

Case Study Report

SOLIDALE ITALIANO

Naike Alberti, Giovanni Esposito, Tomaso Ferrando

2022

FASS-FOOD EU

Consolidate and Scale up Fair, Accessible, Short and Sustainable Food Chains

CONTENTS

CONTEXT 1

METHODOLOGY 1

INTRODUCTION 1

TARGETED PROBLEMS 2

IMPLEMENTED SOLUTIONS 2

INVOLVED STAKEHOLDERS 3

AVAILABLE RESOURCES 4

CHALLENGES TO ADDRESS 4

DEVELOPMENT PROSPECTS 5

SOLIDALE ITALIANO: A TRUST-BASED LONG-TERM PARTNERSHIP 5

Authorship

Naike Alberti: data collection, analysis and original draft preparation.

Giovanni Esposito: conceptualization, data collection, analysis and review.

Tomaso Ferrando: conceptualization and review.

Contact information

Name: Giovanni Esposito, Tomaso Ferrando

Email: Giovanni.Esposito@uantwerpen.be, Tomaso.Ferrando@uantwerpen.be

CONTEXT

The dramatic environmental and socioeconomic global impact of food chains is undeniable and occurs at all nodes of the supply chain: from production of inputs to farming, processing, transportation, retail, and consumption. Negative repercussions notably concern biodiversity, greenhouse emissions, soil degradation, freshwater availability and quality, food security, power inequalities, work conditions. The FASS-Food research project narrows the focus on the European context and explores how alternative food systems - particularly, short and collaborative food chain initiatives - at the local level develop and work to establish healthy, sustainable and fair food systems, thus contributing to achieve important regional and global policy objectives.

METHODOLOGY

The research team conducted a multiple case-study analysis of 3 short and collaborative food systems initiatives in Belgium (Kort'om Leuven), Italy (Solidale Italiano) and Greece (Syn Allois). The analysis of these 3 initiatives followed a participatory research approach aimed at proposing solutions to the main challenges they face in scaling up and strengthening their model, facilitating the exchange of know-how and creating a space of transnational dialogue and inter-disciplinary co-construction of policies and interventions. To that end, upon one kick-off meeting, relevant members and stakeholders of each initiative were interviewed (respectively 8 for Kort'om Leuven, 9 for Solidale Italiano, 8 for Syn Allois). The interviews were subsequently transcribed, examined, and coded, leading to the identification of 6 relevant analytical dimensions for each case study: targeted problems, implemented solutions, involved stakeholders, available resources, challenges, and prospects. This report, whose content was validated by the interviewees, presents the results of this analysis for the Solidale Italiano initiative.

INTRODUCTION

Solidale Italiano is a project that was launched in 2010 by Altromercato, as a brand for Italian domestic Fair Trade products. While Altromercato directly deals with the commercialization of processed food products, the commercialization of fresh agricultural products is handled by CTM-AgroFair (a 50% joint venture between Altromercato and AgroFair). Solidale Italiano's project aims at making Italian products that have been produced in line with the 10 WFTO principles of Fair trade available and recognisable to consumers, improving sale opportunities and conditions for disadvantaged Italian small producers. To this end, CTM-AgroFair (assisted by AltroMercato) plays the role of distributor and intermediary between the producers (organized in cooperatives) and the wholesalers/retailers, assuring long-term business relations, output sale, fair prices, as well as coordinating logistics.

TARGETED PROBLEMS

Environment

Even though some actors identify a larger spectrum of environmental criticalities (namely emissions related to long distance trade), in the Solidale Italiano initiative environmental issues are framed mainly in terms of production practices; disregarding them is perceived as a course of action that would be inconsistent with concerns for socio-economical and territorial issues. The model of conventional agriculture is generally seen as a major cause of climate change, pollution and loss of biodiversity.

Fairness

- The payment of a fair price to the producers is a fundamental problem of the agricultural sector in Italy as it is worldwide. However, it is important to note that producers' cooperatives in the scheme have already managed to guarantee comparably fair prices to their members through their channels. In this sense, Solidale Italiano plays a role of consolidation of the fair price dynamic.
- Mainstreamed by a series of media investigative reports, the exploitation of vulnerable manpower (migrants, unemployed, women) is a phenomenon particularly felt in Italian agriculture, known as "caporalato". Even when legal conditions are met, agriculture still remains an unattractive sector due to precarity and low wages.
- The actors report a growth in the demand of ethical local products, driven by an increasing awareness of consumers, who want to contribute to the development of fairer local food chains and a fairer Italian society.

Inclusivity

- Even though producers' cooperatives generally manage to sell their output at comparably fair prices through their channels, markets for alternative Italian products are difficult to access and increasingly competitive.
- Some segments of the Italian population often live in a situation of socio-economic marginalization because of stigmatization (migrants, convicts) or historical reasons (rural areas, southern Italy).

