricultural systems…[This organization is a] dynamic new model for partnerships between traditional agricultural and our ever-changing society and has worked to forge positive and needed changes in the way food is grown, harvested, distributed, and marketed in the Commonwealth of Pennsylvania.

⁹ In addition to its size, none of the 32 elementary schools has its own kitchen facility. Therefore, meals for the elementary schools are produced at a central site and delivered on a daily basis. Because meals are prepared one day and delivered the next, they tend to consist of pre-prepared, freezable items, and therefore handling fresh produce is a challenge.
In this case, the distributor asked the employee of this organization to facilitate the relationships between the distributor and producers in order to increase the distributor’s sale of local produce. The outside actor defines her role as identifying and contacting producers that might potentially be interested in selling to the distributor, and then sharing information between the two parties and arranging for them to meet.

II. Applying the Value Chain Framework

A. Creating Partnerships

Distributor and Producers

Because purchasing and promoting local food is an integral part of the distributor’s business strategy, he is interested in finding ways to secure consistent, reliable relationships with local producers in order to coordinate the supply chain dynamics between production and consumption. He sought the help of the outside organization in locating local farmers and facilitating the relationships because of the challenges that he had encountered in working with local producers. Specifically, the presence of a local food movement and high consumer demand provides economic opportunities for producers through direct marketing outlets such as farmers’ markets and selling direct wholesale to supermarket chains. The presence of this high profit margin retail market for producers puts tension on the relationship between the distributor and local producers and impedes partnership development. While many producers would like to sell only their surplus to the distributor, the distributor needs a steadier supply of local produce to meet his markets’ demand; however, he can’t compete with the higher prices offered in the direct retail and direct wholesale markets. The distributor is seeking consistent relationships that may resemble partnerships under the value chain model,
while the producers appear to prefer remaining more like suppliers and dealing with the
distributor only when it’s beneficial for them. New opportunities in local markets shifts
power towards the producers, who treat the distributor with the type of inconsistency that
producers usually face in typical supply chain relationships. The fact that producers want
the freedom and flexibility to decide when they will sell to the distributor is in some ways
a role reversal compared to traditional produce supply chains that the distributor finds
frustrating, and which puts tension on partnership development.

When it comes to sharing information, the distributor is mostly meeting the
demands of high end restaurants that have very specific requirements about the quality
and aesthetic appearance of the produce. The distributor passes this information to the
growers that he works with, and is also concerned with how producers arrange their
growing patterns in terms of volume and variety and how they pack their products. The
distributor says that the information that he gives to the producers is mostly:

...what I want spec-wise, here’s what I’m looking for you to grow, I mean
a farmer might not be used to, ok, he may just pack a box and that’s it, I
may say, ok, here’s the size I want, here’s what color I’m looking for,
here’s what shape I’m looking for.

These demands are very specific, and reflect the need for the distributor to almost micro-
manage production to meet demand. In addition to these demands, the distributor also
reports working with producers to determine how much of certain items they should
grow, since in some cases he says that, “There are times that we clean people out, and
that’s all they can provide, we try to give them ideas. We try to work with the farmers
and have them plant enough for us, it’s a matter of how much they can handle.” In
addition, it’s easier for the distributor to deal with producers who are more
technologically streamlined and business oriented. He says that many producers are stuck in their ways and slow to change, which he finds challenging to deal with:

And some of these farmers, it’s just generations upon generations and they don’t want to change, they don’t have the facilities…and there’s other ones that are just all into money, it’s all the business. And I really find the ones that are advanced, and that just helps so much.

Partnership selection for the distributor includes a commitment to selling to the wholesale market, the ability to meet specific standards and the technology to streamline both processes.

The two producers in this urban case study had very different views of the nature of their relationships with the distributor. Producer #1 implies that he and the distributor work together to coordinate production to meet demand, which makes this relationship appear similar to a strategic partnership. This producer reflects on the demands that he receives from the distributor, but is clearly aware that the locus of these demands originated with the chefs. In this way, he conveys the sense that he understands how information is flowing through the distributor, and how he can adjust his own practices to accommodate the demands of end-consumers. For this producer, daily communication includes an exchange of what the distributor needs and what the producer can provide, and goes as far as to foster feelings of personal trust:

You become friends! You do, because you talk to somebody so much, I think we have a really good working relationship, we go-the communication, we talk a lot, he tells me what’s not right, what needs to change, what it needs to look like, what he can use, and then I can tell him, what I can do, and, um, it’s, when you talk daily to someone you do become, kind of personally involved with them because you talk about other things, other than just lettuce!

It is worth noting that this particular producer is new to the produce business. He is an employee of a non-profit organization that works with mentally handicapped and
mentally ill individuals. The greenhouse that he manages is a social venture to provide vocational opportunities for the clients of the non-profit organization where he is employed. The business began in 2006 and, partly because of his inexperience with produce, this producer is very open to suggestions and to the changes that the distributor wants him to make. He acknowledges his inexperience, saying that when he first started to manage the greenhouse he had to trust the wholesale distributors that were buying from him to quote him fair prices, since he didn’t know how to price his products.

In comparison, Producer #2 does not seem to share the sense of partnership with the distributor that Producer #1 expressed. Producer #2 has made changes to his operations, including standardizing his packaging, developing a label and reducing the number of products that he grows in order to increase the volume that he offers for each crop type. However, he identifies these changes as a way to adjust to the overall “capitalistic” system, while Producer #1 looks more at how he can accommodate the demands of the specific buyers in his supply chain. In keeping with some of the ideas presented in the value chain framework, Producer #2 receives information about consumption patterns and has procedures to track the flow of his products. For example, he maintains a direct relationship with one local chef in order to keep up with the “trends” of what consumers are demanding, and routinely checks the menus of high end restaurants in other major cities, where he believes the local food movement is one step ahead. He has also developed his own computer programs for tracking production and calculating his prices. In these ways, Producer #2 can remain adaptable in the market and run an efficient operation. However, he does this independently, and not in conjunction with the entire chain, as described in the value chain framework.
It is also interesting to note that Producer #2 says that he prefers to work with a second distributor\textsuperscript{10} in the urban center rather than with the distributor in this network. Producer #2 says that the alternate distributor also has computerized programs to track the supply and demand of local produce and that he feels that this company reflects a deeper commitment to local producers. Producer #2 and the alternate distributor share their computerized data in a way that helps them coordinate their relationship and increases a sense of shared goals for the producer. For example, Producer #2 reports that because of the computerized organizational procedures of this company, they can track how long produce sits in their warehouse; this increases Producer #2’s trust that the company does not sell a product that has spoiled, which would reflect on him since it carries his farm based label. From his description, it appears that Producer #2 may have a relationship that is closer to a partnership with the alternate distributor, as described by the value chain framework. In comparison, he appears to lack respect for the distributor in this urban network, as evidenced through his complaints that this distributor is less organized, less trustworthy and that he sometimes sells produce that has sat too long in the warehouse.

\textbf{Distributor and Buyers}

The distributor is committed to finding the best quality product at the best prices for his customers, which, as mentioned earlier, means that he doesn’t source only local produce. The distributor often finds that local producers who sell in direct retail markets demand prices that he can’t “justify” to his buyers. His commitment to buyers’ needs is

\textsuperscript{10} This second distributor is very active in promoting local produce, and appears throughout these case studies as a point of comparison. In addition to working with Producer #2, this second distributor also works with Producer #1 and several of the chefs in the urban case study region, as well as with producer #3 in the exurban case study region. Therefore, I will refer to this distributor as the “alternate” distributor for the rest of this analysis to avoid repetition and confusion.
most evident with the school district, whose limited budget compared to the distributor’s other clients requires that he work hard to find the lowest priced product for them. For example, when lettuce prices skyrocketed, the Food Service Purchaser\textsuperscript{11} for the school district says that she had daily communication with the distributor, who helped her plan how much to buy, when to buy it and switched vendors to keep prices down. On her end, the Food Service Purchaser worked with schools to reorganize their menus and replace or reduce the amount of lettuce they were using. The distributor and the buyer exhibited joint problem-solving efforts to address the purchaser’s financial constraints; however, unlike in the value chain model, this was done without any type of coordination on the producer end, and was achieved by switching vendors, not by working through the problem on the supply end as well as on the purchasing end. This may indicate asymmetry between the relationships that the distributor has with producers and with buyers, although it is possible that the distributor would have treated local producers differently, since the lettuce in this case was a non-local item. What we can learn from this example, however, is that the distributor has a clear understanding of the school’s needs and is willing to work together with the buyer to solve problems, which is an important element of partnership development in the value chain framework.

The distributor uses the same type of joint problem-solving when working with the two chefs in this network. For the chefs, the relationship is beneficial because they feel well taken care of by the distributor’s attention to their needs. Both chefs appreciate

\textsuperscript{11} Because of its size, this urban district’s food service operation is managed by several employees instead of just one, as was the case in the rural and exurban regions. In this district, the food service department is run by a food service director, purchaser, manager for the secondary schools and operations manager. For the purpose of this analysis, I refer to an interview with the food service purchaser because she has the most direct contact with the distributor. Also, the food service director had only been with the district for a couple of months at the time of the interview, and therefore was less familiar with the district’s operations.
the distributor’s responsiveness, his ability to find them any kind of product and his willingness to replace products that don’t meet their standards. They also appear to feel that they are working together with the distributor to help develop a local food system. While the distributor mostly credits the outside organization with helping him to find and establish relationships with producers, he also acknowledges that sometimes restaurants will first find a producer and then call in the distributor to help facilitate the relationship. Although he cites this as an occasional occurrence, one of the chefs places himself much more solidly in the role of facilitator:

A chef friend of mine went to work for [the Distributor], I ended up buying some stuff for them just to help him out, just as a friend, and then I ended up meeting and talking to [the Distributor], and [the Distributor] was looking for local produce, and I said, well I have a bunch of these farmers who are complaining about not being able to get distribution, so I put the two in contact, and the rest is history.

In addition to taking credit for establishing relationships between the distributor and producers, this chef goes on to say that he’s observed a shift in the business and that more and more local produce is sold through distributors instead of directly to restaurants. Again, he sees a prime role for himself in effecting these changes, saying, “Actually, it’s changed quite a bit… and not to say that I changed things, or I made the difference, but I put a lot of people through [the Distributor]...” Here, the chef attempts to downplay his role in establishing producer/distributor relationships, but he does so in such a way that leaves the listener with the distinct impression that he does indeed take much of the credit for himself. In this case, the chef implies that he has a type of partnership with the distributor and the producers, and he sees himself as active in coordinating the short food supply chain.
Role of the Outside Actor

The outside actor plays a key role in bringing together producers and the distributor. She therefore serves as an intermediary in partnership selection. As such, she has found that not all farmers are a good match for working with a distributor, and therefore she looks for producers that are committed to selling only into wholesale markets, both in terms of the volume they produce and the price that they expect. She has also found that her most important role is to serve as a conduit for sharing information in order to coordinate the producers’ and distributor’s needs. She describes this facilitating role as follows:

Well, I think farmers and distributors need help from organizations like [Outside Organization] to kind of make this happen, and somebody to learn from both sides—and it’s not necessarily a brokerage type thing, it’s just a network, it’s a networker basically, somebody to get those two pieces together and say… let me learn this from you, and you need to learn this, and vice versa. So, yeah, I think that really works well.

Distributors are used to the standards and packaging of conventional produce coming through the produce markets, and therefore the outside actor asks them to specify the qualities that they look for, which they often take for granted. She shares this information with the producers, and those that are still interested meet with the distributor to work out the details. Here, the outside actor plays a role in facilitating the information sharing that is necessary as the first step towards creating partnership.

B. The Role of Trust and Shared Governance

Distributor and Producers

The distributor for this urban network talked extensively in our first interview about addressing the issue of producers switching in and out of the retail and wholesale market by developing contracts with the help of the outside organization. In this
interview, the distributor seems eager for contracts as a way to establish a more formal level of trust, whose purpose would be to overcome the on-again, off-again nature of the relationship due to competition from the retail market. He says in this interview:

So that’s why I hope that [Outside Actor] will be able to contract and say alright, if you want [Distributor] to guarantee you sixty cases of peppers a week, you’ve got to be within X amount of dollars of the Produce Yards, whatever the market is bearing at that point. So that was the issue I ran into over the summer, I called some of these farmers up and said this is what I need, and here’s the price, and I’m not, I’m selling it to my customers cheaper than what you want to sell it to me.

Six months later, in our second interview, the idea of a formal pre-season agreement had been tabled, although the issue of developing an ongoing relationship with producers persisted, and the distributor’s hope that the outside organization could help to bridge this relationship was a common theme:

It’s not an agreement, you just hope- what irritates me, and I’ve told [Outside Actor] this, look, if I’m buying off of them, I want to be kept in the loop, I want my product, I don’t want to hear, well, it’s the [County] farm show, I’m going to take all my stuff retail and I can’t get you this this week… I’m going to buy it, I want it.

Here, the distributor is struggling with how to establish the type of relationship that will guarantee a commitment between partners so that the producers will give this relationship precedence over their other markets. He doesn’t specifically see this as working through contracts anymore, and doesn’t mention any other procedural mechanism that might help to formalize and consolidate his relationships with producers. Instead, in this second interview he mentions that he has decided to start buying from a produce auction in a nearby rural county to ensure that he could receive the volume and price on local items that he feels he needs to maintain his business. While he remains committed to buying local produce, by switching to an outlet that relies on competitive bidding to establish
prices, he is moving away from a value chain model and towards a replication of traditional arms-length supply chain relationships with producers.

