



Sveriges lantbruksuniversitet
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Partnership of Convenience or Opportunity for Growth?

– Investigating the role of retailers in expanding local food schemes in the case study of EDEKA branches in northern Germany

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Master's Thesis • 30 HEC

Rural Development and Natural Resource Management - Master's Programme

Department of Urban and Rural Development

Uppsala 2020

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Credits: 30 HEC

Level: Second cycle, A2E

Course title: Master thesis in Rural Development

Course code: EX0889

Course coordinating department: Department of Urban and Rural Development

Programme/education: Rural Development and Natural Resource Management – Master's Programme

Place of publication: Uppsala

Year of publication: 2020

Online publication: <https://stud.epsilon.slu.se>

Keywords: Values Based Supply Chain, local food, Hamburg, intermediaries

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Abstract

In the past years growing interest in alternative forms of food supply chains has incentivised researchers to investigate the role of retailers in Short Food Supply Chains (SFSC) mainly in the United States, Canada and the EU, with little attention paid to SFSC retailer interaction in the German context specifically. The aim of this thesis to contribute to the existing literature by investigating how the country's presumed institutional conditions affect the viability of selling via retailers for a certain type of SFSC producer. The location of the study was northern Hamburg, Germany. Six semi-structured interviews, substituted with four questionnaires, were conducted with micro- to large-scale producers involved in local SFSC schemes and selling via branches of the supermarket chain Edeka, and a group of producers who did not sell via this retailer. A document analysis of statements of producers and other stakeholders on the cities intention to support local agriculture by creating additional demand provided an overview of the effects of agricultural circumstances and policies had on SFSC. The interviews were analysed by applying Stevenson and Pirogs 'values-based supply chain' framework and showed that only micro- or mid- to large scale producers profited from the cooperation, which in the latter case was more of a partnership of convenience. In combination with the document analysis, which found limited land and capital access, expensive certification, as well as the need for more training in marketing and demand to impact local farmers, this conclusion indicates that additional outlets are not the only tools the city has to support local, especially small scale, agriculture.

Acknowledgements

Several people have kindly given me their support during this thesis process, most of all Alexandre Dubois from SLU, who patiently navigated my drafts from start to finish, and therefore the greatest appreciation goes to him. I am very grateful to Malin Beckman for her initial, critical advice, all interview partners and many others who dedicated me their time and gave hints along the way. Lastly, I would like to thank Wiebke Homes and Erik Nilsson for their sharp eyes and support, I am very grateful.

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1. Introduction

In the past years there has been a growing interest in the so called ‘differentiation processes’ (van der Ploeg, 2018:494) in conventional food systems. The term describes the monopolisation of agricultural production or the ‘hollowing out’ of mid-sized farms, as Legun and Bell (2016:105) phrase it, while both small and large farms grow in number. A commonly identified factor in this process is, that the value added to food is captured by intermediaries, such as large agri-businesses, processors or retailers (Kneafsey et al. 2013:19), with retail contracts between producers and increasingly oligopoly-structured food markets lessening producer power (Legun & Bell, 2016:107). In many cases this leads to the close down of farms not able to compete economically (ibid). In response, especially small-scale producers have started to strive for food systems that forgo these value-capturing intermediaries, resulting in the emergence of localised food systems or Short Food Supply Chains (SFSC) over the last decades, and especially during the 1990s (Maye & Ilbery, 2006:343).

Short food supply chains are understood as a ‘horizontal’ rural development network (Maye & Ilbery, 2006:339) in which the supply chain builds ties between small-scale producers and networks of learning and innovation, encouraging growth. They stand in contrast to sector based ‘vertical’ networks connecting large-scale networks of production and consumption (ibid). In horizontal networks food production is ‘decoupled’ from industrial production modes. Instead, new chains are developed which would theoretically allow producers to produce high quality products, selling at a higher price point, as well as capture a larger proportion of the value of food (Marsden et al. 2000,2002 in Maye & Ilbery, 2006: 340). This is usually achieved by connecting directly with the final customer, minimizing the number of intermediaries involved (Maye & Ilbery, 2006:340).

However, the SFSC system often means a ‘non-monetary’ cost for the producers as well, as they have to invest time and money into marketing, logistics and direct retail of their product. Especially in rural areas with insufficient infrastructure and a smaller pool of potential customers available locally, this often raises the question to the actual profitability of SFSC schemes (Gorton et al., 2014: 16; Hardesty & Leff, 2009). To overcome these logistical obstacles especially small-scale producers often rely on conventional retail chains (Bloom & Hinrichs, 2010:22). Nevertheless, the degree to which producers rely on conventional retail chains, as well as what type and scope of retailer (e.g. local food store vs. national retail chain) varies with e.g. location of the farm, type product sold and processing involved (Maye & Ilbery, 2006:351; Tregaer, 2011:423).

In order to capture the aforementioned larger proportion of the value added to food by differencing properties such as origin or production mode, these properties are often communicated to the customer via distinctive packaging (Marsden et al. 2000:245).

This transparency about the origin of food and food distribution is considered to reconnect production and consumption and result in more fair, sociable and equitable practices, so Vittersø et al. (2019:2). However, as Tregaer (2011:421) highlights, SFSC can enforce underlying inequalities and injustices. For example, the exploitation of certain groups such as women or by harbouring a nostalgic outlook, which stunts progressiveness in rural development and come with behavioural or symbolic tensions, especially around the portrayal of authenticity (Tregaer, 2011:426).

As highlighted previously, 'local' commonly serves as a differentiating, therefore value-adding aspect of transparency and authenticity (Stockebrand, Berner & Spiller, 2008:17), especially in the organic sector. Product declared 'regional' or 'local' food, especially regionally sourced organic food, rose significantly in customer demand over the past years, (Mundler & Laughrea, 2016, Feldmann & Hamm, 2014:153, Stassart & Jamar, 2008:34; FiBL & IFOAM, 2019:244), creating a growing market for 'local' product.

The increase in demand led to a variety of different interesting approaches to promote local production chains, such as the founding of origin-labels, community supported agriculture or Organic-City Networks (Biostaedte.de, 2020) however, it has led to the 'conventionalisation of local food'. The term describes the increased sourcing of localized product by traditionally 'conventional' market participants such as supermarket chains and other retailers (Bloom & Hinrichs, 2010, Doernberg et al. 2016)¹ follows the conventionalisation of organic food described by, among others, Stassart & Jamar (2008:34), who attribute the development to rising land prices and subsequent intensification of agriculture, as well as the relaxation of regulations in organic farming as causes. The relocalization of food originated, according to Fonte (2008:204), from critique towards organic agriculture, which aims to transform the entire food chain, including its social relations.

Parts of these social relations in SFSC are intermediaries and retailers. Despite of these chain actors being viewed as a value-capturing obstacle from the small- and mid-scale farmers perspective (see e.g. Stevenson & Pirog, 2008:2), there is a variety of SFSC schemes across Europe, which include at least a limited number of intermediaries or retailers in their system (Kneafsey et al. 2013). Further, the field has seen the emergence of new types of intermediary, such as online platforms linking local farmers with customers (see e.g. minfarm.se; marktschwaermer.de). This supports Bloom & Hinrichs point that intermediaries have not just a value capturing role, posing a negative impact on small-scale farmers ability

¹ The term 'local' food is often used as a subsection of food production and consumption, within a more narrow geographical proximity in comparison to 'regional'. Both terms lack a commonly agreed upon definition, however since 'regional' also refers to a government administrative level, in this study local will be used as an umbrella term to describe food supply structures with short distances (> 50km) between producer and consumer.

to make a sustainable income, but are also contributing, in a for small-scale farmers beneficial way, to the SFSC schemes, e.g. through existing supply chains (2010:22).

However, the authors also stress the need for additional value distributing strategies (ibid.). In their 2010 study on the role of conventional food infrastructure for SFSC Bloom and Hinrichs pose the question whether implementing these strategies is a short-term necessity serving a transformation in the food system, or a long-term adaptation for the conventional food system and call for more extensive, organisational studies (ibid.).

1.2. Introducing Study Objectives & the Case Study

The increasing demand for 'local' food and the interaction of especially larger retailers, such as supermarket chains, with producers has lately been much discussed in Germany. Most recent during the conference of federal ministers for environment in Hamburg in November 2019 (NDR, 2019). Later in February and March 2020 the city saw mass protests by farmers, blocking streets with their tractors and demanding fair pricing and a reliable, reasonable and long-term political framework for regional agriculture, which they consider endangered (NDR, 2020). These demonstrations are the latest of a growing, on-going struggle, and counter struggle, for a sustainable, small-scale agriculture under the slogan 'Wir haben es satt' (We are fed up), a movement which is unique to Germany (Nowack & Hoffmann, 2019:1). According to research by Doernberg et al (2016:2) Germany is comparatively late to urban food governance. As a consequence, there is limited scientific knowledge of local food systems, including but not limited to SFSC, and municipal food policy planning.

The main aim of this study is to add to the existing body of literature by investigating producer retailer interaction in SFSC schemes in north-west Hamburg, Germany. Specifically, the study will look into the retail of 'locally' sourced products already happening in branches of the German national supermarket chain Edeka.

Hamburg provides an interesting background for this research for two reasons.

Firstly, Hamburg has several farmers market throughout the city, where both local and international produce is sold directly (City of Hamburg, 2020). Previous to the study the researcher observed that 'local' produce, sourced directly from and traceable to 'local' producers from the surrounding area, can be found in several branches of national supermarket chain Edeka alongside the branches own 'regional' brand. This observation presents an opportunity to study both direct-sale oriented SFSC and the role of retailers in these networks in close proximity.

