

# Case Study Report

# KORT'OM LEUVEN

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**FASS-FOOD EU**

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

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## 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 Kort'om Leuven initiative.

## INTRODUCTION

Kort'om Leuven is a farmers' cooperative that was constituted in 2020 under the impulse of the international NGO Rikolto, with a substantial funding from public actors as well as the support and the advice of a series of actors from the civil society and the private social sector. Functioning mainly as a B2B distribution platform, Kort'om implements and facilitates the distribution and sales of members' processed and fresh food products to local supermarkets, restaurants and school canteens in Leuven. The founders and present members of Kort'om are 16 local producers of Leuven (mainly farmers, but also a beekeeper and a brewery) and the City of Leuven (which however maintains a "non-interference" policy towards the cooperative). As a result of Kort'om's focus on the territorial dimension of short food chains, membership is limited to producers in a 40 km distance radius from Leuven.

# TARGETED PROBLEMS

## Environment

In the context of Kort'om's initiative, the main environmental concerns of involved actors are transportation GHG emissions caused by conventional supply chains, perceived as excessively long and composite. In contrast to that, the relocation of Leuven's food chain through short local agriculture supply is seen as beneficial for the environment.

## Fairness

Public and civil society stakeholders stress the severity of the general nonviable socioeconomic situation of farmers, confined in a price-taker position by market intermediaries. They consequently emphasize the need to empower them by supporting their organization as a central issue leading to development of Kort'om. Producers express particular interest in the community-building aspect encompassed by the project.

## Inclusivity

The access to local market by local farmers is considered to be hindered by two bottlenecks:

- 1) Lack of human resources: farmers would need to allocate a significant amount of time and efforts of their own for the planning and delivering of their products, if they wanted to target the local market instead of selling relying on the organized general intermediaries.
- 2) Lack of interface conditions: mainstream retailers and Horeca<sup>1</sup> generally prefer not to deal with individual producers, because they typically can't guarantee the steady and predictable choice and volume of products mainstream retailers and Horeca expect.

Ideally, the project aimed at including a broad range of food chain actors in the initiative (producers, retailers, consumers, institutional actors).

# IMPLEMENTED SOLUTIONS

## Logistics

Centralizing farmers' offer in a single interface, Kort'om Leuven's online B2B platform provides them a sales channel meeting retailers' exigencies of steady and predictable choice and volumes for products. The assignment of the tasks related to this logistics scheme to mutualized means and human resources frees farmers from handling it at an economic cost that is acceptable for them. This configuration facilitates the connection of the cooperative members' supply to the local supermarkets and Horecas' demand.

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<sup>1</sup> Hotels, Restaurants, Catering. The term HORECA is used in Belgium, the Netherlands, Luxembourg and Switzerland as a single word to reflect the local ideas that the three are closely related.

As a reduction of intermediaries and an expected shortening of food miles, this logistics scheme is moreover predicted to contribute to reducing local food system GHG emissions.

## **Governance**

A cooperative form of enterprise was proposed since the original Rikolto's outline of the project. This participatory governance model aims at ensuring that Kort'om Leuven represents first and foremost an opportunity to empower Leuven's local farmers. A "neutral" stance was held towards farmers' agricultural practices: both conventional and organic farmers coexist within the cooperative.

With a noticeable exception to the single-stakeholder character of the cooperative, the City of Leuven also became a shareholder of Kort'om. Given the "low-interference" approach adopted, its presence is considered to be beneficial as an indication of political support.

Kort'om adopts an unrestrictive approach to the selection of retail and Horeca partners. This responds on one hand to the goal of expanding local sale opportunities for members' products at the best prices, and on the other hand, to the intent of creating a network of relations within the variety of actors of the local food system.

## **INVOLVED STAKEHOLDERS**

### **Public**

The Province of Flemish Brabant, the Vlaanders Circulair platform, and the European Institute of Innovation and Technology Food initiative - EIT Food, provided fundings that were essential to kick-off the project.

Kort'om is presently testing local procurement, having recently won a call to tenders for the provision of fresh local fruits to some canteen schools in collaboration with Rikolto.

### **Private**

Social enterprises facilitated the building up of Kort'om providing legal expertise for the setting up of the architecture of the cooperative.

Profit-oriented enterprises support Kort'om by committing to buy the products of its farmers. Although mainstream retailers are generally perceived as part of farmers' bargaining power problem, they are considered unavoidable partners due to their capacity to buy large quantities of products, and even more so in light of the difficulties experienced by the Horeca sector after the Covid-19 crisis.

### **Civil Society**

Besides Rikolto, the leading partner launching the idea of Kort'om and sustaining the project all along its development, a variety of organizations from civil society played a role of

operational support through the steps of Kort'om's creation, e.g., facilitating the contact with the farmers and providing their logistic know-how to the project.

## **AVAILABLE RESOURCES**

### **Financing**

Kort'om Leuven was financed both by public and private actors, with public actors being by far the largest contributors for the financial start-up of the initiative.

### **Social Capital**

Rikolto's long experience in sustainable agricultural chain development and its large network allowed to recruit a wide range of stakeholders providing essential fundings and know-how for the development of the project.

### **Policy Framework**

The consistency of Rikolto's project outline with the local food strategy and existing funding schemes at a provincial, regional and EU levels, enabled Kort'om to obtain a significant political support. This allowed it to reduce its business risks from the very beginning: on one hand, recruiting various actors providing know-how on logistics and governance matters; on the other hand, covering an important part of initial operational costs.

## **CHALLENGES TO ADDRESS**

### **Establishing access to membership**

Although Rikolto and the City Council of Leuven foresaw to foster the widest participation possible among food chain actors creating a multistakeholder cooperative, some warned that, at an early stage, the presence of stakeholders without a transactional relation and/or divergent interests could compromise the position of the farmers. The multistakeholder model was eventually discarded by farmers themselves following this latter advice.

### **Ensuring responsibility and ownership**

Some stakeholders suggested that the fact that the main funding for the project was provided by public actors could undermine the sense of ownership of the members towards what would become their own organization. To encourage a conscious commitment, farmers were then required to pay a lump-sum to access membership of the cooperative.

## Access to the Horeca market

Despite the creation of a B2B distribution infrastructure, Kort'om Leuven struggles to gain access to the Horeca market. Reasons for that need to be clarified and might be structural as well as contingent, notably considering the turmoil caused by the Covid-19 pandemic (which has greatly impacted the Horeca sector).

## DEVELOPMENT PROSPECTS

### Increasing private-sector demand

Two possible ways to increase the demand focusing on the private sector are envisaged:

- 1) Broadening the number of retailer partners buying from Kort'om Leuven.
- 2) Launching a campaign to raise consumer awareness about Kort'om Leuven products.

### Increasing public-sector demand

Increasing the demand using public procurement as a lever seems a promising perspective for Kort'om Leuven, since it can mean high volume sales. Public procurement however often requires complex administrative procedures and longer timescales.

### “Cooperative of cooperatives”

A third strategy aims at expanding the Kort'om concept to other cities, creating autonomous counterparts functioning with the same principle and which could go under a local name. A cooperative structure could ensure the coordination of efforts and the exchange of experiences reinforcing at the same time the farmers' role in the regional food systems.