Neither producer is interested in committing to a pre-season contract with the distributor. These producers, who are committed to selling to the wholesale market, feel that contracts would be too constraining. Producer #1 says that contracts aren’t necessary because of the personal trust derived from proximity, “And we said, you know, we don’t need contracts with these companies, it’s just a handshake. We’re local, everyone’s local here, let’s just keep it at that. And that’s the way I like to do business.” Here, the lack of a contract is replaced by a high level of personal trust; it is unclear, however, if personal trust is accompanied by the type of mutual obligations and sense of interdependence that Stevenson and Pirog (2008) suggest creates successful value chains. Given the importance of local produce to the distributor’s business, it is possible that this producer feels that there is a high level of commitment on the part of the distributor.

Producer #2 feels very differently about this distributor. Although the distributor had given me Producer #2’s name as someone he was trying to establish contracts with, Producer #2 voiced some wariness of the distributor’s motivations and exhibited a definite lack of trust. For example, when I mentioned that the distributor had said he was working on contracts, the producer laughs and says that it was “BS” and that he doesn’t believe that the distributor is truly working on them. Producer #2 expressed some negative judgments about the distributor, saying that, “He’s only out to make a buck,” and criticizing what he claims is a lack of professionalism and commitment to the cause of local farming. When he compares the distributor in this network to the alternate distributor, he says that the other company is “progressive” and has a different “operating
philosophy.” He says that while he trusts that this other distributor handles his produce in a responsible fashion, so that it never sits on the shelf and is therefore always sold in good condition, he doesn’t extend this trust to the distributor interviewed in this study.

**Distributor and Buyers**

Although the chefs appear to trust the distributor and the fact that he respects their need for high quality products, they both compare this relationship to their direct relationships with producers. In addition to citing better quality at farmers’ markets, the chef from Restaurant #2 goes as far as to place a higher value on his interactions at a farmers’ market precisely because of the one-on-one interactions and the opportunity for unmediated judgments of quality; he says of buying from the distributor:

> I would say that it’s a little bit more unpredictable, and the main reason for that is you’re not actually hand selecting. You’re sort of at the mercy of what they send you… comparing that to buying food at a farmers’ market, it’s not quite the same cause you’re hand selecting the food that you’re buying at a farmers’ market, whereas with [The distributor] you’re ordering it over the telephone, and it shows up on a truck the next day.

The chef from Restaurant #1 echoes these comments, saying, “I know and trust the farmers that I’m dealing with, and I know that they take great pride in what they’re doing, and they take great care in what they’re doing.” Although both chefs mention the distributor’s willingness to replace product and work with them to find specialty items as positive aspects of their relationship, there aren’t any mechanisms for assuring quality or for implementing and monitoring standards along this extended food chain. This may help to explain why buyers in this network appreciate the personal trust and unmediated quality judgments of direct relationships compared to the comparative lack of control they feel when receiving products from the distributor.
Role of the Outside Actor

Although the distributor said that the outside actor was helping him develop contracts, in my interview with the outside actor she said that she was unaware of the distributor’s desire for formalized contracts. When asked about the possibility of developing contracts in order to maintain the relationship between producers and the distributor, she says, “That’s between him and the farmer. That’s not something that I’ve worked on; any contract that [Distributor] has with a farmer is strictly his business… I do not think [Outside organization] should be involved with that.” This outside actor draws a line of how involved she believes that she and her organization should be. The organization clearly believes that facilitation of the relationships between the distributor and producers is limited to initiating, and not maintaining, these relationships. This delineation of their role is clear on the organization’s website, where they list one of the activities that they are involved in as to, “initiate partnerships that link rural and urban communities.” This emphasis on initiation is reinforced by the outside actor, who says that in terms of her role, “Once the food distributor gets this and understands it, then it’s really my job to kind of step out of the way, and now they know how to do it, now they know what to expect for the most part.” Clearly, the actor and the organization have made the decision to limit their involvement in these relationships and therefore they do not take part in establishing procedural mechanisms that would determine the nature of the relationships between the producers and the distributor.
C. Committing to the Welfare of All Participants

Distributor's Perception

The distributor balances between determining prices for more commodified items according to the market and allowing producers for specialty products to set their own prices based on cost. In this way, he treats some producers as suppliers of generic products and others as strategic partners. For example, with a commodity like corn, the distributor says, “We try to go off the market. If corn gets wiped out, they’re going to want more money for it, and that’s just fair; if there’s an abundance of corn I expect to be treated fairly.” However, with specialty items such as Producer #2’s microgreens, he says, “[Producer #2] is more stable pricing.”

The fact that his customers are willing to pay more for local products helps to support this pricing system, although he also says that there is a limit to how much more they will pay for local produce. When it comes to prices, he is acutely aware of his responsibility towards his buyers and respects the fact that most of his clients need to re-sell the produce. His awareness of his client’s financial limits is especially true for the school district, where he says,

Cause here’s the thing, [Food Service Purchaser] is running a budget also, so if I can get Florida tomatoes for 60 cents a pound in the fall, and the local guy wants a dollar a pound, how am I supposed to justify to [Food Service Purchaser] that I’m doing my job also, as her buyer, and selling her the best price possible?

The distributor is always pressed to balance producer and consumer needs, and he reflects on this in terms of prices and the premium that some local producers expect. In the quote above, he clearly prioritizes the consumers’ needs, although working with higher end restaurants often gives him some freedom to allow producers to charge higher prices.
Nonetheless, as mentioned earlier, he finds that many local producers can earn more selling directly into other markets. He finds this situation frustrating, and although he concedes that producers need to make a living, he does so in an almost mocking tone:

> Oh, I can get more money at my retail stand. And I understand, that’s his decision, and, you know, his capitalistic approach at that point to decide, I can get more money, I can make more for my family... or this is what I have to get. Ok, but I have to resell to restaurants or retail stores. You know, when peppers are being brought in at 12 dollars a case, and he wants to sell them for 18, I mean I can’t justify that to my customers.

Although it appears that the distributor is prioritizing the consumer over the producer, he also seems to be criticizing producers for focusing on their individual needs and not taking into account the needs of others along the supply chain.

In addition to balancing producers’ and buyers’ needs, the distributor also invokes community and reciprocity motivations for purchasing locally. For example, he says, “I just think it’s good for the economy. I mean, I would much rather- I want the local restaurants to support me, I want to support the local economy, it’s not just one thing. But why should I buy from California?” As in the rural case, there is a sense of reciprocity in buying local and the idea that helping others also helps oneself.

**Producers’ Perceptions**

Both of these producers clearly benefit from their participation in this chain, since they sell specialty items that allow them to set their own prices. Producer #1 describes how he receives steady prices and calculates these prices based on his costs:

> In the last year we’ve held all of our prices steady- they haven’t changed... Now, what I’ll do at the end of the summer is go to [Distributor]... and I’ll try to get an increase, because my costs have increased, especially because, minimum wage is going up again, and once minimum wage goes up, it just bumps everything else up. And like gas prices, everything is just...so once a year I like to go to those guys and say, I need an increase.
Interestingly, Producer #1 has found that he can earn more selling wholesale to the distributor, where he charges by the pound, than he can selling directly to consumers, where he charges per head of lettuce. This is contrary to the common belief that direct marketing provides higher profit margins, which is reflected in the distributor’s perceptions, as mentioned above. Producer #2 also bases his prices on his costs, and says that his product isn’t really a commodity because it is a specialty item and locally produced. Because they produce specialty items, producers #1 and #2 determine their prices based on costs and not on market prices, in keeping with the value chain model.

In terms of the welfare of employees, for Producer #1, whose greenhouse is a “social venture,” the social and economic well-being of the employees is actually the ultimate goal of the project, and was the purpose of establishing the greenhouse. The well-being of the employees, however, is dependent on the economic success of the venture as a whole, and therefore both the producer and the distributor recognize its economic priorities. The distributor in particular finds that he can use the fact that this greenhouse is a social venture as a way to corner the market on local produce. He says:

What they’re doing is something different than anybody else because they’re helping mentally handicapped people, they basically have the advantage of doing something different, so I can also put that in my spin of talking it, not only are you working locally, but you’re giving people with a disability the opportunity to get out and work, you’re supporting them.

While the distributor recognizes the “spin” value of this social venture in his sales pitch, the manager of the greenhouse walks a fine line between the social and economic priorities of the project. He describes the operation as “kind of for profit,” while emphasizing that the economic component gives people real opportunities:
A lot of the workshops in our area are in basements of churches, it’s kind of like babysitting. And I just believe, no, it’s not what it’s about- these folks can give to society… I started focusing like that, through developing lawn care, cause we needed it in our agency, and now we cut other people’s grass. You know, the first response to me was, our clients can’t do that! I’m like, why not? Why can’t they?

The greenhouse was designed with these “clients” in mind, and the manager chose lettuce for its quick turn around time. However, the market shifted during the planning stages of development and now only two clients are employed instead of the 6-10 they’d originally projected. This diminished employment may reduce the social impact of this project, but the social aspect helps to gird the financial success of this operation beyond the promotional value described above. The organization received substantial grant funding to build the greenhouse, heat it and equip it with technologically advanced equipment to reduce the need for skilled labor. This venture, then, is clearly concerned with providing a fair work environment for its employees as one of its main goals.

**Buyers’ Perceptions**

The role of chefs from high end restaurants in building the local food system brings into question some issues involving exclusiveness and inequality in terms of the consumers in this local short food supply chain. Despite the fact that both the distributor and the actor from the outside organization admit that the “majority” of the distributor’s sales are to white tablecloth restaurants, the actors do not appear to reflect on this fact in a way that would acknowledge the potentially exclusionary practices that are thus being promoted. The outside actor is eager to point out that many small restaurants also purchase local produce, although the distributor implied that this was only true at the height of the season when surpluses bring market prices down. A common perception seemed to be that despite the prominent role of high end restaurants in using and
promoting local food, local produce by nature should be cheaper and therefore more accessible. For example, when asked who may or may not benefit from a more localized food system, the chef from Restaurant #2 responds, “But I mean, the farmers would benefit, the consumers would benefit, the middleman, the places that are buying the stuff will benefit. You know, it’s cheaper to get the product there, and often times cheaper than buying stuff from far away.” Producers, however, are much more aware that local produce is not necessarily cheaper just because it has been shipped shorter distances. In fact, Producer #1 says of his own product, “I wouldn’t pay what they’re paying for that lettuce- it’s outrageous!”

The chef from Restaurant #1 in the urban network expresses more awareness of the potential for lower-income consumers to be excluded from the local short food supply chain. For example, when asked about potential beneficiaries of a local food system, he responds, “Well, I think honestly, I think the people eating at restaurants will [benefit].” He later went on to say that when he’d first heard that a chain restaurant was using local food, he felt excited that, “They’re using the same quality of product that we buy- and being able to afford that, and it made me feel really good. I was like, wow, there really is a movement.” Here, the chef makes it sound like he will only consider the local food movement a real “movement” when it also reaches lower end restaurants that serve a wider population. The emotions that he felt upon learning that this particular popular chain bought high quality local food were dampened, however, when he found that they had only bought the product once, although they retained the name of the farm on the menu. These examples illustrate that while buyers may be willing to pay more for local
products to support farmers, they often do not reflect on how their commitment to the welfare of some participants may actually exclude end consumers.

Outside Actor’s Perception

Just as she drew the line on potentially involving herself in developing contracts, the outside actor also says that it is not her place to determine pricing mechanisms. She says that producers should be able to negotiate their own prices, and when asked about whether or not producers receive fair prices, the outside actor reveals how her role constrains her from interfering in the relationship, while still trying to support farmers:

I personally can’t call [the Distributor] and say, why haven’t you paid so and so, or why have you only paid them so much? I mean, these are two businesses, they can work that out. I’m really just the one that’s helping to create this union. So, I don’t know anything about the prices, really, if they’ve been fair or not, but if there’ve been any problems the farmers know that they can call me and talk about it.

This point of view may point to an area of internal contradiction for this actor. For example, when describing her role and her organization’s mission, she says,

We are non-profit, and we’re not seeking any benefit from these sales, other than knowing that we are helping to fulfill our mission, which is to help farmers get product to market, which is one part of our mission, but that we want to help farmers get their product to market, we want them to be fairly paid for their products. What I’m trying to do is get farmers connected with [the Distributor], but ensure that it was a good relationship for both sides.

Despite her statement that part of their mission is to help farmers find markets where they receive fair payment and can make a living, when asked if she believed that the farmers received fair prices through the distributor, this actor responds, “As far as what [the Distributor] pays the farmer, I really don’t want to know, because it’s really none of my business.”
This tension between ensuring fair prices and yet not involving herself in the ongoing relationship between producers and the distributor is also evident when she mentions the high labor requirements of sorting produce for sale to the distributor, and comments, “I think that’s the hard part, is that, you know, farmers don’t have the labor to go through and size all of that and make sure everything’s packaged straight, and then in the end when they’re getting the wholesale price, is it worth it? I don’t know.” Here, she reveals doubts about the economic value of selling to the distributor. She repeats this sentiment at another moment during the interview when she says that she’s not sure that distributors are always willing to pay more for local items, although they say that they are. However, her initial comment on pricing implies that she doesn’t allow these reflections to interfere with her job, which is ultimately to establish a relationship between two consenting parties and not to establish pricing mechanisms.

The outside actor sees the local food system as benefitting everyone along the food chain, including communities. She says, “It’s so very important to get this community idea back again, you know, bring back the community, so you know where to buy your food from, that’s going to be healthy for you and help your local economy.” Despite the tension concerning the value of the wholesale market for producers, this actor retains a conviction that the benefits of a local food chain extend to the entire community, a view that corresponds to the value chain framework.

D. Differentiation and Value-Added

**Distributor’s Perception**

Demand for local produce and the strong presence of a local food movement encourage product differentiation based on provenance, where the quality of being
“local” is considered an added value. Being able to label and identify local food is an important aspect of promoting it as a business strategy, which all actors in this network have done. Producers and buyers rely on the marketing efforts of the distributor and report that labels such as PA Preferred or Buy Local do not carry as much weight as they would in the retail market because the distributor actively promotes product origins by farm name. As mentioned earlier, this promotion of local products is part of a business strategy that helps the distributor to develop a reputation, “The more we promote it, and the more these chefs move around and bring it with them, the more that they talk to the other chefs, they say, oh, where are you getting your local stuff? Oh, [this distributor] has a great product, boom, we get a call.” Providing high quality local produce is a key component of the distributor’s business that helps him to expand by word of mouth among buyers who also place value on the provenance of products.