Secondly, the City is embedded in a discussion around local food sourcing started by Hamburg's decision to support agricultural producers 'from the region' by entering into the Organic-City-Network in 2016 (Hamburger Presseportal, 2016). This decision includes creating a reliable outlet for 'local' organic farmers, by sourcing food for the cities Kindergartens or public service offices from these farmers (Sparr et. al. 2019), and therefore creates a second outlet to conventional retail.

Why a city, in which direct SFSC outlet structures like farmers markets and the involvement of retailer Edeka in these structures coexists, apparently considers it necessary to create an additional ‘third’ outlet to support and strengthen local organic agriculture is the base for the research hypothesis.

The research objective, as well as the specific research questions will be introduced in more depth after the case study is presented.

1.2.1. Description of Case Study & Study Area

Due to its suburban location, the study will mostly look into a form of SFSC that Kneafsey et al. (2013:14) termed ‘neo-traditional’, and which involves a more complex collaborative network than its ‘traditional’ sibling, as it is located in urban or peri-urban areas and focuses more on strong social and ethical concerns. It further, and more importantly, accommodates the inclusion of a few intermediaries in the SFSC scheme (ibid.).

The data collection for this thesis will be conducted in suburban northern Hamburg, Germany, and its surrounding more rural areas in Schleswig-Holstein (see Figure 1).

Centre of the area will be the small town Volksdorf (see Figure 2), chosen because it hosts the city’s largest weekly farmers market (City of Hamburg, 2020), a potential key actor for identifying study participants. The market is supplied by a variety of producers (100 in total, according to the markets website) sourcing ‘from the region’ as well as specialty produce (volksdorfer-wochenmarkt.de, 2020). Many of the fresh product- producers (e.g. fruit and vegetables) present at the market are located either just north of Volksdorf, or south of Hamburg in a traditional fruit and vegetable growing area, called ‘Altes Land’.

In addition to the aforementioned weekly farmers market, there are several producers in the proximity, which sell directly via farm shops, box schemes and other outlets.

As past observation showed, there is cooperation between farmers, with products of one producer being sold in the farm shop of another and vice versa.

Other than the aforementioned primary producers, several branches of the national supermarket chain Edeka can be found in the study area. As mentioned in the previous section, some of these branches included product labelled as ‘local’ or ‘from the village’ in their range, or products with packaging from nearby producers in addition to their own ‘regional’ product line. The company holds a special role in ‘local’ food sourcing, due to its company structure, which will be explained further in the following subsection (1.2.2.).

The small town Volksdorf is just bordering on the federal state of Schleswig-Holstein (see Figure 2), attracting customers from both federal states. However, this also means different infrastructure and legislation to agriculture, labelling and overall institutional support to SFSC, which have to be taken into consideration. While the location was chosen first for its

occurrence of several forms of SFSC in a relatively limited geographical proximity, its accessibility and familiarity to the researcher influenced the choice as well.

Being native to the area, the researcher worked at the farmers market during her high school years, which afforded the researcher the local knowledge to initially connect certain products to local producers while browsing the local Edeka branches. Further, informants appeared to be more willing to talk when they recognized the researcher as working for a fellow seller at the farmers market. This circumstance also made the researcher aware of different food health procedures between federal states, which in turn kindled the hypothesis of institutional obstacles on behalf of the different municipalities' administration.

Having personal connections to one's research area is not without pitfalls, however. The steps taken to avoid 'backyard research' are described in more depth in the section about the data collection for this study.

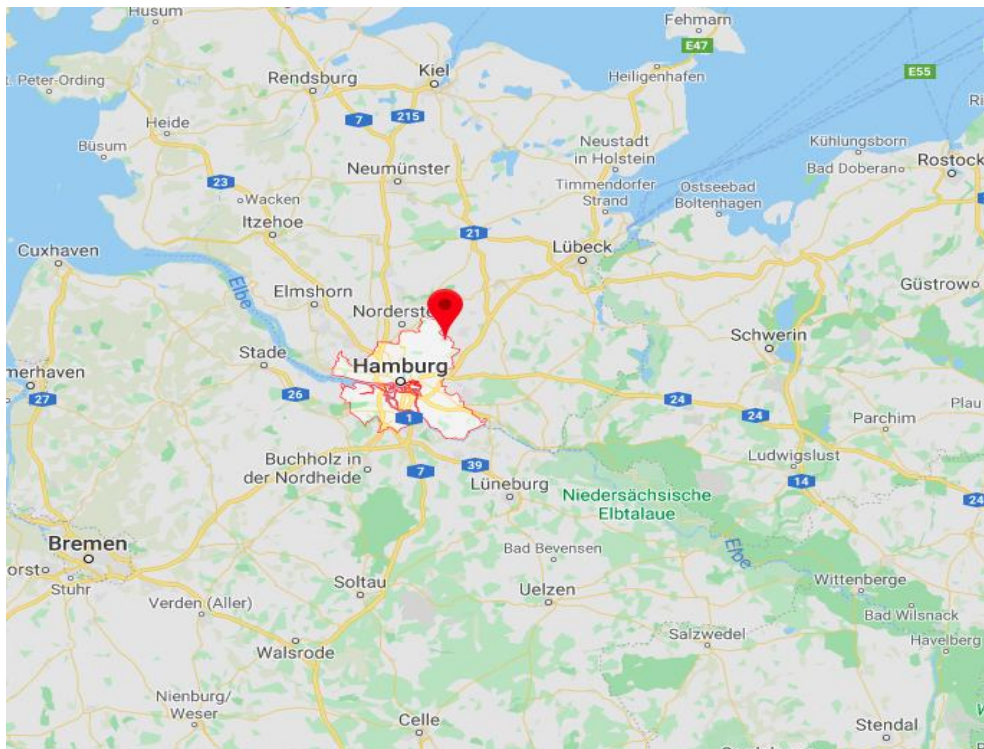


Figure 1: The federal state of Hamburg is highlighted in red, the study area indicated with the red beacon.

(Source: Google Maps (2020a). *Federal State of Hamburg*. [Map]. Copyright: GoogleMaps, Map Data © 2020 GeoBasis-DE/BKG (© 2009))

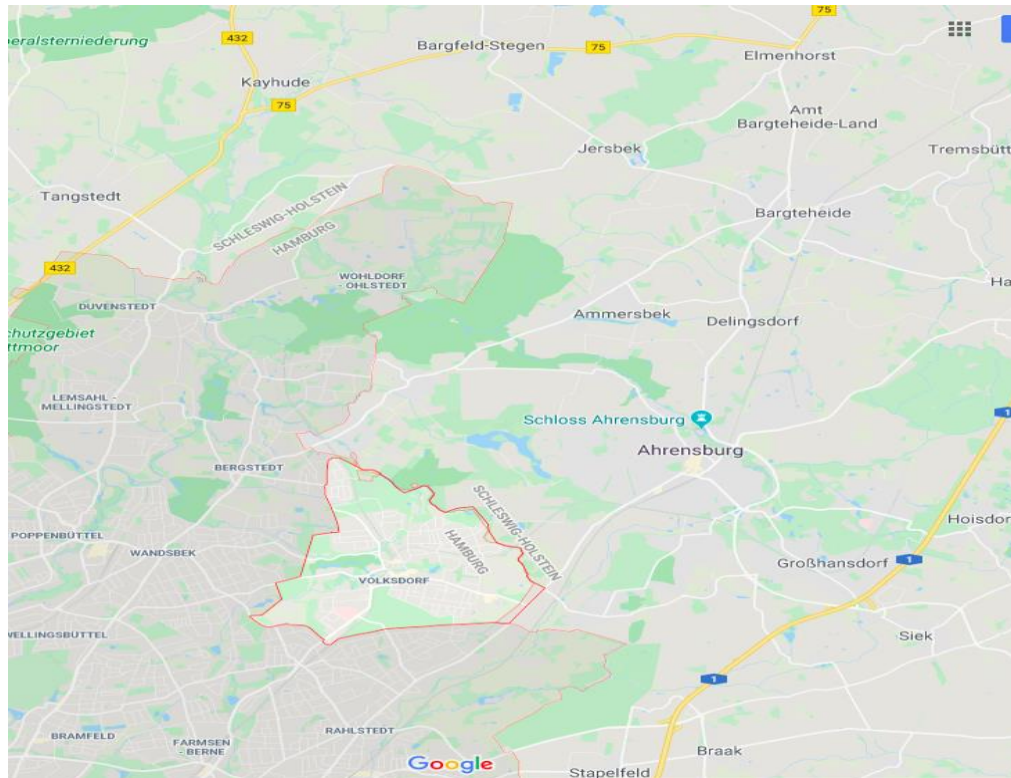


Figure 2: Volksdorf highlighted in bright red, city and federal state border in light red. Across Hamburg city limits is the federal state of Schleswig-Holstein. The study will be conducted in both federal states, as the city of Hamburg is of great economic importance in the entire northern part of Germany.

(Source: Google Maps, 2020b; Copyright: GoogleMaps, Map Data © 2020 GeoBasis-DE/BKG (© 2009)).

1.2.2. Introducing the retailer- Edeka

The national supermarket chain Edeka was chosen as a case study for several reasons. First, the company is dominating the German food retail market (dfv Mediengruppe, 2015 in Winzer & Goldschmidt, 2015: 292), affecting and reaching a large number of customers. Secondly, the company is structured into seven regional companies (Regionalgesellschaften), with Edeka Nord in the area where this study will be conducted. Each regional company organizes the supply of the branches in their sales market and among other activities cooperating with producers from that area for the production of their brands. Edeka Nord has two ‘regional’ sourced brands for meat, ‘Natur Pur’ and ‘Gutfleisch’, as well as ‘Unsere Heimat – echt & gut’, the latter marketing regionally or locally sourced fruit and vegetables (Edeka, 2020). However, neither the term ‘local’ nor ‘regional’ are defined.