IMPLEMENTED SOLUTIONS

Process Standardization

Solidale Italiano establishes itself as a recognizable high-value line of Italian products setting standards through a double products labeling:

- AltroMercato/Solidale Italiano (Altromercato trademark and sub-trademark), guaranteeing the fairness and inclusiveness of the supply chain. To enter the project scheme, producers are

in fact required to go through an evaluation procedure carried out by the “ethical evaluation committee” of Altromercato, assessing their adherence to WFTO principles of Fair trade.

- Biologico (Organic certification), guaranteeing the reduced environmental impacts connected with organic agricultural practices. This certification is obtained through a third party assessment based on EU regulation on organic farming.

Business Governance

A key element ensuring the attainment of the goals of Solidale Italiano is the establishment of partnerships between all supply chain actors (producers' organizations, retailers, service providers) characterized by:

- Commitment to long-term business relations, enabling producers to have a better overview for their output and investment planning
- Commitment to timely payments throughout the supply chain, with arrangements stricter than legal framework and common practices (each 15 to 30 days for retailers)
- Trust-based business agreements (“gentlemen’s agreements”), where partners put their reputation at stake

INVOLVED STAKEHOLDERS

Public

No public actor has been reported as directly contributing to the initiative.

Private

Solidale Italiano is an initiative steered by social economy private actors:

- Altromercato and CTM-AgroFair, leading partners launching the initiative, play the role of distributors and intermediaries between producers’ organizations and wholesalers/retailers, shaping long-term fair business partnerships and coordinating logistics.
 - Various Italian producers’ organizations (to date, 4 agricultural cooperatives on the fresh food chain side: OP Agritalia, GOEL group, Valdibella and El Tamiso), supply Altromercato and CTM-AgroFair with Italian ethical products, on the basis of tailored agreements. Producers’ organizations feature heterogeneous predominant ethical focuses: active opposition to criminal organizations in Southern Italy, stronger engagement in sustainable agriculture practices, development of training or social inclusion projects.
 - Botteghe del Mondo, an Italian territorial network of Fair trade shops (shareholders of Altromercato), commit as retailers for Solidale Italiano’s products to the extent possible.
- For-profit private actors play an important role for Solidale Italiano’s sales:
- Esselunga (a major supermarket chain in northern Italy and key partner of Altromercato) presently only sells grapes from Solidale Italiano.

- Some Fair trade or Organic specialist wholesalers and retailers in Italy and other European countries (Switzerland, Belgium) channel another part of the sales.

Civil Society

As indirect partners contributing to Solidale Italiano, some associations support marginalized segments of the Italian population connecting them to job opportunities in producers' organizations.

AVAILABLE RESOURCES

Financing

Specific figures were not available, but the project is reported as having been funded with and being running entirely on partner's internal fundings and investments. Also, it is worth noting that some of the partners directly or indirectly involved in Solidale Italiano received public fundings for projects of social inclusion.

Social Capital

- Altromercato's established reputation as a reliable partner plays a pivotal role for constructing trust-based business relations in the network.
- As a leading Fair trade player in Italy and Europe, Altromercato could endow Solidale Italiano with an adequate network of wholesalers/retailers.
- The existence of already organized ethical producers' initiatives on the Italian territory was and still is a facilitating factor for the creation and development of Solidale Italiano's supply chain model.

Policy Framework

The existence of an EU regulation for organic production and certification provides an "at hand" standardized mechanism to value agricultural efforts towards environmental sustainability. Despite that, most producers highlight the variety of agricultural models compatible with it and commit to more ecologically-aware agricultural practices (e.g., agroecologica).

CHALLENGES TO ADDRESS

Know-how

Some partners have a limited experience with horticultural supply chain and products:

- CTM-AgroFair original and core business activity is the distribution of Fair trade tropical fruits (particularly bananas)

- The Botteghe del Mondo have been conceived and are accustomed to work with processed food or non-food products.

Marketing

The wide variety of quality labels (DOC, DOP, IGP, IGT, Slow Food, etc.) and low-cost “ethical” labels on the Italian market generates confusion on consumers and tends to water down label value.

Inclusiveness

Fair trade expansion in Italy through public procurement is undermined by an adverse political and economical framework:

- Regulations on competition equate any type of Fair trade and non-Fair trade expedient certifications or labels.
- Free market mechanisms benefit bigger actors and lower prices.

DEVELOPMENT PROSPECTS

Private demand

The ongoing or envisaged strategies to further develop Solidale Italiano focus on increasing the demand of the private sector:

- Broadening the number of Italian big retailers (Conad, Coop)
- Broadening the number of European retailers (in Belgium, Netherlands, Germany)
- Creating specialized Solidale Italiano Fair trade shops
- Launching a consumers’ awareness campaign