**Producers’ Perceptions**

Both producers are highly aware of the economic value of the quality of being local, and have their own labels that identify their operations by name. Although the value chain framework describes branding techniques such as farm-based labels as a way for producers to maintain ownership over the product throughout the supply chain, both of the producers in this urban network report feelings of losing control over the product once it passes to the hands of the distributor. Producer #1 says, “When we drop off our lettuce, it can sit on that dock for 2-3 hours before it gets… put it in the freezer, put it in the cooler, so it could sit out there and wilt, go bad, and my name’s on it. So I lose the control on that.” Both producers point out that because the product carries a label that identifies their operation by name, the end consumer’s judgment of the quality of that
product affects their operation’s reputation. The lack of control over how long the product sits on the docks or on the shelf before being sold is a frustrating aspect of their relationship with the distributor and produces a lack of confidence in how the distributor operates. Producer #1 experienced this problem with the alternate distributor, and was able to address the problem by having the distributor check and store his product before going through any paperwork in order to reduce the amount of time it went unrefrigerated. However, Producer #2 says that with the distributor in this network he sees no way to address the issue because it is out of his hands once it reaches the distributor. In this case, despite having ownership over his label, the producer does not feel empowered, nor does he feel that he has the right to express his opinion about how the distributor handles his product. This indicates that the producer does not engage in joint problem solving with the distributor, which would be in keeping with the value chain framework.

Buyers’ Perceptions

For the chefs at the two restaurants in the urban network, promotion of local product has a place on their menus and their staff is trained to be able to explain the origin of the products and the benefit of local produce. In addition to addressing health concerns when food scares shake conventional markets, promoting local produce allows these restaurants to create a certain image that includes the superiority of their products. For example, one chef says of promoting local produce:

Our wait staff, and our staff in general, is very highly trained. We spend a lot of time going over where we get things from, where we buy things from, why we buy these things… The first thing when a new item hits the menu is, this is what it is, this is where it’s from, this is why it’s superior to what’s being served on the street or at another restaurant, and this is why we use it.
The other chef points to the positive publicity that purchasing local and having an environmental slant gets them, and that it serves to differentiate them from other restaurants and provide a comparative advantage:

I think that the general public is shining a positive light- we’re being basically grouped together with the rest that are trying to be more “green,” so to speak, and trying to buy local, better for you food. More and more people are wanting to know where their food is coming from, and wanting it to be local, and to be talked about in that capacity, and to be grouped together with restaurants that also function like that, has definitely shined a positive light on us.

It is interesting to note that these chefs find that very few customers ask specifically about where produce is from, although it is often already identified by farm name on the menu and there may be the sense that the quality of the produce, including being local and organic, is assumed by customers paying high prices. Despite the lack of consumers that specifically ask for local produce, these chefs note growing demand for a more localized food system, and one chef recalls an instance when a chef he was working under was chastised by a customer for using imported tomatoes. He recounts what the customer said and goes on to report growing consumer awareness, “I don’t know why you’re not using local, tomatoes right now- it’s tomato season!” So, yeah, they’re pretty aware. I think more and more they want to know where their food is coming from and what’s been done to it.” These chefs value local as a point of differentiation and as a hallmark of high quality in order to meet consumer demand and generate a positive public image.

For the school district, however, local produce is mostly treated as an undifferentiated commodity. When prices are lower on local products the school district will purchase them, but not purposefully. The purchaser says, “Now, I have talked to our
produce company, and he did tell me that, and he does, and it was even unbeknownst to me, but he does buy locally grown produce, but specifically in the summer months, because once the first frost hits in PA, they’re done.” Here, her awareness of what products came locally is a result of her participation in the research project described in this thesis.

The only other awareness that the purchaser has of differentiating local produce has to do with the promotion of special events. When she made an effort to purchase Pennsylvania apples for one week as part of a promotional effort to increase fruit and vegetable consumption, she found the experience frustrating because of the regional definition of “local” that the distributor uses. For her, the fact that she requested Pennsylvania apples and then received apples from West Virginia serves as an example of why buying “local” produce can be problematic. This was mostly due to the fact that she had promotional material from the Pennsylvania Apple Marketing Board and was therefore frustrated that Pennsylvania growers had been unable to meet the school’s specifications. She reflected at one point about the nature of “local,” saying, “We had the best intentions with that, we thought we were getting Pennsylvania apples and they were West Virginia… which is fine, it’s still local, they gave a sixty mile radius, that’s within sixty miles, but we had the signage and the support for Pennsylvania apples.” In this situation the purchaser’s perception of what constitutes “local” is highly dependent on how she intends to use the product, which in this case had to do with promoting nutritional eating habits through identifying the product as Pennsylvanian. Therefore, being able to label the origin of the produce took precedence over other factors, including
the actual spatial distance between the school and the producer or the conditions of production.

**Outside Actor’s Perception**

The outside actor’s organization is involved in developing a label for “local” food, which she considers to be part of consumer education. The organization’s involvement in creating and promoting this label indicates their belief that the local or regional designation is a powerful marketing tool to promote consumption of local food. The outside actor is in charge of marketing local produce, and the fact that the organization has invested in giving someone this position also shows their belief that fostering economic opportunities is an important part of supporting sustainable agriculture. The outside actor believes that there is value in promoting local produce for distributors as a point of differentiation between themselves and other companies:

> Well, it gives them a good diversity when they’re putting together their product list for their restaurants, or for whoever their clients are. Also, you might be able to get some more of your customers on board with this whole concept of being aware of what’s in season in your area, and allocating your menu as such.

This perception helps to illustrate the saliency of the local food movement as a wise business strategy in this urban food network.

**E. Shared Goals: Environmental and Social Values**

Actors in the urban case study brought up environmental issues more often than those in either of the other two case study regions. For example, when asked why he purchases local produce, the chef from Restaurant #2 says, “The carbon footprint, basically to try to minimize the negative effects that it takes to transport food. That’s the biggest reason.” The term “carbon footprint” has become popular among activists as a
way to draw attention to the negative impacts of an increasingly global system of production and consumption and this system’s reliance on non-renewable fossil fuels. Therefore, this chef’s choice of words in explaining why buys local produce reflects environmental values, and the term that he uses points to his familiarity with a larger movement that has shaped how environmental values surrounding local food systems are expressed.

These chefs were also much more cognizant of the potential environmental benefits of organic produce. For example, Chef #1 says, “Generally I don’t highlight the organic too much… at some point in a restaurant like this one, it’s assumed that we’re dealing with the highest quality product that you can buy. If for no other reason than we’re charging for it.” For this chef it is essentially assumed that his restaurant will be serving organic produce, which he identifies with high quality. In comparison, though, the distributor reports little demand for organic produce, especially compared to the demand that he’s seen for local produce over the past five years. In his words, the difference in demand is “night and day,” with consumers prioritizing local food over organic. This perception may once again reflect a conflation of “local” produce with other qualities, since many consumers assume that local produce is usually produced using more environmentally sound practices.

Of the producers, Producer #2 switched sources for heating his greenhouse from propane gas to coal due to rising fuel prices. This switch, while using a “local” product that he identified as originating in Scranton, Pennsylvania, is much more polluting for the environment than its propane counterpart. From the distributor’s comments, it appears that he encouraged the switch as a way keep the producer’s prices lower in the face of
rising fuel prices. The environmental value of this local product is therefore complicated by environmentally polluting heating practices.

In terms of sharing goals with a broader movement, the actors in this network all cite a general belief that the local food movement is, “exploding right now,” and clearly identify themselves in ways that simultaneously make them appear aligned with the goals of the movement as well as taking advantage of the business opportunities that it provides. Although many actors identify the benefits to consumers and producers alike, the distributor’s perception is colored by his economic orientation: “The chefs get younger and younger, and as they get trained on this local movement, it gets easier and easier to sell.” For him, the value of growing local food systems is the ease of selling the product and the decreasing need for promotion and marketing. As mentioned earlier, the chefs in this network see themselves as working with the distributor to promote a local food system, and therefore feel that they share goals and values with the distributor and local producers. The chef from Restaurant #2 uses nearly exactly this wording to describe why he likes working with the distributor: “I mean [The Distributor] is fantastic with me, and I mean, we share the same kind of goals and what we’re doing, so, it’s nice to deal with him.” While Producer #1 also feels strongly about promoting local produce and feels that the distributor does the same, Producer #2 very clearly states that he feels that the distributor in this network isn’t committed to local food as a movement, but only sells local produce because he can make money doing so.

III. Summary

Local food plays an important role in this urban network as part of a larger business strategy that draws upon the prominence of a local food movement for support.
However, this movement also creates economic opportunities for producers that impede partnership development between the distributor and the producers. The distributor is active in coordinating supply and demand in this chain, and promotes and markets local produce as differentiated, value-added items. He also relies on an outside actor to facilitate the initiation of these relationships and to help share information along the chain. While this outside actor plays an active role, ultimately she restricts her involvement to initiating relationships, and avoids taking responsibility for introducing mechanisms that would help to maintain the relationships and give producers better negotiating power over prices. Producers of specialty items in this urban network use cost-based pricing that serves to generate a premium, although producers of more generic products are tied to the market as a pricing mechanism. Farm-based labels in this network help producers to earn a premium, but also lead to fears of a loss of control precisely because of the extended nature and operation of the supply chain.

The restaurant buyers in this chain see themselves as playing an active role in coordinating and facilitating relationships in fostering local food supply chains. Their perspective on local food indicates the importance of public opinion and perceptions, since they draw on the local food movement to explain their actions and the value it generates for their businesses. All actors in this urban network (except the school district) observe that offering products that are differentiated based on local provenance also serves as a point of differentiation for their own operations, and therefore provides them with a comparative advantage. While they share the goals and values of the local food movement, they also see it as a new business opportunity and strategy.
CHAPTER 6

Analysis of Findings

Hybrid Food Network #3- The Exurban Context

I. Background

As seen in the context section, this case study region is characterized as rural (by the CRP), includes a micropolitan statistical area as its hub (according to the US Census Bureau) and has strong social and economic ties with the nearby urban area described in case study region 2 (again, according to measurements from the US Census). Despite the fact that this exurban area actually has a higher number of farms and a greater amount of land in farms than the rural area, the network is concentrated within and around the large micropolitan statistical area and local food consumption appears to be unaffected by this agricultural setting. This area’s combination of diverse and sometimes contradictory attributes provides the context for a network that is sometimes characterized by miscommunication and misunderstandings. All of the actors in this network agree that there is little to no evidence of a local food movement in the main county where the network is focused, and that the distributor himself does not actively promote local food, despite his local purchases. The distributor acknowledges that he is ready to retire and is uninterested in expanding his business. In addition, the micropolitan statistical area has a lower socio-economic status and a higher elderly population which some participants see as related to low consumer demand for local produce. Despite these contextual constraints, the three producers in this network are actively taking advantage of the local food movement outside of this network, and are looking to nearby urban centers or county-wide networks to promote their local produce. Although many actors in this
region cite the low purchasing power of consumers as a reason for the lack of a local food movement, the school district in this network actually manifests more advantage in terms of educational achievement, and also exhibits lower percentages of families living below poverty level. Therefore, any attempt to explain why local food receives little emphasis must go beyond the broad socio-economic context and explore how a series of disconnections between actors along the chain creates a lack of coordination and mutual understanding.

A. The Distributor

As with the distributor in the urban context, this distributor came to the pre-existing produce company with a business background that was unrelated to produce or agriculture. After a career as a macaroni salesman, the distributor bought into the produce business and became the sole owner in 1996. This company is the smallest of those interviewed for this study, with gross sales in the category of 1 to 4 million dollars in 2007. The distributor is satisfied with the size and does not seek to expand the business. As he explains, “Twenty years ago we had a lot of stuff and then we decided, this is big enough. Because when you start growing too much, age was a factor… I have no salesman now. I’m probably the only produce company in the state without a salesman.” The distributor therefore made an active decision to limit his business’ growth. He now employs around 17 people and purchases nearly all of his produce from a large terminal market in the urban center described in the urban case. He supplements these purchases with produce from local farms during the summer, all of which are within 20 miles and which constitute about 10 percent of his purchases. He estimates that of the produce he gets from the market, about 15 percent is international and 75 percent is
domestic. He sells approximately 10 percent to school districts, 80 percent to restaurants, 1 percent to retail outlets as an emergency supplier and 9 percent to “other.”

In general, the lack of both consumer demand and an active local food movement in this area helps to explain why local produce in this network receives no special treatment. Both the relationships between the producers and the distributor and the qualities of local produce mimic the standards of the traditional produce industry, and almost none of the elements of the value chain framework are present. However, in addition to a lack of consumer demand or purchasing power, I argue that there are points of disconnection in the distributor’s relationships with other actors in this network, such as lack of coordination and little mutual understanding, that hinder the flow of information and ultimately reduce the possibilities for the development of short food supply chains around local produce.

B. Producers

This network exhibits a greater variety in scale among producers than either of the other case study regions. Two of the farms are small in terms of their acreage (8-10 acres for Producer #1 and 5 acres for Producer #2; see Table 5 below), and yet the two differ in terms of their gross sales. This is perhaps due to the fact that both have dual operations; for Producer #1, vegetables are a side venture to the main family grain operation, while for Producer #2 the family also runs a greenhouse and florist shop that sells plants, flowers and prepared goods. The third producer in this network is slightly larger than the other two in terms of acreage, and also has the highest gross sales of the producers in this network. This, again, may result from her side venture, since she purchases produce that comes from other states, and even occasionally internationally, in order to increase the
volume and variety of produce that she offers. It is also important to note that the third producer did not sell to the distributor in the past year, a point of disconnection that will be further explored in the following sections.