Individual branches are owner-managed, leaving room for individual choices in branch assortments (Edeka, 2020). Edeka further claims on their website that the ‘Unsere Heimat’ labelled products are sourced with short transport distance in mind, building close partnerships with their local producers.

The researcher therefore considers this company, or rather its branches in the designated study area, as an ideal case study into producer-retailer cooperation, where the retailer is not a specified whole-foods market, and has some freedom of choice as to the contents of its assortments.

The company further engages in what could be classified as SFSC, with some few scholars arguing that Edeka is taking up a role of communicating information about the product and its production modes to the customer via their regional label, a practice that would not happen otherwise (Winzer & Goldschmidt, 2015:296). Considering the national scale and market dominant market position of the company, gaining more insight into the retailer role for regional product Edeka has been assuming for itself, could further contribute to the aforementioned national debate on fair food pricing, regional and local supply chains and the responsibility retail chains have to take in it (see Schmidtberger, Süd-West Rundfunk for *Taggesschau Online*, 2020).

1.2.3. Introducing the Organic City Network – Hamburg’s recent policy change

Aside from the increasing demand for organic products, Germany has seen an on-going conflict between farmers and federal government over unsustainably low food prices, the monopolisation of domestic food market, decline of mid-sizes farms and processing facilities, competition from cheaper non-EU import and increasing environmental protection laws (Nowack & Hoffmann, 2019). This conflict has led to a variety of responses, one of which is the Organic City Network considered in this study.

The concept was pioneered in Nuremberg in 2005 (Doernberg et al. 2019:11) and has since gained momentum in Germany, with Hamburg entering in 2016 (Zeit Online, 2019). The city announced the reorientation of Hamburg’s agricultural policy and support for organic agriculture by increasing organically farmed land (Hamburger Presseportal, 2016). One base aim of the Organic-City Network is to supply public institutions, events and especially catering for children and adolescents with organic food (Worldfuturecouncil.org, 2019). So far, the intentions have widely remained just that according to producer representative Hamburg.bio.eV, 2020.

Since its official membership in December 2016, Hamburg’s Senate has received criticism for not staying true to their promise to support regional organic producers and taking climate action by supporting a localised, short supply chains network (VerbraucherInnenbündnis Bio Stadt Hamburg, 2018). Especially the Senate’s intention to help the regional organic sector grow by creating a steady demand for their produce has been criticised by producers as being too small and unreliable (Zeit Online, 2019).

According to a press statement by Hamburg.bio e.V. (2019b) the ‘Leitfaden Umweltverträgliche Beschaffung’ (Guidelines on sustainable procurement), published in spring 2019 (BUKEA) gave the first and so far, only tangible goal set by the city: 10 percent of food sourced in public catering should be EU certified organic (BUKEA,2019: 96,97). No further goals and deadlines were set as Hamburg.bio e.V. (2019b) criticised and further highlighted the notable absence of any such goals in the city’s Climate Action plan, published winter 2019. Since the outbreak of Covid-19, little has been published on advances or further plans, however, the schemes are mentioned in both the Hamburger Öko-Aktionsplan 2020 (published 2017) and its successor, the Agrarpolitisches Konzept 2025 (Agricultural Agenda 2025) (published 2019). Neither publication elaborates on any documented implementation.

The points of criticism towards the public tendering plans indicate that circumstances affecting local food sourcing are more complex than the city is acknowledging with its strategy. In their study of urban food policy in German city regions, including the Organic City Network, Doernberg et al. (2019: 10) remarked on the status quo to be comparable to the status of the United States 15 years ago and further mentioned Germany’s invisibility in comparable international studies. They themselves do not include Hamburg in their study, which is where this study aims to contribute to the literature. All research objectives are presented in more depth in the subsequent subchapter.

1.3. Research objectives

The research objective for this study consists of two parts. First, by analysing the content of press statements and other forms of text, written in reaction to Hamburg’s decision to join the Organic City Network in 2016, the intention to create an additional, reliable outlet and the evaluation of action taken by the city since, the study aims to gain an insight into the obstacles local producers face. These could be both institutional, e.g. land tenure, health/ food safety certification, check-ups by government officials, as previous work experience at the market showed; or more market driven such as price fluctuation, competition and accessing a sufficiently large customer base, as mentioned by the literature. Otherwise, so the researcher’s reasoning, the city would not see the necessity to create an additional outlet to existing retail chains to strengthen local organic food chains. The data derived from the document analysis further serves as wider context to the more specific data from the interviews.

Secondly, this case study is based on the hypothesis that the aforementioned institutional obstacles are present in the German municipality level administration e.g. Hamburg, and make retailers such as the national supermarket chain Edeka a valuable partner to only a certain type of producer in the SFSC network.

By comparing both producers and retailers motivation/reasoning for interaction or non-interaction with each other, the aim is to gain a better understanding of

- a) how producers and retailers address these presumed institutional obstacles,
- b) the potential role supermarkets could have in providing producers with an outlet and distributing local product to a wider audience than could be reached by selling directly to the customer and
- c) conclude from arguments of those opposing this interaction, as well as of critics of the cities plans, how the city can enhance local food chains further than by creating an additional outlet.

To achieve this, the analysis is structured around the three following research question:

- 1. What motivations/reasoning do small- and mid scale producers have to choose to sell via supermarkets in sub-urban/peri-urban areas, as opposed to selling directly to consumers?*
- 2. What motivations/ reasoning do supermarket managers have when choosing producers to source 'local' products from?*
- 3. What lessons can be learned from the example of 'local' product sourcing in EDEKA branches in northern Hamburg?*

2. Literature Review

The following section will give an overview of the current body of literature on intermediaries' role in SFSC in general, as well as in the German context specifically. It further strives to provide a more detailed description of the SFSC concept in addition to further background information on the current criticism towards German agricultural policy, voiced by the 'We are fed up' movement; before elaborating on the key concepts in the consecutive section.

2.1. Introducing SFSC – Typology

SFSC or 'short food supply chain' is, according to Marsden et al. (2000:425), an umbrella term for a variety of food supply chains with the "[...] capacity to re-socialize or re-spatialize food, thereby allowing the consumer to make value-judgments about the relative desirability of food on the basis of their own knowledge, experience, or perceived imagery." As Marsden (2000:425), Grando et al. (2017:10) and others stress, 'short' in SFSC does not solely refer to close geographical proximity but the transfer of information about the origin of the food from producer to consumer, which is more important than the distance of transport or the processing steps in between (Marsden, 2000:425).

The most used typology by Marsden et al. (2000:425,426) describes three base forms of SFSC, namely *Face to Face* where information is transferred via personal contact between producer and consumer, including online trading/webpages; *Spatial proximity*, where production and retail happen in a specific region and consumers are informed about the source at point of purchase without direct producer to consumer interaction and *Spatially extended*, where information about the location of production is portrayed in some form to consumer who have no personal relation or experience of the production region.

Maye & Ilbery (2006:34) further define a form characterized by the sale of value added, so called 'locality foods', which are seen as representative of the area or a 'traditional' product and exported to outside.

2.2. Characterizing SFSC

In their 2013 comprehensive study on Local Food Systems (LSF) and Short Food Supply Chains (SFSC) in the European Union, Kneafsey et al. (2013:39) found a variety in form and sizes of SFSC schemes in member states. Common characteristics of SFSC are close social- and geographical proximity between producer and consumer (Kneafsey et al., 2013:39), which allow for certain information about product origin and production mode, embedded in the goods, to be communicated to the consumer (Maye & Ilbery, 2006:340). The European Commission defines SFSC as follows: "*The foods involved are identified by, and traceable to a farmer. The number of intermediaries between farmer and consumer should be 'minimal' or ideally nil*" (Kneafsey et al. 2013: 13). The authors differentiate the types of short supply chain by the number of intermediaries involved (ibid.).

Transparent communication is very important for the power relations within the supply chain; they add value to the product and allow for the SFSC to function (Marsden et al. 2000:425). Customers have to know about the production mode, transport distances and other properties, to recognize and appreciate the attributes they are looking for such as freshness, the wish to support the community or organic agriculture and even accept a higher price for the product (Marsden et al. 2000:425). However, close geographical proximity is not always given and direct sales and communication of product properties require investment and skill in advertisement, in the time spent travelling to farmers markets with long distances to the farm (see e.g. Gorton et al, 2014: 16,) or in extra expenses, such as hiring sales personal or special vehicles needed to adhere to cooling chains. This has led to scholars questioning the economic sustainability of SFSC schemes, as well as their environmental and social sustainability (e.g. Vittersø et al. 2019:3), with Vittersø et al. concluding these schemes may serve a mostly social benefit of a stronger local community and the producers gaining from social networking (2019:26).

Weatherell et al. find and Gorton et al. (2014: 16) confirm that especially urban, economically more affluent customers prioritize convenience over local production and expect local products to ‘ [...] accord with their normal shopping habits, retail outlets and end-product formats [...]’ (Weatherell et al. 2003:241).