Table 5: Producer Characteristics in the Exurban Case

<table>
<thead>
<tr>
<th>Producer</th>
<th>Number of Acres in Production</th>
<th>Number of Employees</th>
<th>Gross Sales (2007)</th>
<th>Amount Sold to Distributor</th>
<th>Other Major Outlets</th>
<th>Product</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Producer #1</strong></td>
<td>70-100 acres (8-10 in vegetables)</td>
<td>3 (family only)</td>
<td>$25,001-50,000</td>
<td>Surplus</td>
<td>Farmers’ Market, Farm Stand (grains to mill)</td>
<td>Peppers, soy, corn</td>
</tr>
<tr>
<td><strong>Producer #2</strong></td>
<td>5 acres</td>
<td>2 (family only)</td>
<td>$50,001-$100,000</td>
<td>30% between distributor and auction</td>
<td>Produce Auction, Farm Store, supermarkets</td>
<td>PA “Simply Sweet” Onions, tomatoes, peppers, flowers, plants, okra, celeriac, celery</td>
</tr>
<tr>
<td><strong>Producer #3</strong></td>
<td>35 acres</td>
<td>5 full time, 10 part time</td>
<td>&gt;$250,000</td>
<td>None this year</td>
<td>Farmers’ Markets, CSA, other wholesale produce distributor</td>
<td>Apples, peaches, also supplements with produce from other states/ international (tomatoes, watermelon, peppers, peaches)</td>
</tr>
</tbody>
</table>

C. Buyers

Because of the low levels of poverty in the school district’s township (as described in the context section of Chapter 3), the school district has a low percentage of its population that qualifies for free/reduced meals. This means that it does not rely
heavily on government subsidies, which are distributed according to this percentage in each school. The school food service program therefore runs off the profit it makes from selling meals to full-paying students. The food service director has more flexibility than the other directors in terms of the type of meals he offers and how he sells them, which helps him to increase student participation in the lunch program. For example, the cafeteria has a “tier line” that sells larger portion meals at slightly higher prices; the school food service director has developed these meals to mimic popular restaurant items such as barbecue chicken focaccia and Cordon Bleu.

Restaurant #1 is small, and from field observations appears to serve a local crowd of working class customers. In comparison, Restaurant #2 is larger and has detailed decorations promoting its family-oriented sports theme, making it feel more maintained and cheery than Restaurant #1.

**Table 6: Buyer Characteristics in the Exurban Case**

<table>
<thead>
<tr>
<th>Buyer</th>
<th>Number of Employees</th>
<th>Other Produce Sources</th>
<th>Other Characteristics</th>
</tr>
</thead>
<tbody>
<tr>
<td>School District Food Service</td>
<td>14</td>
<td>Food Service Company</td>
<td>Total student population: 1381; Free and reduced 10%</td>
</tr>
<tr>
<td>Restaurant #1</td>
<td>13</td>
<td>None</td>
<td>Italian food</td>
</tr>
<tr>
<td>Restaurant #2</td>
<td>40</td>
<td>Occasional direct purchases at back door</td>
<td>Family sports restaurant</td>
</tr>
</tbody>
</table>

II. Applying the Value Chain Framework

A. Creating Partnerships

**Distributor and Producers**

The distributor says he “slid” into most of his relationships with producers when he took over the produce company. Since he has been in the business for over twenty
years, this indicates some longevity in these relationships. In addition to these pre-existing producer relationships, the distributor mentions new farmers approaching him and the process that he went through in order to “weed out” the ones he didn’t want to work with. His expression of how he made these choices indicates how he views his relationship with producers:

Actually, it was a personality thing. If I didn’t like them, or I thought they were not on the up and up… for example, they’d come in with a zucchini that looked like a baseball bat, and they’d tell me that’s what people want. And I’d say, no, that’s not what people want. I deliver twelve months a year, they want the smaller one. And if they got belligerent about it, I would just say, don’t bother me anymore. That’s enough. I get what I want to get, you know, for my customers… I know what they want more than you do! You know how to grow it, I know how to sell it.

Here, the distributor mentions a combination of personality and trust that relies partly on his perception of the producer’s honorability, or whether they are “on the up and up.” At the same time, there is a strong element of his need to maintain control and his desire to avoid producers that don’t conform to his standards. He establishes his privileged understanding of customers’ requirements and closely guards it as his area of expertise, while maintaining a one-way channel of communication between him and the producer. Producers who do not take the information without questioning it and are unwilling to standardize their products as he specifies are denied a business relationship. While the process that the distributor uses to select producers he’d like to work with sounds like partnership selection under the value chain model, his unwillingness to work together with producers to address problems or listen to their opinions indicates that ultimately he may view them more as suppliers than as partners.

The distributor’s partnership selection process for producers also points to the type of information sharing that occurs in this network. The information that the
distributor shares with producers pertains mostly to how to standardize their products’ quality characteristics and prices in order to diminish the difference between local and non-local produce. When asked about what type of information he provides producers, the distributor responds, “Pricing, and sizing, you know, stuff on that order. I can tell them what *my* customers want, and if they can fit that, then I’ll buy it from *them.*” Here again we see how the distributor places himself as the mediator of the local food relationship and does not allow for joint problem-solving with producers. If local products differ in size from items sold in conventional markets, the distributor says he won’t buy the local product because he needs to maintain consistency for his buyers.

In addition to how standardization of local produce affects relationship development between producers and the distributor, there were distinct points of disconnection between the distributor and Producers #2 and #3 that are key to understanding how a lack of coordination, understanding and communication can hinder the development of local food short food supply chains. When asked under what conditions he could purchase more local produce, the distributor uses Producer #2 as an example, saying, “Cause like, the lady where I buy the sweet onions, that’s the only thing I buy off of her. So…if they had a bigger variety.” When interviewed, however, Producer #2 reports that she sells the distributor other products besides onions, including tomatoes and peppers. In addition, her complaint about the distributor is exactly the opposite of his complaint about her: “He doesn’t take enough variety. He, for example, he doesn’t have the buyers for the variety.” The different perceptions between these two actors in terms of what variety of produce the distributor needs and the producer can provide demonstrates a major area of disconnection. The distributor partly justifies the
low amount of local produce that he purchases by saying that there isn’t enough variety, while the producer believes that she could grow more diverse products than he is willing to purchase. Here, there appears to be poor communication about, and understanding of, the producer’s capacity and the distributor’s needs. The limited information sharing between these two actors hinders potential coordination of the supply chain to adjust production to meet demand.

Producer #2 seems to attribute part of this lack of mutual understanding to the distributor’s unfamiliarity with produce, despite his many years running the company. This producer laughed about the distributor’s lack of experience with produce, saying at one point, “He doesn’t eat onions… He doesn’t know, he just knows what he hears!” This was also evident in a situation where the distributor didn’t know how to translate consumer complaints into recommendations for concrete changes in the producer’s operation. The producer had to talk to other people in the farming business to figure out how to change her methods to meet consumer demand because the distributor didn’t know enough about produce to be able to communicate effectively with her. She says of this situation:

Well, we used to have the home variety of tomatoes, and I just didn’t understand that there was something else. And after talking to the [seed company] salesman, he explained, and going to some of these Penn State trials, there are more firm- what it all amounts to, the final end, is it has to be sliced on an electric slicer, and the home varieties squish, they’re too watery, so… that’s the major difference. [The distributor] had told me, no, you’re selling the wrong tomatoes, and I really didn’t understand, cause he didn’t know how to tell me, he didn’t realize either, he was just getting from [the Urban Center], from the yards…

These major areas of disconnection and miscommunication between the producer and the distributor indicate that there is a lack of coordination, mutual understanding and
knowledge which are the keys to establishing partnerships that are able to manage efficient supply chains.

The relationship between Producer #3 and the distributor also exhibits major areas of disconnection. Producer #3 seemed almost surprised that the distributor had given her name, since they hadn’t done business together in the past year. She mentioned that she had been approached by the regional director of a large, national grocery chain that wanted to promote local produce for three weeks during the past fall. She feels that her participation in this promotion had perhaps led to bad feelings with the distributor, since he is an emergency supplier for the same chain. However, there was a complete lack of communication between them about it, only a dwindling of the relationship:

I was concerned about the fall-out in that, ‘cause, you know, I mean, [the Distributor] had a relationship with a few of these local [chain stores], and I never went behind his back to sell directly to them. He’s never said anything to me, but I wouldn’t be surprised that it upset him, that’s why I don’t have his business this year. Which isn’t really a downside for me, particularly, I mean, you know, I like [the Distributor], but I just… he never said anything, and yet I have a feeling that’s why I’m not there.”

The producer’s ambivalence about losing this business also points to the tenuous nature of her economic relationship with the distributor, who she sees as a side outlet for her surplus product.

Producer #3 made a telling comparison between her relationship with the distributor in this network and the alternate distributor mentioned in the urban case study, who she described as more “progressive” and committed to local food promotion. She says: “That’s kind of a newer company- it’s not a new company, but they think new. Whereas [the Distributor], and a lot of your produce companies around are more…just back in the ‘60’s, and it’s a different attitude I guess.” She says that the company that
“thinks new” holds conferences twice a year to get feedback from producers and share with them what their customers are saying, “They’re miles ahead of anybody. They have us down there once or twice a year to listen and hear what we’re saying, and they give us feedback on what they’re hearing, and it’s an excellent, excellent company.” This producer feels that the alternative distributor works with her, listens to her opinions and promotes her farm story; these aspects of her relationship with the alternate distributor sound more like partnership under the value chain framework than her relationship with the distributor in this network. Overall, she implies that the distributor in the exurban network under study is behind the times and unaware of both the potential for local produce and these new ways of forming relationships along the food supply chain.

**Distributor and Buyers**

Buyers in the exurban network value their relationship with the distributor mainly because of his commitment to customer service, including his willingness to deliver daily and his attitude on pricing. When this level of customer service is extended over a long-term relationship, it engenders a feeling of partnership and trust for some buyers. This is particularly true for the owner of Restaurant #2, who says that the distributor acts almost as his “producer buyer”:

I’m depending on him to... ‘cause he is my produce buyer, almost. You know, so, he really buys quality when it comes to that, because he wants his customers to be happy, and that’s what we’re all about. You have to offer quality and service- and affordable price, and in any business, that’s what you need- in my business or in his business.

Although the restaurant owner has fond memories of the various produce markets where he grew up in rural Greece, he says that his responsibilities running the restaurant keep him from being able to go to several different places to buy what he needs. Therefore he
relies on the distributor to mediate his produce transactions and make decisions about quality and price for him. He also describes the distributor as a friend, explaining how their friendship has grown out of their fifteen year business relationship.

**B. The Role of Trust and Shared Governance**

**Distributor and Producers**

The distributor and the producers share a certain level of personal trust, although this trust is also established through their reliance on the conventional produce market for prices and product quality standards. The distributor states that he is honest when sharing information about market prices with producers, and suggests that producers trust that he isn’t lying about what going rates are, “I think they trust me. I’m going to tell them the truth, I’m not going to say- if peppers are fifteen, I’m not going to say, oh they’re at ten, I’m going to tell them the truth. And if they want, I’ll show them the sheet, you know?” Although he says that producers trust him, he is also ready to dispel any doubts that they may have by offering hard evidence in the form of a produce sheet listing current market prices. This suggests that this trust is based on a combination of personal relationships and market mechanisms, which is very similar to what was observed in the rural context.

The distributor and Producers #1 and 3 in the exurban network agreed that they wouldn’t necessarily want contracts that would tie them down in the world of fluctuating produce prices. For example, in both interviews with the distributor, he says that he doesn’t work on a contract basis with producers, and that, “I wouldn’t want that, I wouldn’t want to be obligated or tied into anything.” The producers tended to agree; Producer #1 says that he’d prefer to just have a “verbal contract” where he can call the distributor whenever he has a surplus. Producer #3 agrees, using the same wording of not
wanting to be “tied into anything.” As seen in the rural context, these producers tend to view contracts as increasing their vulnerability instead of potentially allowing them to share the risks of farming with partners in the supply chain.

Despite the fact that the distributor says he doesn’t want contracts with growers, the onions that the distributor buys from Producer #2 are a registered trademark of the Pennsylvania Vegetable Grower’s Association called the Pennsylvania Simply Sweet Onion. As such, the growing and sale of the onions is partially regulated by the Association and comes with some pre-conditions which amount to a contract between the grower and their buyers. As Producer #2 explains:

It’s not a real strong contract, except that he’s not supposed to buy the onions from anyone else, until we run out, or stop selling to him. And it’s that way across the state. Every grower has his own customers, and we can’t sell to each others customers and try to cut price, that’s what keeps the Simply Sweet Onions special- that’s how the Vidalia onion had started out.

One of the interesting points about this contract was that when the distributor was asked if he had any contracts or agreements with producers, he did not mention this agreement. While the producer reports that the contract allows her to control prices and competition, the fact that the distributor did not mention this instrument begs the question of what role it plays in structuring the relationship between the producer and distributor.

In addition, while Producer #1 says that he doesn’t want a contract with the distributor, he mentions that he is considering buying the wholesale produce company from the distributor when he retires. He believes that by doing so he could guarantee himself a market for his products and a stable price throughout the season because he thinks that the distributor has the ability to sell produce at the same price to his restaurant clients throughout the summer. This perception is not completely accurate, since part of
the distributor’s customer service is keeping consumers aware of rising and falling prices. In this instance, the producer is both unaware of how the distributor’s business works, and potentially confused about the appropriate mechanism to achieve his goals of a steady market and prices. Consistent prices, markets and relationships could be achieved much more efficiently by employing a procedural mechanism, such as a contract or long-term agreement, with the distributor instead of taking over his entire business.

**Distributor and Buyers**

As indicated earlier, the buyers in this network trust the distributor, and the owner of Restaurant #3 in particular views him as a friend and a business ally, describing him as his “produce buyer.” Despite the fact that most of the buyers described their relationships with the distributor positively, there were also points of misunderstanding and disconnection. For example, the Food Service Director in the school district is under the impression that the food service company that he works for is able to negotiate better prices with the distributor because he services several of the schools where the company runs the food service operations. He says that the food service company makes all of the overall arrangements with the distributor so that all he has to do is place the orders. The distributor, however, is unfamiliar with the food service company, and says that fluctuating prices keep him from making any type of long-term agreement with buyers in the manner described by the FSD. This misunderstanding on the part of the FSD also indicates that he sees himself as removed from the relationship with the distributor, which he lets the food service company handle. In this way, he appears to view the distributor as a supplier, and he is satisfied with accepting the produce that he receives without being more aware or involved in the supply chain that he is part of.
C. Committing to the Welfare of All Participants

Distributor’s Perception

As mentioned earlier, the distributor in the exurban network relies almost completely on the conventional produce market to set the prices for local products. At one point in the interview the distributor says that his consideration of what to buy locally has to do with availability, saying “Whatever’s available, I will buy locally.” When the conversation turns to prices, however, it becomes clear that this factor plays an important role in determining the distributor’s local purchasing patterns. In terms of using market prices and his willingness to pay slightly more for local items, the distributor says:

The local guy will ask me, will say- and I’m honest with them- what are you going to pay for peppers out of [Major Urban Center]? And I’ll say, I get a sheet every day, this is what’ll cost me, get close to that if you can. I’ll pay more, you know, but I’m not going to pay a lot more, I can’t. I have to look out for me and my employees also, you know.

Here we also see the distributor’s concern for his own employees, which is an implicit recognition that all participants along the chain have to make a living in order for the chain to survive.

A large part of the distributor’s unwillingness to pay more for local produce stems from the fact that his customers, in turn, are not actually demanding anything local, and are unwilling to pay a price premium for local products. As seen in the rural context, this limits the distributor’s purchases of local produce to the summer, when producers have a surplus and are eager to move a larger volume at lower prices.

In terms of the welfare of buyers and end-consumers, the distributor seems more focused on this end of the equation than on the economic survival of the producers. He says:
The consumer’s under a lot of pressure too, because of fuel costs, rising food costs, so if they go into a store, for example, organic costs four dollars a pound, regular’s two dollars a pound, you know what they’re going to pick out… And you go to different areas- the area that we’re in is economically depressed. Organic stuff is not going to sell.

While he refers to organic produce in this case, the same can be inferred about local produce which might also have a premium associated with it that increases the price for consumers. The distributor appears very aware of the limitations put on local food establishments because of economic constraints and uses this to explain the lack of interest in local products.

**Producers’ Perceptions**

Although most of the prices of local produce in this network are determined purely by the market, the sweet onions that Producer #2 sells are grown under a contract which allows her to set prices based on her costs before the season starts:

> We look at what last year’s costs were, and we look at what the yield was, and what we’re hoping for this year, taking into account rising prices- and, um, just guess. At a basic, good price, and then the purchaser, obviously, sees that the onion is more in demand in the public’s eye, and they have to price it with their overhead in mind.

This is the only example of cost-based pricing that was observed in this network, and most of the pricing is based on market prices, as described earlier.

Pricing also influences whether sales to the distributor are central to each producer’s operations. Producer #2 sells almost exclusively to the distributor and produce auctions, and constantly compares prices to see where she can do better. Producer #1 sells mostly at a farmers’ market, and uses the distributor as an outlet for surplus product that he says that he does, “Rather than waste it, or get rid of it.” For these producers the distributor is valued as one extra outlet to move product, but not as a
central component of their operation. This can also be seen in Producer #3’s ambivalence about her relationship with the distributor, which has been non-existent for the past year, as mentioned above.

Producer #2 appreciates the fair prices she gets for the Pennsylvania sweet onions, but she also reflects on the idea that prices should be fair for both producers and consumers, which can be a major challenge for local food systems. While she belongs to the farmer market nutrition program, lets a food bank glean her fields and expressed concern for families struggling with hunger right in her own town, she also defends a farmer’s right to make a living. Her balance of concern for the consumer and the rights of the farmer are clearly expressed in the following passage:

People seem to resent a farmer making money. Well, I think that the farmer needs to make a living, but we have seen, at the farmers’ markets, the many, many years we went, the different markets, if a farmer pulled in with a new truck- ohhhhh God! Even the other farmers were upset. The customers said, well that’s why you charge such high prices! Over and over and over. People are used to cheap food- our food is cheap… I mean, sometimes I think that shortages of certain things would be good for the farmer, but I don’t want to see anyone hungry. I think so much of the poor people having trouble getting food, the funeral director in town knows a lot about the families in town through the, does something with the poor, and she said that there are about five or six families in [town name] that sometimes the only meal that the children get in those families is the breakfast that they get at school. That’s how bad off they are. So that’s bad.

This producer expresses the most concern for low-income consumers, and is more actively involved in programs to address their needs, of anyone that was interviewed for this study. Her concern for those who might be hungry in her own town and her participation in programs to aid those in need point to a socially conscious engagement in the food system.
In terms of the welfare of laborers, Producer #3 in the exurban network hires laborers from Mexico to help supplement the seasonal labor of local employees. Unlike the producers in the rural network, this producer provides year round housing for these workers and employs the same men year after year, even though they may only work seasonally. Although she has faced some obstacles in hiring these laborers (for example she no longer hires men with families because of the isolation that she observed for families that didn’t speak the language), her willingness to construct housing and offer a more stable lifestyle may help to address many of the issues that arise when dealing with seasonal labor, as described in Chapter 4 in the rural case study.

**Buyers’ Perceptions**

As in the rural context, the school district actors in the exurban network are highly aware of the reciprocity in supporting local businesses. The school administrators are emphatic about supporting local businesses as part of creating a strong community. As seen in the rural case, this reciprocity extends to supporting the local produce company as part of the local tax base as much, if not more, than supporting the local farmer.

The owner of Restaurant #3 also reflects on the benefits of purchasing local produce, which he extends to his own business, his customers, producers and the local economy. He also says that he’d be willing to pay slightly more in order to buy local produce, despite the distributor’s perception that his customers show little interest in local produce. This owner says, “I’d be willing to pay 10 percent more if I know that it’s a local product, and, you know, I can help my neighbor, that grows it.” Here, the restaurant owner appears to support the idea of paying higher prices in order to commit to the welfare of participants along the local food supply chain, although neither he nor the
school district actively does so with their purchases of local produce through the
distributor. In addition, the owner of Restaurant #2 says that she would be unwilling to
pay more for local produce because of a lack of consumer demand or willingness to pay
more.

**D. Differentiation and Value-Added**

**Distributor’s Perception**

As mentioned earlier, consumers in this network do not demand local produce
and, for the most part, appear unwilling to pay much more for it. Therefore, purchasing
of local produce occurs only when prices are comparable to non-local items. As a result,
the distributor’s customers remain largely unaware of which items are coming locally.
The distributor’s methods for handling local produce help to obscure this distinction by
requiring that local produce meet the same price and quality standards as non-local item
in order to maintain consistency for consumers, as described earlier.

In addition to the lack of differentiation of local products, demand in this network
revolves mostly around staple food service items, such as iceberg lettuce, as well as pre-
prepared items. Value-added activities such as processing are not done locally because of
a lack of these type of facilities in this area. Therefore, while the distributor purchases
local sweet onions, these items usually don’t go to schools because they are not pre-
chopped and there is no local processor who could perform this service. There is
incompatibility between what types of products are grown locally and what consumers
demand, as in the case of iceberg lettuce, which is not an item that is grown in
Pennsylvania. The distributor assumes that the same is true for the increasingly popular
“spring mix,” which he says:
Those commercial people know how to get it, package it, get it to me and it has a long shelf life. They cool it faster... I think that would be completely out of [local producers’] league to get something like that. First they’d have to grow fourteen different vegetables (laughing) and pack them like that. That wouldn’t be- that wouldn’t work.

The distributor assumes that producers are unable to grow specialty items such as spring mix to meet shifting consumer demand, although it seems possible that some producers may actually be capable of producing different varieties of lettuce for a “spring mix.” In this case the distributor’s perception of what producers in the area are capable of growing is an obstacle to developing the local short food supply chain in this case study region; his assumptions keep him from addressing this issue with producers, and therefore from taking advantage of a potential opportunity to develop locally produced, value-added items.

**Producers’ Perceptions**

The producers in this network are aware of the limitations for promoting local produce in this exurban region, as described in earlier sections and in the context section of Chapter 3. Producer #2 clearly describes the dual challenges of a lack of consumer demand and the resultant lack of commitment to local food promotion on the part of the distributor. She says:

[The distributor’s company is] restricted by their buyers, let’s put it that way, they’re restricted by their buyers and what the demand is. Now... [the distributor] I think is a good salesman, but I think he’s probably used to people calling him, for orders, rather than him seeking new businesses. I’m just feeling that. You would have to get creative. Like he’s pretty much set.

Producer #2 recognizes the need for innovative local marketing strategies, which includes the active role of the distributor in fostering interest in local products, as well as some initial demand on the part of buyers. While she does not identify these factors as being
present in this network, she and the other two producers find ways to participate in the growing local food movement outside of the exurban network. Producer #2 is located in the next county over from the distributor, and is involved in a county wide agri-tourism initiative which includes promotional material and fostering connections between producers and consumers. She is also experimenting with growing a greater variety of items this year in the hopes that she might start a direct marketing Community Supported Agriculture (CSA) program next year.

Producer #1 is very involved in the local farmers’ market, which he started 15 years ago, and he’s exploring options to attend more farmers’ markets and potentially start another one in another small town. He says that they haven’t had much success in his town (the micropolitan statistical area described in Chapter 2), citing the lack of a local food movement and the town’s demographics: “[Town Name] is a lot of older people. I think we have the right idea, we’re just in the wrong town.” He’s considering participating in the farmer’s market in the nearby urban center as a way to tap into the growing demand for local produce. In addition, he has signage for a Buy Local campaign, and says that he tells anyone who will listen that,

… we think it’s very important for people to buy fresh- that’s what, I push that so bad… And without farmers- you’ve gotta survive with them, so I think it’s important for people to just, support their local grower- we can make more money, we can do a pretty good job at what we do, and I think it’s important for that. I think that needs to be out there more.

As mentioned earlier, Producer #3 sells her product to the alternate distributor in the nearby urban center who actively promotes her produce with farm-based identification. She also sells at farmers’ markets in the metropolitan area sixty miles away (that constitutes the urban case study region), and has expanded her participation to
several CSA’s in the urban area. She is highly aware of what she calls the “localvore” movement in the urban area, and is eagerly looking for ways to take advantage of it. However, she’s also found that in order to stay in the wholesale market she’s had to start importing produce, such as apples and melons, from nearby states and occasionally from out of the country. Because of the hybridity of her operation in combining local and imported items, some local chain stores, “…don’t consider me completely local because I buy fruit in.” Here, she faces tension between taking advantage of the local food movement and the supplementation that she feels is necessary for her farming operation to survive.

**Buyers’ Perceptions**

Of the buyers, the owner of restaurant #1 is uninterested in local produce, saying that the most important factors for her are price and quality, and that her customers don’t ask about the provenance of products. As she says, no one asks about the produce, “They just eat away here.” She is unaware that the distributor buys local items and that she may receive local produce at times during the height of the season; this further supports the claim that local produce is for the most part undifferentiated in this chain.

The owner of Restaurant #2 says that he has bought local produce directly from a producer before, but that in general he prefers to trust the distributor to get whatever he feels is best. Occasionally a customer will ask him if certain products, such as tomatoes, are local, but not enough to constitute a real demand. In his opinion, there is:

Not enough local produce in Western PA, in this area. To be marketed well, there has to be enough of it and marketed well. Let’s say there was a produce company in this area, and they said, you know what, we specialize in local produce. If they really approached me with something like that, and the quality was there, sure, you know, I would definitely look at it…
This buyer is open to the idea of buying local produce, perhaps because of his experience growing up in another country and his positive experiences buying from producers who came to his back door. He identifies the lack of a local food movement as related to insufficient production in the area and a lack of a specialized focus by members of the food supply chain, in particular the distributor. The overall lack of a local food movement to promote local produce, and the lack of individuals willing to take up this cause, are the most important factors that he believes impede him from purchasing local produce.

The school district food service director in this network has a complete misconception of how much produce he purchases locally, which further points to the lack of differentiation or the treatment of “local” as a value-added quality. The Food Service Director reported during a focus group interview that the distributor purchases 90 percent of his produce locally, which may be true if you take into account that the produce comes from a relatively local market, but is not true of the produce’s ultimate source. The FSD had been unsure of how much local produce he was receiving from the distributor, and in preparation for the focus group he had called and asked an employee at the produce company. However, he failed to reflect on the percentage that he was told, and seemed unaware of issues surrounding seasonality that would make purchasing 90 percent local produce nearly impossible during the winter. This misconception is coupled with a lack of identification of local products at the cafeteria level, with the exception of a one day activity celebrating apples, when apples are ordered specially from a local orchard.
E. Shared Goals: Social and Environmental Values

Very few actors in this network reflected on environmental issues as part of their motivation for participation in the local food system. However, environmental issues were occasionally mentioned by actors with reference to the conditions of production of local produce. For example, as mentioned earlier, the distributor commented on the prohibitive prices of organically certified produce, especially given the economic conditions of his town. For him, the environmental conditions of production are overshadowed by the price premium that such certification involves, which most of his buyers in this area cannot afford.