The approach has been criticised for describing a still ‘niche’ phenomenon with strong focus on customers’ demands, which is often a small, well educated, environmentally conscious, high income group (Gorton et al. 2014:18, Vittersø et al. 2019). However, in their study on SFSC in three European Cities, Grando et al. (2017:8) argue that in a well-designed SFSC scheme ‘trustworthy’ retailer, carrying the value adding information from farmer to consumer, can help producers in rural areas rising to the challenge of accessing a sufficient customer base, which Gorton et al. (2014: 16) find to be a limiting factor for producers seeking to expand their business to economic sustainability.

2.3. The role of external factors on SFSC

As several studies conclude, the size and form of SFSC is in many cases shaped by external circumstances such as farm location in relation to customer base (e.g. Gorton et al, 2014: 16) or access to external knowledge (Dubois, 2019:3), however it is not the only shaping factor. Aside from infrastructure, business skills and access to credit (Kneafsey et al. 2013:16), efficient distribution channels are the most noted upon obstacles for producers when entering SFSC. Maye & Ilbery (2010:352) found, that the size of the primary producer affects their ties to wholesalers and processing facilities, with larger producers having direct links, while smaller or micro-business rely on local retail links to source compounds of production. The authors further highlight the importance of the region studied, as it has an effect on distribution and transport costs and may leave small producers with no other option than to use pre-established supra-regional and/or supra-national supply links (ibid.), concluding:

“Although tentative, the findings at the very least raise important research and policy questions about the potential of re-localization strategies to enable lagging regions and dedicated food sectors to compete in more liberalized markets” (Maye & Ilbery, 2006:352-353). The same authors (2006:340) go on to criticise the SFSC concept for its “[...] lack of discussion about the nature of supply links between producers and associated intermediaries.” SFSC has further been accused of tapping into the ‘locality trap’, staining practice with the unquestioned belief that local is better (Born & Purcell, 2006:195) and a general prominence of case studies in research, which in combination with a lack of both long-term studies and sound economic data, makes comparisons of individual SFSC schemes difficult, so Kneafsey et al. (2013:39).

In addition, Carroll and Fahy (2014:573) found a mutually integral relationship between spatial and social context of local food systems or SFSC when it comes to customers. Their respective origin forms a person’s experiences, culture, and values (ibid.). Thus, the spatial and social context of customers affects how they perceive ‘local’ in local food, their consumption behaviour and therefore producers’ ability to achieve price premiums through SFSC schemes (ibid). The authors (Carroll & Fahy, 2014:565) further argue this to be the base to the range of SFSC schemes Kneafsey et al. (2013:39) found in different nations in Europe, underlining the importance of understanding the spatial and social context of a SFSC network.

2.4. The role of intermediaries in SFSC

Within the wealth of case studies Kneafsey et al. (2013:39) found in their aforementioned study, several SFSC included at least one intermediary. Intermediaries’ functions can range from logistics, packaging, processing and storage to wholesale and retail. Here, the role of retailers will be investigated.

A study by the USDA (United States Department of Agriculture) on values-based supply chains in the United States found that roughly triple the amount (\$4.8 billion) was gained in sales of locally-grown foods in 2008 solely via intermediaries, compared to the \$887 million sales of farms, who solely sold directly to customers (Low & Vogel, 2011, in Hardesty et al. 2014:17). This, so argue Hardesty et al. (2014:17), shows how important efficient distribution channels are, as they strengthen small-and mid-scale producers’ capability to move product as well as being vital to developing market’s performance, such as local and regional food systems. Overall, SFSC has been increasingly examined from a network perspective (e.g. Fredriksson & Liljestr and, 2015: 25), with the aim of restructuring existing food systems to a more local focus via ‘transitional food systems’ that “[...] piggyback on the pre-existing, conventional local food system infrastructure, while moving toward the social and economic benefits of direct marketing” (Bloom & Hinrichs, 2010: 13).

Supply networks in the food industry are rarely clear-cut, with Zondag, Mueller and Ferrin (2017:210) finding a ‘distinct hybrid character’ of concurrently coexisting integrated and arm’s length interrelations. Literature widely agrees that the scale of the producing enterprise is significant for its ability to retain value, its potential to control some form of value adding, may that be by a label of origin, processing or some other unique selling point (Maye & Ilberry, 2010:352). Research on ‘value nets’ in food supply chains has shown that, in order for producers to capture said value, the power differential between retailers and producers has to be balanced (e.g. Zondag, Mueller & Ferrin, 2017: 200). According to Stevenson & Pirog (2008:130), this often entails the requirement of ownership of processing sites or a certain size of cooperative for small-scale farmers to gain independence of downstream agents in a supply chain. A widely employed analysis framework in this context is the ‘value chain’ framework adapted by Stevenson & Pirog (2008:2), to navigate ‘value added’ alternative food supply chains and have mutual economic benefits or ‘win-win’ terms. As the authors note, the supermarket sector, especially larger national and international companies, is not a ‘friendly environment’ for food value chains, due to their tendency to compete in volume and price and centralized purchasing systems (2008:212). They see more interest to source regionally in smaller ‘regional’ supermarket chains (Stevenson & Pirog, 2008: 122) who are likely candidates for value chain partnerships (2008:6).

The literature above would partially support the research hypothesis, that selling via a retailer is only beneficial to a certain type of producer in a SFSC scheme and depends on its size, retail options and ability to communicate the added value of its product to the consumer.

2.4.1. Intermediaries in SFSC in Germany

It is notable that the majority of the body of literature on the role of intermediaries in SFSC schemes is often focused on an Anglo-American context. While there are studies on SFSC in Europe, most recently an in depth comparative study of several member states by Vittersø et al. (2019), Germany is usually absent from international studies, as Doernberg et al. remarked (2019: 10). German language publications often approach SFSC or ‘local food supply’ (‘Nahversorgung’) from a social sustainability perspective (e.g. Zoller, 2019, Carlson & Bitch, 2019), or special planning (e.g. Küpper & Scheibe, 2015; Zibell, Revilla Diez & Heineking, 2018). Other alternative food system research in Germany concentrates on Urban Food Policy (Doernberg et al. 2019), climate mitigation strategies (Hudson, 2015) or is centered on organic farming and consumer behavior (Feldmann & Hamm, 2014). The country has experienced an increasing customer demand for ‘local’ product in the past (BMELV, 2013:4; Hempel & Hamm, 2016:309), especially in the context of organic food (Willer & Lernoud, 2018; Pedersen, Aschemann-Witzel, Thøgersen, 2018). According to Stockebrand, Berner and Spiller (2008: 16) most of the discussion around local food production takes place in connection to of organic food. Germans increasingly stated the wish to support local businesses as the main motivation to buy organic (BMELV, 2013: 4).

However, a majority of organic produce is purchased in conventional supermarkets (ibid.). Subsequently, larger national retailers have started founding 'regional' brands for selling them (Kullmann & Leucht, 2011:49).

The role of intermediaries such as supermarkets in SFSC has found some consideration by researchers. Kullmann & Leucht (2011:22) found 149 organic 'Regionalinitiativen' (Initiatives for regional food production) in Germany, mostly founded between 1996 and 2005. The majority of these initiatives sells a mixture of conventional and organically produced goods within their 'regional label' (ibid.), mostly through conventional food retail who like to distinguish themselves by this, so the authors (Kullmann & Leucht, 2011:49). One of these conventional retailers selling a mixture of organic and conventional 'regional' labeled product is the national supermarket chain Edeka, as introduced with the case study description. Winzer and Goldschmidt (2015) conducted a case study on customer's perception of Edeka's regional label by customers from a marketing perspective, without paying much attention to the producers' perspective in the interaction, or to the fact that the 'regional' label is not the only form the company retails local food. Marketing is a common perspective in German retail context (see e.g. Winzer & Goldschmidt, 2015, Profeta, Balling & Roosen 2012).

However, most recently Doernberg et al. (2016:13), conducted a case study on regional organic supply chains in Berlin, in which they conclude that "[...] retail could be a appropriate channel for enhancing regional organic produce in BMR [Berlin Metropolis Region] [...]", while further stressing that the increasing involvement of large scale agri-food actors in the regional food market could potentially stunt alternative food systems (ibid.). In the same study Doernberg et al (2016:13) mention several obstacles to promote the development of regional organic food chains which are rooted in German agricultural policy in general, such as lack of access to land or rising land rent driven by bio-fuel production, uncertain government support (Köpke & Küpper, 2014:4) and a lack of regional processing capacities (Doernberg et al. 2016: 13; Köpke & Küpper, 2014:4).

Consumers and retailers, however, are not the only actors taking interest in 'local' food production, as remarked upon in the introduction. Since 2011, Germany has seen an increasingly organized and fast-growing struggle by farmers demanding more small-scale and sustainable agriculture (Nowack & Hoffmann, 2019), as the following bracket elaborates.

2.4.2. Overview of German agricultural policy and its criticism

As established previously, Germany was the largest market for organic produce in the world in 2017 (Willer & Lernout, 2018: 29), yet only 8.2 % of its agricultural land are farmed organically (Willer & Lernout, 2018:46), which places Germany outside of the top ten in Europe. The country has showcased a divide over agricultural policy most evident in its inability to mitigate its nitrogen pollution to EU regulations for nearly two decades, despite increasing pressure from the EU side (Schaub, 2019:2). Despite repeated revision of

agricultural policy, Germany received a first warning as consequence of a court ruling in July 2019 (ibid.).

Schaub (2019:13) located the root cause in the ideological economic divide between parties in favor of and rejecting a paradigm shift in German agriculture policy towards more ecological sound, social and small-scale agriculture.

Independently of production form, German farmers have been protesting for a change in agricultural policy since the 1980s, according to Nowack and Hoffman (2019:3), criticizing the 'principle of profit maximization' (ibid.) of the EU's export oriented, subsidiary-based agricultural policy (Schaub, 2019:4).

The demands of the Agricultural Alliance (AgrarBündnis) for "(1) The preservation of rural jobs and livelihoods, (2) sufficient payment for agricultural work, (3) The preservation of rural areas and peasant agriculture, (4) The production of healthy food and (5) Environmentally sound agricultural production" (AgrarBündnis, 1988:2 in Nowack & Hoffman, 2019:4). While every CAP (Common Agricultural Policy) reform brings new guidelines for farmers to adapt to, these core demands have remained widely constant, as can be seen when comparing the 1988 demands with those of e.g. the Bundesverband der Regionalbewegung e.V. (BRB). Contrasting this, a study by Seidel, Heckelei and Lakner (2019:13) came to the conclusion that the 'conventionalization' of organic agriculture observed in e.g. Australia, California and New Zealand is only detectable in a small number of cases between 2000 and 2009, with no clear evidence for a general process in Germany. However, the authors highlight changing market conditions and consumer demands, emphasizing that the definition of organic standards is highly influential, making conventionalization a political issue (Seidel, Heckelei & Lakner, 2019:13).

In 2011 after having their proposals not heard in neither Brussels nor Berlin, four umbrella organizations started the aforementioned 'Wir haben es satt' (WHES) movement, which staged mass protest during the 'International Green Week', the world largest agricultural fair, ever since (Nowack & Hoffmann, 2019:5). The movement grew in number from 20.000 in 2011 to 33.000 in 2018 (Nowack & Hoffmann, 2019:6). It shows consensus in its opposition profit maximization, missing connection between producer and consumer and towards industrial agriculture, promoting peasant agriculture instead (Nowack & Hoffmann, 2019:7). According to Nowack and Hoffman (2019:8), this movement, while it has ties to other international peasant farming organizations, is in its majority German speaking and targets the problems specific to German agriculture with broad public support. Like many movements, it has its counter movement with protests between 2014 and 2017 representing farmers who feel not valued or heard by the public and the main movement (ibid.). However, the protracted acceleration of the movement highlights its significance for the society.

3. Frameworks & Concepts

This chapter will introduce the central concepts and theoretical framework for the thesis followed by an overview of the analytical framework, the Values Based Supply Chain (VBSC) approach, before chapter four elaborates how this approach is applied.

3.1. Theoretical Framework & Concepts

3.1.1. Producer-retailer relationships

In this case study, ‘producer’ refers to the primary producer of fresh, non-animal-based food product, he or she seeks to sell in a limited geographical proximity and as directly as possible. This food product will be limited to fresh non-animal produce, such as vegetables and fruit, because most meat and milk product require some form of processing and therefore are a more extensive supply network to analyse. This does not, however, mean that animal products show no potential for local food chains, as examples in Swedish SFSC schemes show (Dubois, 2018:5). Further, a retailer is someone who buys food produce with the objective of reselling it at a profit margin, a role which in this case study is assumed by branches of the national supermarket chain Edeka, located in the study area.

It is therefore important to note, that this case study will concentrate on what Maye & Ilbery (2006:340) call the ‘downstream’ aspect of the SFSC concept, namely the producer to intermediary or more specifically retailer interaction.

Hereby, any ‘upstream’ dimensions in the supply chain are disregarded and it is assumed that the primary producer of the goods retailed in the studied interaction is indeed the starting point, without considering agricultural input such as fertilizer or other aspects, which may have gone into the supply chain (see Ilbery and Maye, 2005a in Maye & Ilbery, 2006:340).

3.1.2. Locality as a differentiating product property

It is important to mention that the term ‘regional’ in the German context is understood

a) as a ‘differentiation’, a subsection of organic production, adding value to the final product (Stockebrand, Berner and Spiller, 2008: 16) through

b) its function an umbrella term for short distance food supply chains and subsequently is often discussed in connection with either urban food policy (Doernberg et al. 2016) or alternative (e.g. organic) food production and marketing (Winzer & Goldschmidt, 2015:289).

Since ‘regional’ lacks a commonly agreed upon definition and also refers to a level of government administration, for this case study the term ‘local ’will be used to describe foods produced and sold within the geographical area of max. 50km around the city of Hamburg, to avoid confusion. The parameter was initially established by Joseph, Peters and Friedrich (2019:8) in their study on the potential of sourcing food for the cities 1,7 million inhabitants from organic and what they termed as ‘regional’ sources. It includes the majorities of the producers included in the case study and will therefore be adapted to what is termed ‘local’ food production.

3.2. Analytical Framework

3.2.1. Values- Based Supply Chain Approach (VSBC)

The ‘values – based supply chain’ framework as described by Stevenson & Pirog (2008:120) is targeted at what they call strategic, long term alliances between mid-sized, independent enterprises in food production, processing and distribution or retail who operate efficiently at a regional level and retain more value at the farmers end or front of the supply chain, by incorporating a key set of values in the business relationships along the supply chain. The approach is based on concerns over the economic performance of the supply chains, derived from traditional chains, whose management techniques Stevenson & Pirog adapted for alternative food chains, as they see economic viability as the base to social and environmental benefits for the participants (2008:123).

While VBSC was originally developed for the analysis of expanding, explicitly alternative agri-food movements, Bloom and Hinrichs have found it useful for food distribution networks, which lack an explicit alternative origin and instead develop to meet a local need (ibid.), as arguably is the case in this case study with local producers and Edeka branches cooperating to meet the rising demand for regional food.

Furthermore, the framework has the advantage of covering specifically mid-size producers, too large to sell solely through direct markets, but too small to prosper in commodity markets, according to Bloom and Hinrichs (2010:15). Nevertheless, authors such as Feenstra & Hardesty (2016: 3) call for more attention towards appropriately scaled infrastructure, such as the lack of nearby food safety compliant processors (Feenstra & Hardesty, 2016:11) packaging and other processors (Hardesty et al., 2014:22), the extend of value communication along chains especially in regards to customer education (ibid.) and the cost of third-party food safety certification (Feenstra & Hardesty, 2016:15; Hardesty et al., 2014:22). Additional concerns are the accessibility of credits and long-term financing, knowledge about marketing and management as well as brand building (Hardesty et al., 2014:22). Hooks et al. (2017:16) further observed that the approach’s claim to enable producers to respond and grow with the demand of their chain partners can limit the producers’ influence and power in the chain and consequentially result in some farmers dropping out. While some of these concerns are addressed in Stevenson and Pirog’s work, their framework has been created mainly for mid-size farmers who have a sufficient production volume to look for an opportunity to ‘scale up’ (Hardesty et al. 2014: 18). The framework further provides limited explanations on how especially small-scale producers can expand their businesses to be productive and differentiated enough to be an interesting partner for values-based supply chains, an effort which Hardesty et al. (2014:26) found to be difficult without access to credit, training and sufficiently scaled processing and distribution infrastructure. In this case Hardesty et al. (2014:26) concluded large pre-existing infrastructure can be the bridge to growth. In an effort to mitigate these conceptual shortcomings, particular attention was paid to the context of and significance farmers gave to aforementioned access-issues in interviews and questionnaires.

Despite its flaws, the VSBC framework is uniquely suited for this case study due to its explicit focus on obtaining value in the front of the supply chain (Stevenson & Pirog, 2008:123), in contrast to 'traditional' value chain analysis (VCA), which is focused on improving the chain as a whole, not the individual business (Soosay, Fearn & Dent, 2012:69). While the VCA framework can be applied to assess individual businesses of a sustainable food chains and network (e.g. Soosay, Fearn & Dent, 2012, Taylor et al. 2005) and is used to analyze issues of income distribution inequality (Kaplin & Morris, 2002:14) it is too big picture oriented to fit the purpose of this case study, in addition to requiring more time and experience with value chains than the researcher has.

VSBC on the other hand does not only fit the target chain participant of the case study, but is considerate of both the VCA's economic and value chain efficiency concerns, on which it is build (Berti & Mulligan, 2016:11), but further is sensitive to the influence food chain participants' values and goals have on these concerns, especially in a context where 'alternative' and 'corporate' food chain actors meet.

In their study analyzing a variety of sustainability claims and criticism to alternative food networks Forssell and Lankoski (2015:72) argue that the increased involvement of corporate food actors can be traced to the economic value added by alternative food networks (AFNs). This case study shows signs of Edeka increasingly participating in the new 'regional' product market, by creating its own label (Edeka, 2020) and opening its branches to local produce. This so called 'profit logic', coined by Jaffee and Howard (2010), of expanding corporate actor engagement in the organic and fair-trade market, has led amongst other things to weakened production standards and other ethical values, which allow alternative food networks to add economic value to their product. On the other hand, Forssell and Lankoski (2015:72) argue that the ethical values, goals and logic of all participants can have an important role in how 'hybrid' alternative food networks are shaped. Often, so the authors 'alternative' and 'conventional' actors exhibit parts of each other's logic to create a net positive depending on network and circumstances (ibid.).

'Value' in VSBC is not defined strictly economic, according to Berti and Mulligan (2016:12), but rather merges economic value chain aspects such as efficiency with concepts like 'locality, sustainability, quality and economic democracy' through means of product differentiation. Here lies the information, which according to SFSC theory, gives producers the visibility and power they lack in other supply chains.

The VSBC framework provides the necessary tools to analyse how both these information and power dynamics in the relationship between 'alternative' producers and a 'conventional' retailer in the local food supply chain of this study is handled, while already being applied often enough to be aware of its shortcomings.