The producers’ viewpoints were mixed with relation to the conditions of production. Producer #2 says that she and her husband farmed organically when their children were young, but that customers’ concern for the aesthetic quality of the produce made selling organic difficult. Now, with only herself and her husband working the farm, she says that growing organic would be too labor intensive. One other environmental issue for her was that she is considering switching her greenhouse from propane to coal because of rising fuel costs. As observed in Chapter 5, the urban case, using coal could be more environmentally polluting than propane, although Producer #2 failed to reflect on the potential negative environmental impact of such a change.

Producer #1 used his perception of the strict requirements of a newly introduced Good Agricultural Practices certification process to express his views on spraying pesticides. He feels that to meet the standards, which he sees as overly restrictive, producers will need to use more synthetic chemicals:
It’s really- and if you think about it, just to do that, you might have to spray, and there you go, you’re putting more chemicals back into the ground. We use the least amount of chemicals on our stuff. We don’t want anything- ‘cause number one, it’s not good for you, number two, it costs way too much money to do that.

Instead of spraying his plants heavily to extend the harvesting period, this producer is willing to let nature take its course, “Well, my plants right now, they’re starting to die off because the season’s coming to an end, so- we just take what we get. So we’re happy with that.”

The third producer is enrolled in a state-wide sustainable agriculture organization, yet she says that this is because the alternate distributor wants her to have the locally produced label that they offer. She, on the other hand, said that this organization was “too far left” for her, and that organic isn’t really necessary since being “local” is enough. As an orchard grower, she said that she didn’t feel that the allowed sprays for organic growing were any better than using a little bit of synthetic chemicals.

In terms of aligning themselves with the local food movement, for the most part the buyers and the distributor appeared to feel disconnected from the movement, while the producers seemed to feel that they could benefit from it only if they pursued it outside of this particular exurban setting. For the distributor, his reflections on the values and potential of a local food movement focus mainly on the fact that he does not see a local food movement in his town at all. Despite a flourishing movement only an hour south of him in the urban center, he feels that local food is not promoted or marketed well.

Producer #2 identifies consumer demand for local produce as a cycle:

Local produce demand is up and down, up and down, over cycles of years, and in the seventies it was very high, a lot of people did their own gardening, local produce, organic movement, all that was very big. but anyway, then the supermarkets have become excellent sources of produce
since the late seventies I would say, that kind of slowed up the farm stands, or people canning, people preserving their own foods. People got where they’re eating more at restaurants… the trends have changed. Well now with this new trend, that will last for a while, PA Preferred comes in time to support that.

The producer identifies the movement as a trend, which may potentially die off again as part of a larger cycle of food consumption patterns. When referring to the local food movement, this producer talks about self-sufficiency in food production, identifying it as a movement for people to start growing their own food and doing their own food preservation. In this instance, her conception of what constitutes the local food system is quite distinct than what was observed in the urban local food movement, which focused more on developing connections between producers and consumers and less on increasing self-sufficiency. Producer #1 identifies the local food movement and alternative markets as providing him the opportunity to resist the bureaucratization of the local food movement, in the form of the standards discussed above, and to bring the movement back within the power of the small farmers that he feels should ultimately benefit.

III. Summary

In this exurban local food network, local food purchasing and selling is not so much the result of a concerted effort, but rather a loose convergence of interests and capacities that connects local farmers who want an additional outlet for their produce and a distributor who requires that local products be indistinguishable from the produce he purchases from the conventional market. Because of this, the fact that some of their produce comes locally is almost completely lost on consumers. Producers, on the other hand, are still able to take advantage of the burgeoning local food movement and have
reached out beyond the geographical boundaries of this network to make local food connections with consumers and distributors who are more proactive and interested in local food than the distributor in this network. While the lack of a local food movement in this town can be partially attributed to the lower socio-economic status and advanced age of the population, there are also areas of disconnection and miscommunication that contribute to a lack of coordination and understanding. This limited coordination and little mutual understanding are facilitated by low purchasing power and a lack of demand for local produce, and this confluence of factors hinders local food system development in this setting.
CHAPTER 7

Conclusion

In order to understand what conclusions or suggestions can be drawn from the preceding analyses, I return to some of the initial questions that were posed at the beginning of this thesis. The initial premise of this thesis was to explore three questions through theoretical and empirical lenses: 1- How can we theoretically conceptualize hybrid food networks as they intertwine values and practices that have been traditionally classified as either “alternative” or “conventional?” 2- How do actors within hybrid food networks negotiate between different models and logics, and do they reflect a type of “hybrid values” in doing so? 3- What are the rural development implications of utilizing conventional infrastructure in building local food systems?

In order to address these questions, I suggested that we consider hybridity as either co-opted or progressive, and, drawing on theories from economic sociology and the sociology of agriculture, described a framework for evaluating the progressive nature of hybrid food networks. I then applied this framework to three empirical case studies in order to explore the relationships and quality construction that surround local food supply chains and to address how progressive these hybrid food networks might be. In this concluding chapter, I will begin by performing some cross case comparisons in order to propose contributions to theory, policy and practice, as well as to explore some potential drawbacks to this research and, finally, to propose future areas of investigation.

I. Cross Case Comparisons

One of the first conclusions that arises from examining these three case studies is that the handling of local produce by pre-existing infrastructural actors does not, in and of
itself, provide the basis for the expression of more “alternative” or progressive values. While this is a conclusion that may have been reached through a review of the literature alone (Winter 2003; Ilbery and Maye 2005; Watts et al. 2005; Hinrichs 2000, 2003; DuPuis & Goodman 2005), the empirical data from this research helps to understand some of the potential challenges to creating progressive food systems that are specific to actors who are accustomed to working within the conventional logic of the produce industry. This is true for both producers and distributors, who may be able to perceive how traditionally structured supply chains disadvantage them, but who nonetheless find themselves at times locked into the logic of these systems.

This situation was evident in both the rural and exurban case study regions. In these two cases, the distributors were highly concerned with reducing potential inconsistencies between the quality and prices of local and non-local items. This practice had tangible effects on their relationships and the construction of quality around local produce. First, it meant that the trust between producers and the distributors was derived from a combination of personal and market-based mechanisms, and not from any inter-organizational trust, sense of interdependence or governance mechanisms (as suggested by the value chain framework in order to create hybrid food networks that incorporate progressive values). The personal relationships between producers and distributors in these cases may have fostered a level of trust that led to some perceived fairness and perhaps served as a governance mechanism through the development of reputations (Raub and Weesie 1990). However, these personal relationships were ultimately not instrumental in creating a more progressive food supply chain based around local production and consumption. This conclusion is strikingly similar to Doel’s (1999)
conclusions on the role of embeddedness in the British retail food industry: “What is far less apparent is the extent to which extra-business interactions assume causal primacy in structuring ongoing governance processes. Arguably the evidence suggests that, although they have a role, it is marginal and subordinate to straightforward commercial pressures,” (Doel 1999, 83). In addition, the use of the conventional produce market to price local items restricted the relationship between these producers and the distributors to one based on surplus, and therefore impeded these relationships from developing into partnerships with real economic benefits for producers.

The second implication of the distributors’ attempts to base prices and quality standards for local produce on the conventional market is the lack of differentiation of local produce in these two networks. Differentiation of local produce, wherein the quality of being “local” is considered an added value, is key to generating a price premium, and therefore to redistributing value along the chain. Without this redistribution of value, producers receive little to no benefit to participating in the local supply chain compared to participating in other conventional supply chains. This, in turn, means that these local, hybrid food supply chains have a limited impact in fostering the economic survival of producers, and, by extension, rural development. This aspect was the major point of distinction between the urban case compared to the rural and exurban cases. Differentiation of local produce in the urban case was utilized as a comparative advantage by all members along the chain which, despite some internal challenges, created the basis for this case to come the closest to the value chain model of progressive hybridity of any of the three case study networks.
The influence of how local produce is differentiated on the dynamics of supply chain development leads to a second conclusion about hybrid food networks based on this empirical study, namely the importance of the types of conventions from the “world of opinion” and the role of consumers in determining the value of local produce to these chains. The popular conception of “local food” was an important factor in determining the nature of the hybrid local food supply chains; in the urban and rural cases some type of “local food movement” was observed, while in the exurban case there was very little promotion of local food consumption. The differences between the rural and urban cases are particularly illustrative since in the rural case the local food movement mostly limits local produce relationships that revolve around the wholesale produce distributor, while in the urban case it helps to foster them. In the rural case, consumers’ association of local produce with their rural and agricultural heritage is also associated with the idea that farm stands and produce auctions are the appropriate sources of such produce. The distributor feels that he can’t compete with these sources during the summer in terms of selling local produce, although he does take advantage of the regional niche on the edges of the local growing season that these perceptions provide. In general, the nature of the demand for local food in the rural case limits the distributor’s perception of the overall demand for local produce and keeps him from specializing in this area. In comparison, the distributor in the urban case also has to compete with other local food outlets, such as farmers’ markets. However, while the rural distributor competes for buyers of local produce, the urban distributor competes for local produce suppliers. This competition is a challenge for the urban distributor, but the presence of high demand makes him realize the potential value of local produce to his operation and therefore does not stop him from
establishing a successful business around local food. Through these two examples, it appears that the influence of the type of local food movement on consumption patterns is an important driving factor for determining the nature of the local food supply chains.

Despite low demand for local produce in the exurban case, local producers in this network are active in the local food movement in other areas and this case can still provide some interesting insights into how hybridity relates to the local food movement. In chapter 6 we observed that Producer #3 in the exurban case study finds that some buyers do not consider her completely “local” because she supplements her own produce with items that are sourced non-locally. This comment reveals a tension between a strategy that the producer feels she needs to survive in the wholesale produce market and the promotion of “local” produce. This suggests the possibility that hybrid networks could face a challenge in being accepted by proponents of the local food movement, and is an important consideration given the importance of public perception, as described above.

II. Contributions to the Field of Sociology of Agriculture and Food Systems

One potential contribution to the literature surrounding alternative food networks has to do with the intentionality that actors bring to their participation in hybrid food networks and its effect on the progressiveness of the network. Holloway et al.’s (2007) conclusions with relation to the potentially progressive aspects of alternative food networks include two considerations that are important for the purposes of this thesis:

First, actors’ behaviours in these projects seem to have effects of engaging with and resisting prevailing power relations. Second, in many instances such resistance is ‘unintentional’ in that many actors (as producers or consumers) do not set out to deliberately challenge structures of power in food supply but nevertheless contribute to a practical critique of those
structures through their actions and discourse (of course, for others, the resistance *is* intentional). (Holloway et al. 2007, 90; italics in original)

At the end of Chapter 2, I suggested that the issue of power, as mentioned in the above quote, is a key point that distinguishes the potential progressive nature of hybrid food networks from those that might be considered co-opted. As part of this framework I also suggested that the role of these networks in redistributing value and thus contributing to rural development is also a measure of how progressive a hybrid food network is. I would like to now return to these points in terms of my empirical data, and keeping in mind the question of whether or not actors view their participation as intentionally reorganizing the conditions of production, exchange and consumption. I believe that this analysis will contribute both to the theoretical literature surrounding the sociology of food and agricultural systems, as well as to potential policy considerations.

**A. Power in the Food System**

As described in Chapter 2, the issue of shifting the balance of power towards those actors in the food system that have been traditionally disempowered is one essential goal of alternative food networks, and therefore an important measure of the progressive nature of hybrid food supply chains. In the empirical analyses performed in Chapters 4, 5 and 6, important issues were raised around production and consumption practices that have implications for the consideration of how, and if, power is shifted at all in these food chains.

The perspectives of producers on the issues of contracts and labels offer insight into whether or not they experience these hybrid food supply chains as empowering. Almost all of the producers responded that they would not want contracts with the distributor, and nearly all of the producers cited their reasons as not wanting to be “tied
into anything.” Despite this near complete consensus, there are some slight differences that help to distinguish this aversion to contracts. In the rural case study, one producer cited the uncertain conditions that farmers face as the reason for not wanting contracts; in comparison, one producer in the urban network said that contracts would be too constraining. While these producers are essentially making the same point, their word choice may indicate that the rural producer sees contracts as making him more vulnerable to the fluctuating conditions of production, while the urban producer doesn’t want to be tied into any one market because of the more diverse opportunities that are open to him.

The fact that some producers believe that contracts might increase their vulnerability instead of helping to share the risks of farming indicates that many farmers still operate under a conventional logic, where contracts take ownership and control of the product away from producers because of imbalances of power. This differs from the type of agreements described in the value chain framework, where contracts can help producers regain economic power by establishing procedural justice. Developing long term agreements that do not make producers feel tied in or obligated, but that foster feelings of trust and security, thus appears as an action that would require facilitation and intentionality on the part of actors.

The empirical data surrounding the function of farm-based labels also suggests that shifting power dynamics requires a degree of intentionality. Stevenson and Pirog (2008) suggest that farm-based labels help to shift power in favor of the producer by allowing them more control over the product and the price premium. However, in this research farm-based labels did not give producers ownership over their product throughout the supply chain, leading them to express disempowerment because of how
the distributor handled the product. While these labels helped them to secure a price premium, the producers also felt that if the product is not handled properly by the intermediary, the end consumer’s judgment reflects directly on the producers’ operations. In keeping with Stevenson and Pirog’s (2008) overall analysis, it appears that this situation arises when product differentiation is not accompanied by partnership development, since it reflects a lack of joint problem solving and trust in the distributor’s organizational operations. Therefore, quality construction of products must also be accompanied by a focus on the type of relationships between actors along supply chains in order for all participants to benefit.