3.2.2. The key aspects of a successful VBSC

Concluding the previous section, the key aspects of a successful values-based supply chains will be introduced in more detail, before elaborating on their analytical use and the adaption of the framework for this study, which is based on the insights into the frameworks limits above, in the section thereafter.

According to Stevenson and Pirog (2008:120) the key aspects of a successful values-based supply chain are: *a) differentiated, value added products coupled with economies of scale; b) collaborative advantages within partnerships able to adapt to market changes; c) high levels of trust and performance through the network; d) shared vision and decision making, transparency; and e) commitment to welfare of all participants (incl. profit margins, wages and appropriate durations of business arrangements).*

Each aspect is broken down into its parts in the following.

a) Differentiated, value added products coupled with economies of scale

This aspect refers to products with attributes that make it unique, such as geographic location, certification, environmental impact or other value giving characteristics (Schnieders, 2004 in Stevenson & Pirog, 2008:121). However, as Bloom and Hinrichs (2010:15) stress, this does not automatically result in positive social, economic or environmental outcomes for producers. Differentiated products fare better in certain ‘economies of scale’. Stevenson and Pirog point out that especially larger supermarket chains compete on volume and price and seem to favor uniform products that can be produced with a short list of ingredients (ibid.), thus are contrary to a differentiated, information and value laden product.

However, differentiated products appeal to smaller supermarket chains, so the authors, who seek to differentiate themselves from competitors (Stevenson & Pirog, 2008:122) and therefore are more likely to communicate the value adding qualities.

b) Collaborative advantages within partnerships able to adapt to market changes

Partners in a successful value chain cooperate closely and are chosen for their strategic advantage or the differentiation in the market they create, so Stevenson and Pirog (2008: 122) while more generic businesses in the supply chain are held at more distance.

The authors stress the importance of ‘horizontal linkages’ for groups of farmers to manage changing demands (ibid.). While egalitarian power dynamics between chain participants are not always realistic, in successful supply chains stronger participants do not exploit other participant’s weaknesses (Stevenson & Pirog, 2008: 125). Treating all chain participants as partners is what contrasts value chains from conventional food systems, so Bloom & Hinrichs (2010:15).

c) High levels of trust and performance through the network

Successful value-based supply chains are further characterized by continuous improvement systems (e.g. networks for knowledge and skill exchange) and performance evaluation systems (e.g. quality control) for the entire chains, with focus on product quality and consumer satisfaction as the base to that system (Stevenson & Pirog, 2008: 124). They further showcase a high level of trust, through effective information sharing which in turn is essential for the performance of the chain (ibid.). This trust derives from predictability of procedures, consistent policies and stable management; all partners fulfill their commitment and portray reliability, goodwill and risk for risks other partners face especially towards fluctuation quality and consistency food products experience due to external influences (e.g. weather) (Stevenson & Pirog, 2008: 125).

d) Shared vision and decision making, transparency

As addressed in the previous section, information flow is crucial. Mid-tier food value chains need shared information, vision and governance for effective decision-making and goods flow, where all strategic enterprises are treated as partners (Stevenson & Pirog, 2008:125,128). Third party-certification play a key-role in the governing structures of alternative food chains, as they provide a basis of standards chain participants can adhere to (Stevenson & Pirog, 2008:130). Further, transparency is an important mechanism for power balances (ibid). Only if the value adding information of a product reaches the consumer through any intermediary, it is possible for the producer to retain some control throughout the chain (ibid.).

e) Commitment to welfare of all participants (incl. profit margins, wages and appropriate durations of business arrangements).

Ensuring fair prices and transparent profit margins for all chain participants is an important aspect, as Stevenson & Pirog argue that many of the social benefits can achieved with a fair distribution of economic revenue along chain actors (2008:131). These profit margins should be calculated from retail backwards to allow for shared information to reduce costs and further understanding among chain participants, as well as ensure that the benefits of these cost reductions are shared between participants, so the authors (ibid.).

4. Methods

4.1. Application of the analytical framework

Bloom and Hinrichs (2010:14) applied the value-chain approach as a comparative tool for food distribution networks with a “[...] focus on conventional wholesale produce distributors who serve as the link between local producers and local buyers.” Like Bloom and Hinrichs, the values-based framework will be applied as a comparative tool to interviews. In their study Bloom and Hinrichs (2014:14-15) recount the key aspects of a successful value chain and allocate them into four categories. This thematically structured typology of ‘*differentiation and value-added*’, ‘*committing to the welfare of all participants*’, ‘*creating partnerships*’ and ‘*the role of trust and shared governance*’ (ibid.) provides a useful and structured guideline with the differentiated product as a starting point and its impact on the food network, and shape of the business relationship involved, resulting from it. It further highlights the importance of institutionalized mechanisms e.g. for pricing or in form of contracts for a power balance between producer and intermediary. Nevertheless, the negotiation position of producers is diffused into three categories and thus seems less suitably structured for a study investigating producer-retailer interaction, rather than a producer, distributor, buyer network with different implication for pricing, trust and therefore business relations.

Despite having adapted it directly from Stevenson and Pirog’s ‘values-based supply chain framework’, it is not always clear how precisely Bloom and Hinrichs applied their typology. More specifically, their study does not provide explicit explanations of how criteria were selected and applied for their empirical analysis. However, Bloom and Hinrichs work tends to show the validity of the VBSC framework as a way to perform comparative multi-case analysis of producer-retailer relations.

Based on Stevenson and Pirog’s conceptual framework and Bloom and Hinrichs application of this framework to real-life cases of producer-intermediary relations, the empirical analysis is structured using the following categorizations: *transparency & communication of added value, partnership, trust & longevity, fair pricing* to use as a guideline.

While Stevenson and Pirog developed their aspects specifically for mid-sized farms through SFSC schemes with a focus on the economic aspects in these schemes (2008:123), for this study the criteria had to be adapted to accommodate smaller, less institutionalized business relationships. Instead, the developed categorization builds on the key aspects Stevenson and Pirog have brought forward to ensure the communication of added value in product and a more balanced power relationship between producers and retailers independent of scale. The aim is to see to what extent the cooperation between producers and Edeka branches can be classified as a values-based supply chain, based on the interview data.

Each category consists of several criteria with which the statements derived from the interviews will be evaluated. The categories and criteria will be explained further below. The findings from ‘Edeka cooperation’ group will be compared to the findings from the group of producers choosing to forgo this cooperation, by evaluating their stated reasons for this

decision and the research hypothesis tested against this result. In addition, whenever possible the reasons non-cooperating actors gave for selling via other chain actors, such as wholesalers, will be evaluated. The evaluation criteria for every key aspect will be as follows:

Transparency & communication of added value

This category is comprised of aspects of key aspect a) concerning differentiated, value added products combined with an economy of scale and the transparency of aspect d). By asking the question of how products sold both via Edeka and other outlets are differentiated, as well as how the value-adding properties are communicated, the intention is to establish a picture of Edeka's transparency in contrast to other outlets. As highlighted in the description of key aspect d), transparency about the origins and processes a product underwent is important for the power dynamic between producer and retailer. Only if what adds value to the product is communicated to the customer is it possible for the producer to retain both monetary value and value in the product chain.

Partnership

Comprised of a combination of key aspect b) collaborative advantages within partnerships and key aspect d) shared vision & decision making, this category is focused on establishing to what degree the collaboration of local producers with Edeka can be considered a partnership. This is done by looking at the criteria branch managers have given for a, from their perspective, 'successful' collaboration, establishing a sense of the leniency and power dynamics. This will be supported by searching the interview statements for ways Edeka profits from selling local products and how their producers profit from the collaboration. For a more detailed insight, these answers will be cross-referenced with motivations producers have voiced to not sell via Edeka.

Trust & longevity

Adapted from key aspect c) high levels of trust & performance through the network, the criteria to evaluate the interviews by are for one, the presence of evaluation systems, especially in regard to consumer satisfaction and quality control. Further, the importance of reliability of both sides of the business relationship as well as the leniency for mistakes, which will be assessed by looking into the stated criteria for ending the cooperation as well as those for a successful one.

Fair pricing

Reflecting the main concern of key aspect e) commitment to welfare of all participants, here the importance of price in relation to other factors will be evaluated by once more examining the criteria for a successful relationship as stated by Edeka, compared with the motivations producers report for cooperation and non-cooperation respectively.

4.2. Identifying Key Actors

Interview partners were identified via the snowball-sampling method, which has proven useful in similar case studies on producer – retailer interaction. Hardesty et al. (2014:22) used the procedure for their study on the impact of access to capital, regulations, infrastructure (incl. intermediaries), and business acumen on the success of values-based supply chains, a concept often used to analyse SFSC. They note that snowball sampling is a nonprobability-based method, used frequently in network cases when it is challenging to identify specific members of a group or network (Hardesty, 2014:22). The method was applied to three groups of key actors.

First, Edeka branches function as the starting point of this case study. They were selected with the following criteria: a) their location in the predefined study area and b) for including at least one product labelled as ‘local’ or ‘regional’ in their physical product range. This product had to be excluded from the official ‘Unsere Heimat’ label and instead be sourced by the individual branch from primary producers within the predefined proximity of up to 50km (see e.g. Joseph, Peters & Friedrich, 2019:8).

Tracing these supply chains helped to identify the second group of key actors, primary producers cooperating with Edeka. Other than the criteria of a) an existing or recently ended direct business relationship with an Edeka branch, the producer had to meet two more general criteria to be included in the study:

b) geographical proximity between producer and retailer, to ensure continuity with the concept of ‘short’ food supply chains. Here, in lack of a commonly agreed definition of the concept, the definition of ‘local’ as max. 50km proximity proposed by Joseph, Peters and Friedrich (2016) is applied.

c) Producer sizes will further be distinguished into micro-scale, small-scale and medium-scale producers, whereby micro-scale describes an enterprise with 10 employees or less, with a focus on family ownership (see Maye & Ilbery, 2006:343).

Primary producers with more than 10 employees will consequentially be considered small-sized producers, and producers with 49 or more employees mid-sized (ibid.). These thresholds may have to be adjusted to the findings in the field, as they were applied to the Scottish-Borders not northern Germany. Like Maye & Ilbery (2006:343), family ownership is considered not to be a selection criterion in this study, as many of the farms included in the case study are family owned, but managed by a non-family member, or leased.

Once identified, these producers were interviewed to their motivation and reasoning for their chosen form of sales as well and their motivations compared to those of the producers collaborating with Edeka.

As the third group of key actors, the several micro-, small-and mid-scale food producers in said proximity were identified, who supply Hamburg's largest farmers-market taking place throughout the week in the heart of the case study.

Farmers markets are an essential asset for producers to construct recognition and valuation of local food by the customer, according to Dubois (2018:8), which allows producers to form the social and relational capital they need to install other forms of SFSC, for example box schemes. Primary producers represented here were again identified by using the snowball sampling method, be consulted to find further producers choosing other forms of sales, which do not include Edeka branches. To be included in the study, the producers of this group had to meet criteria b) and c) as described above.

While the researcher was familiar with the research environment, due to her previous work at the farmers market, the snowball sampling method proved useful to uncover active and relevant, as well as hidden, interaction links in the case. To avoid doing 'backyard research', or have a conflict of interest, her previous employer was excluded from every step of the study.

4.3. Interviews

This thesis follows a phenomenological approach to a qualitative case study, based on the assumption that the participant knows their circumstances best and experience it in ways different to an 'outsider', their motivation and reasoning behind their actions is a form of meaning making of that world (Inglis & Thorpe, 2019:82).

Since the main focus of this study is on the motivation of small-scale producers and retailers to cooperate or to forgo this cooperation, semi-structured interviews were chosen to gather data, as this form of interview can include enough structure to compare the individual subjects of one group, but leave room to adapt the questionnaire to the individual's experiences and perception if needed (Silverman, 2016:174). It also allows for the researcher to capture the interviewee's experiences more flexibly than in a survey, and yet provides enough room to recognize common experiences among participants (ibid).

A common interview guide for each group: a) selling via retailer, b) selling not via retailer, c) retailers, was constructed to facilitate easier comparison. Each guide was tested beforehand to avoid unsuitable or misleading questions and adapt to the interviewee's reality. Once these partners were identified and interviewed, the data was analysed using the aforementioned 'values – based supply chain' framework as described by Stevenson & Pirog (2008:1).

With this approach, the interview transcripts were coded using thematic analysis, to identify instances addressing issues related to the four key main categories identified in the previous section: *transparency & communication of added value, partnership, trust & longevity, fair pricing* and the context in which they were named, eventually attempting to outline patterns against which the research hypothesis can be tested and the research questions answered.

These findings will be contextualised by the results of the document analysis conducted on press statements and other sources reacting to Hamburg's announcement to enter the Organic City Network; the details of which will be introduced in the next paragraph.

4.4. Document analysis

Carroll and Fahy (2014:565) were able to show the impact of social and spatial contexts on consumption activities in local food schemes. Values and norms of consumers, as well as social embeddedness of food can be ascribed to location and explain the variety of local food systems within and between countries (ibid.) over time. In this case study the public perception of local food actively shapes municipality policy, highlighting how important the locality context is to understanding a local food system.

In order to gain an insight into the social and agricultural policy landscape shaping local food systems and producer-retailer interactions in Hamburg, different documents presenting responses to the Organic City goals are analysed applying a method commonly referred to as content analysis. However, since the content of documents is analysed, the term 'document analysis' is used after the introduction of the method.

Qualitative content analysis is defined by Drisko and Maschi (2016: 7) as “[...] *a family of research techniques for making systematic, credible, or valid and replicable inferences from texts and other forms of communication.*” The family of research techniques is comprised of three base forms of content analysis, basic or quantitative, interpretive or qualitative content analysis. While quantitative content analysis uses statistical analysis of word count, both interpretive and qualitative content analysis includes the context and implied but not explicitly expressed meanings in text into their analysis (Drisko & Maschi, 2016:viii). The latter two approaches are closely linked, yet there is an important difference in their positions. According to Drisko and Maschi, most basic and interpretive content analysis is based on positivist or realist epistemological positions (2016:ix).

Qualitative content analysis, by contrast, is based on a constructivist epistemological position, as the reader might interpret the content differently than the content analyst due to different backgrounds and experiences (Drisko & Maschi, 2016:67). For this study, interpretive research analysis was applied as it allows the researcher to examine key story lines, normative positions and the methods engaged to claim these, as well as subjects and objects of texts (Ginger, 2006 in Drisko & Maschi, 2016:5).

The approach reaches past the basic frequency-count and includes 'latent content' or not overtly evident meaning as well as context in the data gathering, however this does not mean interpretations may strive from empirical evidence (Drisko & Maschi, 2016:59) as interpretation can make claims of reliability problematic (Baxter, 1991:240 in Drisko & Maschi, 2016:59). In contrast to qualitative content analysis, which relies more on newly collected data (Mayring, 2000), interpretive content analysis accommodates both newly generated texts and existing data (Drisko & Maschi, 2016:5), which is more suitable for the analysed documents in this study.

4.5. Data collection

4.5.1. Document analysis

Like most interpretive content analysis, the analysis of the material in this study will be descriptive as it aims to describe and summarize the views and opinions of stakeholders (Drisko & Maschi, 2016:70). Further, codes are generally created inductively (Drisko & Maschi, 2016:74) rather than defining codes prior to analysing the content. Here the terms 'regional' and 'local' were preselected as starting points and the texts were examined for key concerns, demands or actions (both proposed and taken) as well as the context the respective sentence provided, to establish normative positions and latent content. Additionally, 'Hamburg', 'City' and 'Senate' presented a starting point to investigate the key storylines on specifically political decisions and actions. The overarching question for the document analysis is what institutional or market affecting challenges do (organic) producers located in or around Hamburg face, in an effort to understand how these affect different SFSC participants and their interactions with retailers.

The codes *price, demand, supply, hindrance, opportunity, local food* in combination with *local* and *regional*; as well as *Hamburg, city, administration, Senate* combined with *tool, strategy, financing/financial, public, organic product, opportunity, hindrance, demand* were applied to the content. The findings through these codes mostly centred on words indicating either the economical/ access based, or governance (specifically the city) and regulation-based narrative of the topic. The results of the code set: *price, demand, supply, hindrance, opportunity, local food* combined with *regional* and *local* is most present in the more debate around agricultural policy affecting regional food not directly connected to the goals of 'Hamburg's Organic City network' plans.

Nevertheless, the documents still called for political action to solve these issues, thus these results are grouped as 'General demands for political action'.

The second set of *Hamburg, city, administration* and *Senate* connected with *tool, strategy, financing/financial, public, organic product, opportunity, hindrance, demand* is most present in the debate around the City of Hamburg's role to strengthen demand for local organic product and expectations of producers towards the city. The results are grouped as 'reactions and demands towards the city'.

Lastly, it is important to note that the document analysis was executed in German; therefore, synonyms for the codes presented above were used.

The documents included in this document analysis spans a variety of both unofficial sources, from interviews, blog posts, discussion summaries to official sources such as press statements and motions of party member to the Hamburg city senate.

Overall, seven sources were included, which are listed below with a short description.

1. Hamburg.bio – Post im Januar (28.01.2020) – Newsletter Post by hamburg.bio e.V. a merger of organic from Hamburg and its surrounding areas, reacting to election campaign dialogue
2. Dialogpapier Bio-Stadt Hamburg (14.02.2018) – a list of goals and measures proposed by a union of NGOs (consumer interest and environmental protection) to increase land, processing and trade with organic product, aimed at policy makers.
3. Press Statement, Pressestelle Hamburg (16.09.2016) _ announcing Hamburg's Membership and Goals in the Organic City Network
4. Zeit Online (2019) - Interview with K.W.Wilhelm chairman of hamburg.bio e.V. on the current state of the cities plans
5. Sparr et. al., Antrag 21/17461 (05.06.2019) – members of both social democratic (SPD) and green party (Bündnis 90/Die Grünen) urge the senate to support regional organic agriculture by increasing shares of organic food in public catering.
6. IFOAM EU (2018) –Press statement concerning the importance of the Organic City Network for reaching climate goals
7. Bundesverband der Regionalbewegung (BRB) (04.02.2020) – Press statement with a list of core demands towards a regionalised food sector

4.5.2. Interviews

Data was collected over the period of 26 days, in which 18 interview partners were identified, contacted and 6 interviews conducted. Response rate to phone calls and approaches in person was on average more successful than contact via email. The six interviews range in length from eight minutes to 52, on average 25min of recorded exchange. Three of these were conducted in person, three via telephone.

All personal interviews took place in a setting familiar to the interviewee; mostly their office. None of the interviewees were interviewed repeatedly, however a transcript was provided to all for verification and two sent clarifications for details via email. During the interview, field notes were taken and transcription started the same day as the interview. All interviews and questionnaires were transcribed, coded and analyzed in German, the participants' language. This thesis provides an account of this analysis in English, translated by the researcher. The interview data is further supported with information from the producer's websites.

Other than the interviews 4 questionnaires were included in the results. In these cases contacted interview partners asked to respond in writing to the researchers questions, stating staff shortage and time constraints as reasons.