The role of buyers and consumers also raises issues about power in these hybrid food networks. For all of the case studies, the relationships between the distributor and buyers were more often characterized by elements of the “partnership” framework than were the relationships between distributors and producers; this was due to the fact that the distributors’ commitment to customer service often included joint-problem solving and high degrees of trust. In addition, the role of public opinion in determining the nature of the local food movement, and therefore the nature of local food relationships, as described above, begs the question of the role of the “power” of consumer demand. As mentioned by Holloway et al. (2007), the power of consumers is often unintentional and unrecognized. However, as observed throughout this thesis, consumer demand is one of the most important elements that influences whether or not local produce has value and how this value is expressed. The construction of this value includes the differentiation and price premium associated with the product itself, as well as the ability for each member of the entire food supply chain to differentiate his or her operation on the basis
of local produce, as observed in the urban case study. This observation implies that for a progressive value chain to be successful, consumers must be aware of the power of their purchases and must come to the chain with intentionality and interest not only in the quality of the product, but in the processes of production and exchange. Value chains, on the other hand, need to develop ways to communicate these qualities to end consumers in order to distinguish themselves from co-opted hybrid food networks.

B. Redistributing Value and Rural Development

As indicated above, the redistribution of value and its role in rural development were also outlined in Chapter 2 as a potential characteristic of progressive hybrid food networks that distinguishes them from a more co-opted hybridity. In these cases, a redistribution of value towards producers was only minimally observed in the rural and exurban case study sites, although it was much more present for certain specialty items in the urban case. This reinforces the initial conclusion made in this chapter that the handling of local produce by pre-existing local infrastructure is not, in and of itself, sufficient for generating rural development. Although value was redistributed towards specialty producers in the urban case, these producers’ small scale and the limited nature of the outlets for their products (which includes high end restaurants but excludes larger buyers, such as the school district), may mean that this type of local short food supply chain will have a limited contribution towards “scaling up” the local food system (Friedmann 2007), and, in turn influencing the local economy. In addition, a common theme across cases was the perception of some actors that local produce will actually be less expensive than imported produce because of shorter shipping distances. This perception, which may be true in some cases especially during the height of the summer
season, could present a challenge for generating enough value around local produce to be redistributed for the benefit of all along the food supply chain.

Despite these limitations in redistributing value towards producers, some observations point to the potential that local short food supply chains have for fostering a sense of community and supporting individual farming operations. First, many actors across case studies were concerned with supporting the local economy through their local food purchases. They extended this concern to supporting local businesses, such as the produce distributors, and not only to farmers. Recognizing the value of supporting all actors along the food supply chain for the local community’s economy is an important step towards developing progressive local food connections. Because many of the producers and distributors pre-date the latest surge of interest in local foods, some actors in these networks identified them with the type of smaller scale, independent businesses that are important foundations of the local economy. Their support of such local companies was also tied into ideas of reciprocity, which was a particularly salient point for all of the school districts in these cases. Reciprocity is an important factor in cultivating a sense of interdependence between partners in a value chain, since actors begin to feel that their economic survival is related to the survival of others along the chain. Although the schools in these cases have often faced budgetary constraints that have thus far limited their ability to economically support local producers, their recognition of the importance of fostering local food relationships in terms of reciprocity may lay the groundwork for such relationships. This observation relates to Granovetter’s (1985) hypothesis that, “What looks to the analyst like nonrational behavior may be quite sensible when situational constraints, especially those of embeddedness, are fully
appreciated,” (Granovetter 1985, 506). In this case, the “nonrational” economic behavior of paying more for local produce may actually be economically rational when the concept of reciprocity is considered, since schools, and other buyers, can actually help themselves by helping local businesses.

Second, even when producers were not receiving price premiums on local items that could help redistribute value to rural regions, in the manner suggested by the agri-food literature (Stevenson and Pirog 2008; Marsden et al. 2000; Marsden et al. 1999), many of the producers in these cases indicated that interest in local food had helped their operations, and that any additional outlet for their products was beneficial to them. This included economically minimal relationships, such as those in the rural and exurban cases that consisted purely of the sale of surplus products to the distributors. For these producers, there is a social value to the farming lifestyle that outweighs purely commercial interests. Several producers described the importance of their love of farming; one producer explained her choice to be a producer by saying, “Farming is not a high income livelihood. That wasn’t our goal in life.” In this context, even though it is unclear what overall economic impact local food purchasing can have on entire rural regions, producers indicated that an interest in local produce can help some farmers stay in business, which has a high social value for them. One producer offers insight into the value of the local food movement, despite its potential overall limitation:

I think it’ll help to keep maybe some guys from going out of business… I think it will allow people that want to farm the ability to do that lifestyle…And like the big picture, I read a Washington State Fruit magazine, and they talk about the local food movement, and I mean they’ve got a tremendous amount of money in shipping that product east. But I’m not, I’m not so sure that it’s going to skew the system.
This quote nicely illustrates the value of the local food movement for helping some farm operations to survive, even if it might not ultimately “skew the system” or have a large overall impact on rural regions.

III. Contributions to Policy and Practice

My research indicates that local food supply chains may be missing opportunities to add value locally, which in turn limits the reach of such networks. For example, the lack of local processors in any of these case study regions limits the access that these networks have to school districts, which increasingly rely on pre-processed produce items. An important area for research and policy is to address local infrastructure needs in order to create economic opportunities to add value to local produce, as well as to increase the ability of local food supply chains to serve local buyers, especially institutional buyers such as schools, hospitals or prisons that may have limited processing abilities.

Support for local processors could help to expand both local food system infrastructure and the networks that arise around food production, processing and distribution. Other research in this area indicates that expanding producer networks (referred to as clusters in Brasier et al. 2007) to include processing and distribution facilities can have a positive impact on the overall economic performance of such networks, which in turn has important spillover effects on the local economy (Brasier et al. 2007). In addition, supporting the development of processors that are independently owned and operated provides opportunities for entrepreneurship and increased rural employment (Brasier et al. 2007). Some research has suggested that “corporate integration and coordination of farming with food manufacturing,” (Welsh 2009, 24) is
associated with negative rural community welfare outcomes; therefore, resisting the increasing corporate monopoly over food processing by supporting more independent businesses has the potential to contribute to strengthening rural economies (Welsh 2009).

In addition to providing funding and policy support for extending the infrastructural capacity of local food systems, it is important to consider the role of new economic models that may help to provide producers with greater negotiating capacity. One such model is shared ownership. While this was mentioned by the value chain framework in the form of minority ownership (in this case, where the downstream actor has a stake in the suppliers’ business), Brasier et al. (2007) provide an example of a producer cooperative that expanded to establish a processing facility. In this case, producers have a stake in the ownership of the facility, as do community members that choose to invest in the business, which they do in part to support local farmers and protect the area’s farmland. Welsh’s (2009) research also supports shared ownership models, such as producer cooperatives; he cites several studies that analyze the impacts of state policies that protect farmers’ collective bargaining rights. These studies showed that, “membership in the marketing cooperative enabled growers to have more input into the terms and conditions of their contracts with apple processors,” (Welsh 2009, 26), in addition to achieving higher prices.

These findings on the beneficial outcomes of shared ownership models raises questions as to what role support organizations can play in fostering these new types of models. These concerns are particularly pertinent when dealing with actors who are unaccustomed to working in ways that differ from the conventional logic of the agri-food
industry. Developing cooperative models or introducing contracts in this context presents challenges of acceptance. Stevenson and Pirog (2008) conclude that, because of this,

Support infrastructure such as a national network to assist midtier food value chains, for instance, could productively facilitate the sharing of knowledge between beginning and more experienced food alliances, establish consultant or ‘swat teams’ to help developing value chains address problems, or sponsor regional workshops or study groups to upgrade the procedures of participating enterprises. (Stevenson and Pirog 2008, 126)

My research supports their suggestion that developing successful food networks requires education, outreach and forums for actors to share their experiences and learn from others. The case studies in my research also suggest that such facilitation might need to extend beyond initiating local food relationships to include establishing mechanisms that will help to maintain the relationships in ways that are beneficial to producers. My research indicates that this may require a shift in outside facilitators’ operating missions. Improving the ability of outside support organizations, such as non-profit organizations and University extension, to provide legal information about the use of contracts or the bargaining rights of cooperatives may help extend the use of these models. In the case of contracts, it is important to demonstrate that the value of a contract rests on its content, and that they can be used in ways that help to mitigate producers’ risks.

**IV. Potential Weaknesses of Study**

Some potential weaknesses of this study derive from methodological considerations that, because of time constraints, could not be fully resolved in this thesis. The first of these is the fact that only two producers were interviewed in the urban case study region; this is especially a drawback since these two producers grow similar specialty items. More variety in this case would have helped to understand the nature of
this urban network and may have provided additional insights or refuted conclusions that were made on the basis of just these two producers’ experiences. This points to another potential weakness in this study, which was the selection process for participants. While using a snowball methodology is an acceptable way to identify research participants in qualitative social research, in this study it is possible that distributors may have tried to provide me with the names of those producers with whom they had the best relationships. While this may have restricted the research by not providing alternative perspectives, in both the urban and the exurban case the distributors provided the names of producers who either had a negative opinion of their relationship or felt that the relationship was in essence non-existent, which may indicate that the potential weakness of snowball sampling did not unduly affect this study.

Another methodological consideration that I would have addressed if I had had more time is the increased role of the participant in the research and analysis process. For example, allowing research participants to, “engage with, and object to, transcripts of the talk generated from previous encounters and your analysis of them,” (Whatmore 2003, 99) can be a strategy to increase the reliability of a researcher’s analysis. Although I had the opportunity to conduct two separate interviews with each of the three distributors in this study, thus providing the opportunity to review their claims and my analysis of what they said in the first interview, in general I was unable to share my analysis with research subjects. Giving them the chance to refine or object to my analysis, and incorporating these alternate perspectives into my conclusions, would have undoubtedly strengthened the trustworthiness of my analytical findings.
V. Areas for Further Research

Some issues were raised during the course of this study which point to areas for further investigation. One area of possible inquiry is to explore the extended networks beyond spatially proximate actors. For example, many producers were unsure of the origin of their seeds and were only able to identify the location of the seed company’s distribution headquarters; the one producer who did identify the source of his seeds indicated that they were bought internationally. Further exploring these upstream links may help to expand a conceptualization of hybridity, its influence on the structure and nature of relationships and quality construction, and further complicate notions of what “local” means.

Another area for further research may be the role of supermarkets in local food supply chains. Many of the producers in this network indicated that they are involved in selling direct wholesale to supermarket chains, and they often compared these relationships to those that they have with the distributors. In comparison to the independently owned distribution companies that were the subject of inquiry in this study, these chains tend to be nationally or regionally owned and operated. The results from this research indicate that, despite their corporate focus, the relationships that producers have with supermarkets include unexpected dynamics. For example, one producer said that he has an informal contract whereby he receives steady prices throughout the season; another reported that she was able to charge higher prices for her products if she went “through the backdoor” and sold directly to the local store instead of to the warehouse. Producers’ strategies to negotiate and establish fairness in their relationships with supermarket chains could provide an interesting area of further
exploration, especially given the current interest that these chains exhibit towards procuring more local produce due to perceived consumer demand. The corporate nature of these businesses adds an important element to the conceptualization of hybridity, and a study that explores producer relationships with supermarket chains could serve to further clarify the distinction between progressive and co-opted hybridity and the value of these relationships to rural development.

VI. Conclusion

For this study, I purposefully chose wholesale produce companies that pre-existed the latest surge of interest in local food in order to evaluate whether or not their handling of local produce was accompanied by a more progressive business model, namely the value chain model. As argued in this thesis, the progressive political project of alternative food networks can be observed in hybrid networks, and has to do with how supply chains shift power, incorporate economic and non-economic goals, and potentially contribute to rural development. Although my small sample size ultimately limits my ability to draw generalized conclusions about hybrid food networks, by focusing on actors that are accustomed to working within the conventional logic of the produce industry, my analysis illuminates areas in the agri-food literature that may need to be clarified, as well as presenting insights into some of the potential obstacles to creating progressive food networks that might be specific to these types of actors.

My analyses indicate that when local produce is not considered a differentiated, value-added item, the resulting relationships between producers and distributors tend to mimic those of the conventional produce industry. In comparison, when local produce is treated as a differentiated product it helps to redistribute value along the supply chain and
serves as a point of differentiation for all actors. However, this was only true for producers of specialty, niche products, and therefore this hybrid food network faces the same problem of how to “scale up” the local food system with which many alternative, direct marketing initiatives grapple.

The importance of differentiation in determining the economic value that producers receive through their participation in the hybrid food network points to the influence of the type of local food movement on consumption patterns as an important driving factor for determining the nature of local food supply chains. Based on these findings, one important factor for theory and policy is whether actors are deliberately creating new business models. I believe that my findings and analysis point to the need for a conscious commitment to creating conditions of exchange that differ from those generally characterizing the traditional produce industry. This is especially true for actors who may understand how the current system is flawed but cannot see how to change their own relationships, as well as for consumers who are unaware of the impacts of their purchases. Including consumers in the development of progressive hybrid food networks is especially important given the observed role of consumer demand in influencing whether or not local produce has value and how this value is expressed. The above analysis indicates that, despite its limitations, a focus on local produce in fostering hybrid food networks has the potential to shift power in the food system and contribute to community and rural development.
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APPENDIX A
INTERVIEW GUIDES
Local Food Purchasing through Mid-Sized Distributor
[Producer Interview Guide—2008]

1. General information on farmer and farm enterprise

a. How many years in farming? ____________________________

b. How many years farming here at this farm? ________________

c. How many total acres does your farm currently include (whether owned or rented in)? __________ acres

How many of those acres are in:

Cropland (grains, horticultural, orchard) ________________

Pasture ______________________________________________

Woodland ____________________________________________

d. If someone asked you to describe what this farm produces, what would you say?

e. Other than yourself, how many other people work on your farm?

   Full-time hired labor/year round ______________________
   Full-time hired labor/seasonal _________________________
   Part-time hired labor/year round ______________________
   Part-time hired labor/seasonal _________________________
   Family members (not formally hired) _________________
   Others (not formally hired) _________________________

f. Which category best captures your gross farm sales in 2007?

   ________ < $10,000 ___________ $50,001-$100,000
   ________ $10,001-25,000 ___________ $100,001-$250,000
   ________ $25,001-50,000 ___________ > $250,000
g. Of your gross farm sales in 2007, what percentage would you estimate came from sales to the following:

Income from direct marketing retail (includes farmers’ market, CSA, roadside stand, pick-your-own, mail order, subscription or other sales directly to end consumer) __________%  

Income from direct marketing wholesale (includes direct sales to restaurants, stores, or any other institutions that then sell to end consumer) __________%  

Wholesale income (includes sales to distributors, commission merchants, brokers, grower-owned cooperative, independent packers or shippers) __________%  

Other farm sales (Please describe:__________________________) __________%  

TOTAL = 100 %

h. I’m interested in understanding the geographic dimension of your operation. Can you explain to me where you get your inputs (such as seeds, equipment, compost, etc.)? (Start drawing a “network map” to help illustrate this?)

i. Can you also help me to understand the different types of markets that you sell to by adding them to the map?

j. Which of these markets do you consider to be “local”? How are your experiences selling to these local markets different from selling to non-local markets, if at all?

2. Experience Marketing to Mid-Sized Distributor

a) Can you describe for me just how it was you came to sell your products to ____________ [distributor]?

(probes: Who initiated this arrangement? What if anything especially encouraged you to market to ____________ [distributor]? What if anything made you cautious?)

b) Why did you want to sell to the distributor?

(probes: Were there economic reasons, increasing farm reputation, support for local businesses? Was there something about the market that you used to sell to that made selling to the distributor seem more beneficial?)
c) Did you have to make any major changes to your operation when you began selling to the distributor?

(probes: Did you buy/sell land or equipment, hire labor, change production practices, change volume or products, pull out of other markets, etc.)

d) Have you changed your growing patterns (ex. Quantity/type of product) to fit demands from the distributor/consumer?

e) How does selling to the distributor work for you now?

(probes: Who do you deal with most directly or regularly? How would you describe these working relationships?)

f) How do you decide on the price of your products? Do you feel that you get a fair price from the distributor?

g) What type of information does the distributor provide for you, for example about prices in other markets, consumer demands, etc.?

h) What kind of agreements do you have with the distributor? Do you make any pre-season arrangements, such as contracts, to make sure you have a market for your products?

i) Do you have any type of label/certification for your products, such as PA Preferred, Buy Local, certified organic, etc.?

j) What do you see as the main benefits to you as a farmer selling your products to ________________ [distributor]?

k) On the other hand, what do you see as the main challenges for you as a farmer selling your products to ________________ [distributor]?

(Probes)
- Producing volume of product
- Getting consistency in product
- Speed of payment (handling accounts receivable)
- Expectations about quality and quantity
- Food safety requirements
- Packaging expectations
- Delivery
- Infrastructure
- Making a profit
- Lack of needed infrastructure (storage)
- Other?
1. In general, what do you think the results could be of building a more localized food system? What would be the benefits, and what would be the costs?

m. Who do you think would benefit from a more localized food system? Who do you think would pay the costs?

4) A Few Things about You

a) In addition to your farm, do you have regular (full or part time) employment?

b) What do you consider to be your primary occupation?

c) How many years of formal education have you completed and in what specialty or discipline? __________________________________________________________

d) Which setting best describes where you grew up? (e.g., farm; rural/non-farm; suburban; urban)

e) Finally, could you tell me about your current plans for either continuing to farm or passing the farm on to someone else?
Local Food Purchasing through Mid-Sized Distributor  
[Wholesale Produce Distributor Interview Guide—2008]

2. General information on your business

a. How many years in distribution? ____________________________

b. How did you become a produce distributor?

c. Other than yourself, how many other people work in your operation?

d. Which category best captures your gross sales in 2007?

<table>
<thead>
<tr>
<th>Category</th>
<th>Percentage Range</th>
</tr>
</thead>
<tbody>
<tr>
<td>$3,000,001-5,000,000</td>
<td>$1,000,001-3,000,000</td>
</tr>
<tr>
<td>$7,000,001-$9,000,000</td>
<td>$5,000,001-7,000,000</td>
</tr>
<tr>
<td>$1,000,001-3,000,000</td>
<td>$&gt;1,000,000</td>
</tr>
<tr>
<td>$7,000,001-$9,000,000</td>
<td>$&gt;10,000,000</td>
</tr>
<tr>
<td>$3,000,001-5,000,000</td>
<td>$&gt;10,000,000</td>
</tr>
</tbody>
</table>


e. Of your gross sales in 2007, what percentage would you estimate came from sales to the following:

<table>
<thead>
<tr>
<th>Category</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>Retail outlets</td>
<td></td>
</tr>
<tr>
<td>Restaurants</td>
<td></td>
</tr>
<tr>
<td>Schools</td>
<td></td>
</tr>
<tr>
<td>Other (Please describe:___________________)</td>
<td></td>
</tr>
</tbody>
</table>

TOTAL = 100 %

f. Of your total purchases, what percent would you estimate comes from:

<table>
<thead>
<tr>
<th>Category</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>International (non-US)sources</td>
<td></td>
</tr>
<tr>
<td>US sources, but outside PA</td>
<td></td>
</tr>
<tr>
<td>PA Farms beyond 100 mile radius</td>
<td></td>
</tr>
<tr>
<td>PA Farms within 100 mile radius</td>
<td></td>
</tr>
</tbody>
</table>

g. To get a better understanding of the geographic dimension of your operation, can you help me draw a “network map” that illustrates where your produce is coming from and which markets it goes to?

h. Which of the following characteristics best matches how you would define “local food” for your operation?:

__ Food raised or produced within my county
__ Food raised or produced within 50 miles of my business
Food raised or produced within 100 miles of my business
Food raised or produced within Pennsylvania
Food that is fresh
Food where I know the producer or the conditions under which it was produced
Food provided by small or medium sized farms and food businesses
Other (please specify):
Not sure/don’t know

i.) Could you please tell me a little more about why you chose that answer?
j.) How does buying locally fit into your overall buying practices? How do you decide which products to buy locally?

3. Experience Marketing

l) Can you describe for me just how it was you came to sell your products to ____________________ [buyers]?

(probes: Who initiated this arrangement? What if anything especially encouraged you to market to _____________ [buyer]? What if anything made you cautious?)
m) How did you choose these outlets for your products?

n) How does selling to the [buyer] work for you now?

(probes: Who do you deal with most directly or regularly? How would you describe these working relationships?)

o) How do you decide on the price of your products? How do you see the fairness of these prices for everyone involved (buyers, producers and yourself?)

p) How, if at all, you changed your operation to fit demands from buyers?

4. Buying from Local Producers

a) How did you make first contact with the local producers that you buy directly from?

b) Can you walk me through the decision process that led you to buy directly from these different local farms?

c) What type of information do you provide to local producers, for example, about prices in other markets, consumer demands, etc.?

d) What kind of agreements, if any, do you have with these producers? Do you make any pre-season arrangements, such as contracts?
e) In general, what do you see as the main benefits of buying and distributing local produce?

q) In general, what do you see as the main challenges of buying and distributing local produce?

   (Probes)
   o Volume
   o Getting consistency in product
   o Expectations about quality and quantity
   o Food safety requirements
   o Packaging expectations
   o Delivery
   o Infrastructure
   o Making a profit
   o Lack of needed infrastructure (storage)
   o Other?

 g) Do you sell produce that has any type of label/certification for your products, such as PA Preferred, Buy Local, certified organic, etc.?

h) What do you see as the benefits of these types of programs? What do you think are the drawbacks?

i) In general, what do you think the results could be of building a more localized food system? What would be the benefits, and what would be the costs?

j) Who do you think would benefit from a more localized food system? Who do you think would pay the costs?

5) A Few Things about You

   f) How many years of formal education have you completed and in what specialty or discipline? __________________________________________________________

   g) Which setting best describes where you grew up? (e.g., farm; rural/non-farm; suburban; urban)
3. **General information on participant and organization/business**

   a. Can you tell me a little about yourself and how you became involved in [business]?

   b. How many years have you been working here?____________________

   c. How many employees work here?

   d. Can you tell me a little bout your organization/business?

   e. How would you describe the scale of your operation/business? (ex. Number of customers per week, etc?)

   f. I’m interested in understanding the geographical dimension of your business. Could you help me to map out the different places that you purchase from?

5. **Experience Buying from Mid-Sized Distributor**

   r) Can you describe for me just how it was you came to buy products from ________________ [distributor]?

   s) How did you decide what vendor to buy from?

   t) Can you describe how the purchasing process from the distributor works?

   u) How does your experience buying from this distributor compare to buying from other sources?

3. **Local Purchasing**

   a) Which of the following characteristics best matches how you would define “local food” for your operation?:

   __ Food raised or produced within my county
   __ Food raised or produced within 50 miles of my business
   __ Food raised or produced within 100 miles of my business
   __ Food raised or produced within Pennsylvania
   __ Food that is fresh
   __ Food where I know the producer or the conditions under which it was produced
   __ Food provided by small or medium sized farms and food businesses
   __ Other (please specify)_

   __ Not sure/don’t know
Could you please tell me a little more about why you chose that answer?

b) Going back to the map that we drew earlier, which of these sources would you say are “local”?

c) In terms of produce, what type of products do you currently purchase that are local? How much of the total produce that you buy is local?

d) How long have you purchased local produce? When did you start? Why did you decide to purchase local food?

e) Do you buy local produce from a source other than the distributor? If so, where do you buy it from, and how does it compare to buying local produce through the distributor?

f) How do you decide what produce to buy locally? What type of non-local produce do you buy?

g) How does buying locally fit into your overall buying practices?

h) Are you willing to pay more for local products? Why or why not? How much more would you be willing to pay for local products than for a similar non-local product? Do you feel that you’re currently paying a fair price for local items?

i) What are the main benefits of purchasing local food for your food service operations? (probe: advertisement, food quality, supporting local economic activity, supporting farmers, environmental factors, price, other?)

j) What have been the main challenges to purchasing local produce?

- Finding distributor who offers local food
- Working with distributor to get local products
- Quantity of available local products
- Quality of local products
- Food safety concerns
- Pricing of local products
- Consumer demand for local products
- Preparing local/fresh foods
- Other?

k) What would make it easier for you to buy more local products?
4. Promotional Activity

a) How, if at all do you promote the fact that you buy locally? (ex. Mentioned on menu/advertising material?) If so, what aspects of local do you highlight or what other information do you provide (ex. Sustainable, organic, list benefits of local food?)

b) Do your customers ever ask if products are grown locally?

c) Are you familiar with labels such as PA Preferred, Simply Delicious, or Buy Fresh Buy Local etc.? Do you ever ask for products with these labels, or advertise about them?

d) In what ways do you feel that your business has been affected by your decision to offer local produce?

e) Overall, do you expect to continue purchasing local produce in the future? Why or why not?

f) In general, what do you think the results could be of building a more localized food system? What would be the benefits, and what would be the costs?

g) Who do you think would benefit from a more localized food system? Who do you think would pay the costs?

6) A Few Things about You

h) How many years of formal education have you completed and in what specialty or discipline?

i) Which setting best describes where you grew up? (e.g., farm; rural/non-farm; suburban; urban)
APPENDIX B
CONSENT FORM

Informed Consent Form for Social Science Research
The Pennsylvania State University

Title of Project:
Re-conceptualizing “Alternative” in Short Food Supply Chains: The Potential of Small to Mid-Scale Wholesale Distributors in the Formation of “Hybrid” Local Food Systems

Principal Investigator: J. Dara Bloom, Graduate Student in Rural Sociology
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Phone: 814-360-3866

Academic Advisor: C. Clare Hinrichs, PhD, Assoc. Professor of Rural Sociology
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E-mail: chinrichs@psu.edu
Phone: 814-863-8628

1. Purpose of the Study: The purpose of this research is to conduct comparative case studies of short food supply chains that provide a channel for local produce and revolve around a small to mid-size wholesale distributor. Practices and motivations of those involved in this local food system will provide understanding in how this supply chain manages local needs.

2. Procedures to be followed: You will be asked to participate in a semi-structured interview in which you will be asked about your participation in the food supply chain that brings local produce to local buyers through a small to mid-scale wholesale produce distributor.

If you agree, I would like to record our conversations, so that I can be sure to accurately record what you tell me. However, you can still participate in the interview even if you prefer that your responses not be recorded.

3. Benefits: By participating in this research project, you will be contributing to the development of case studies about local food system development. Analyses of these case studies will form part of the Principal Investigator’s Masters’ thesis, and will help in understanding how local food systems can be “scaled up” to meet local food production and consumption needs.

4. Duration/Time: The interview will take approximately 1/2 hour to complete.

5. Statement of Confidentiality: Your participation in this research is confidential. The data will be stored and secured in an office in the Armsby Building at University Park in a locked file. If you agree to be recorded, tapes of this interview will be stored in 112F Armsby Building on the University Park campus. Only the principle investigator and her academic advisor will have access to the tapes, and they will be destroyed by 2010.
6. **Right to Ask Questions:** Feel free to ask questions about this research. Contact J. Dara Bloom at 814-360-3866 or her academic advisor, Clare Hinrichs, PhD at (814) 863-8628 with questions. You can also call this number if you have complaints or concerns about this research.

7. **Payment for participation:** You will not receive any payment for participating in this study.

8. **Voluntary Participation:** Your decision to be in this research is voluntary. You can stop at any time. You do not have to answer any questions you do not want to answer. Refusal to take part in or withdrawing from this study will involve no penalty or loss of benefits you would receive otherwise.

   You must be 18 years of age or older to consent to take part in this research study. If you agree to take part in this research study and the information outlined above, please sign your name and indicate the date below.

   You will be given a copy of this signed and dated consent form for your records.

   ____________________________________________________________  __________________________
   Participant Signature                                           Date

   ____________________________________________________________  __________________________
   Person Obtaining Consent                                       Date