To ensure comparability, these producers received the same questions as were used in the interviews (see Appendix A & B for a translation of both), while a slightly adapted interview guide was developed for retailers (Appendix C).

A comparison of the questionnaire data with information available at the respective producer’s website revealed high reliability of the data. In the following, all will be referred to as interviewees.

The businesses questioned consist of 3 retailers, 2 beekeepers, 3 ‘Demeter’² certified farms, 1 of which also functions as a wholesaler for other farmers in the region, another one functions as a school for ‘special needs’ individuals, 1 organic farm and 1 apple farmer. The scale and role of the interviewees is categorized in Table 1. Table 2 summarizes the key characteristics of the interviewed producers.

All of the producers are either located in the study area, or supply the farmers market in the area and are within the radius of 50km (Joseph, Peters and Friedrich, 2019:8).

Further, while some of the interviewed producers have animal husbandry as part of their ‘Demeter’ concept, they sell mostly plant produce. Therefore, the focus is on the supply chain processes for fresh plant produce as e.g. dairy products, poultry or meat usually require additional logistics, from cool chains to slaughter houses and dairies.

One notable exception to this criterion is apiculture, since it does not require as much additional logistics as other animal product and is further most represented amongst the micro-scale producers of the case study.

Scale\Role	Intermediaries (Edeka)	Producer cooperating	Producer NOT cooperating
micro		1	1
Small	1		1
mid-large	2	2	2

Table 1: Number of interviews/ questionnaires by role in SFSC and scale of business (in number of employees).

² ,Demeter’ describes a certification for a ‘circular’, integrated farming practice within organic farming, with the farm as the base of production of most of the needed farming compounds, strict regulations on soil preparation (return more to the soil than extract), fertilizer use and animal husbandry, among others. Based on the teachings of Rudolf Steiner, in 1924. (Demeter.net, 2020).

Code	Type of Production Organic/ conventional	Products (produced/ sourced)	Certifications	Role in SFSC	Forms of Outlet e.g. Farmers market	Number of employees
M1	Organic aspiration (not certified)	Honey	none	Producer	Door-sale; through Bakery; 2 resellers (passion project)	2 person hobby
M2	Organic aspiration (not certified)	Honey	none, but health office controlled	Producer	Door sale, retailer	2 person hobby
LP1	Organic	Bread, vegetables, dairy products, meat, grain, berries	Bioland, ABCERT	Producer	Farm shop, own bakery & café/restaurant, delivery service/ box scheme	60 plus, no clear number on website
LP2	Organic	Bread, vegetables, dairy products, meat/poultry, grain	Demeter (biodynamic farming)	Producer	Farm shop, farmers market, Café', Box scheme via partner, Butcher's shop (Partner)	80
LP3	Organic	Apples, berries, stone-fruit	EG-Bio, Bioland, Regional- fenster	Producer	Farmers market, Wholesale	Ca. 20 (Seasonal change)
LP4	Organic	Vegetables, herbs, beef	Demeter (biodynamic farming)	Producer, Training center for special needs	Farm shop, school cantina, local restaurant	8 in admin., several volunteers & trainees
LP5	Organic	Own: Herbs, Vegetables, Wholesaler: Wide selection	Bioland ABCERT, Demeter	Producer, Wholesaler	Farm shop, farmers markets, wholesaler (general market & individual shops), Delivery Service	40
E1	Conventional & organic products sold	Eggs, potatoes, honey	None	Retailer	Direct sourcing from producers	Not specified
E2	Conventional & organic products sold	Bread, potatoes, honey	None	Retailer	Direct sourcing from producers	Not specified
E3	Conventional & organic products sold	Fruit, bread, eggs, flowers (seasonal), potatoes, honey	None	Retailer	Direct sourcing from producers	Not specified

Table 2: Overview of all participants in interviews and questionnaires, clustered by production type, produce, certifications, their role in SFSC, outlets and size based on number of employees. As the codes will be used throughout the text, here a brief explanation to aid the reader. 'M' stands for the 'micro' producer, mid- to 'large' producers are grouped communally in LP. The branches of retailer Edeka are coded as 'E'.

4.5.3. Ethical concerns

All interviewees were promised anonymity, which some named as a condition for their participation. Consequentially, all interview partners were assigned a code and care was taken to not give away identity by pronouns, location etc. Consent to the interview was either recorded or by signing a consent form.

4.5.4. Limitations of Data

During the second half of fieldwork German public life came to a stop due to a sudden rise in Sars-Covid-2 infections and subsequent uncertainty, making it necessary to adapt data gathering. The telephone interviews were chosen either for logistical reasons, to protect an elderly informant from disease, or because of time concerns of the informant. Out of the 18 identified potential interview partners, ten agreed to an interview or filled in the interview questions, three promised to either fill in questionnaires or postponed doing so until after holidays but never followed through. Five did either not respond at all or declined. Among the ‘cooperating’ producers, one sells two products via Edeka but splits it into two businesses. Unfortunately, only data from one business was secured, although the informant assured me the motivation for the cooperation would not vary significantly. They are therefore included as one business. Two producers filled in the questionnaire; one partook in a phone interview. The questionnaires were usually filled in very clipped, but with nevertheless conclusive answers. While more curated than interviews, they still offer some insight. However, relying on singular interviews with every interviewee limits the insights to one curated portrayal of the producer’s actions, with no second e.g. observatory data to cross reference with as Warren and Karner (2010:129) propose. By interviewing three groups with different opinions and practices on the same topic, the researcher attempted to gather data that could be assessed against each other. Still, one can argue that ‘one dimensional’ insights are not as reliable as comparing multifaceted ones.

To make up for the missing data and low response of potential interview partners, the document analysis of blog posts, web pages and official documents of the Hamburg City Senate around the Organic City membership was used to establish a wider picture of external circumstances shaping SFSC in the study area.

The most dominant limitation of the analyzed content is the imbalance in representation of the City administration perspective. Here, the researcher was only able to find a press statement and motions towards the Senate by party members in favor of the City’s membership in the Organic City Network. In addition, the Organic City Network implications are mentioned in two recent agricultural policy papers (Hamburger Öko-Aktionsplan 2020, Agrarpolitisches Konzept 2025), as part of a quiver of policy plans, the effects of which are not yet evaluated.

The choice of methods further raises the most important limitation of this study. As mentioned in the introduction and subsequent discussion of the framework, the VBSC approach is concerned with both the performance of supply chains and building of long-term alliances in mid-sized alternative food networks, with a clear focus on strengthening producers' position in the value chain by introducing a key set of values (Stevenson & Pirog, 2008:120).

This study looks explicitly at the role of an intermediary in SFSC schemes and VBSC has provided a set of criteria for the analysis of producer intermediary relation, which is adaptable both to the smaller scale of a case study and the forming aspects of what is often termed a 'hybrid' system of alternative and conventional or corporate food chain actors (Forssell and Lankoski, 2015:72). Most importantly, it served as a 'magnifying glass' on the producer perspective, to assess whether the business relationships in this case study was a 'coping' or 'compensation strategy' which still held aspects of SFSC schemes that gave producers power and therefore potential for future development, or to which degree they had to be weakened. The findings of this case study show that economic interests are the base of the business relationship, which arguably confirms the choice of analysis framework as Stevenson and Pirog (2008:123) saw the economic viability of a values-based supply chain as the foundation of any social or environmental benefits the scheme might have. Nevertheless, most other studies, which apply the VBSC framework to SFSC, include economic data in their studies (see e.g. Brekken et al., 2019; Hooks et al 201; Feenstra & Hinrichs, 2016; Hardesty et al. 2014), which the interviewees in this study did to give.

While interviews are not an uncommon method (e.g. in Feenstra & Hardesty, 2016; Hooks et al., 2017, Bloom & Hinrichs, 2014) in these studies, they are often supplied by either survey, which gather economic data (Brekken et al. 2019) or secondary data from published reports (Hooks et al. 2017). However, this study and the presented literature deviates here, as the aforementioned authors concentrate their research on official cooperatives (e.g. in Hardesty et al. 2014; Hooks et al. 2017, Brekken et al. 2019), while the present study analyses a short distance supply network of individual business relationships through the lens of VBSC.

Both Bloom & Hinrichs (2014: 16) and Maye & Ilberry (2006: 342) demonstrate that interviews are a suitable method to assess business relationships involving intermediaries in SFSC schemes, however the researchers' assessment of the case study with the VBSC framework would have been more detailed and reliable with the inclusion of economic data.

5. Results

This chapter is structured to present the results from the document analysis first, followed by the findings from the interviews. The aim is to provide the reader with an insight in the broader circumstances shaping producers' realities and choices, and therefore their interaction with the retailer first. This may help to better differentiate between external influences on the producer and the impact their relationship to the retailer has on them, by contrasting the more in depth, case specific interview data.

5.1. Results from the document analysis

The results from the content analysis can be split in two sections, for one concerning Hamburg's goal to raise the share of organic produce in public catering, the other concerning more general demands and perceived obstacles producers and local food chains face. Starting with a summary of the first group further examples of the city's position on the topic will be presented before this part is concluded with more general demands and concerns by organic producers and their representatives.

5.1.1. Reactions and demands towards the city's plan to support local organic agriculture through public catering

The city's goal to support organic agriculture by sourcing public catering for schools, daycare and public authorities from local and regional producers was received mostly with criticism for several reasons. While the tool of public catering is welcomed by producer representatives, there is a demanding call for a clear concept and financial framework and some sources imply a lack of political will for change (Hamburg.bio e.V., 2020). Producers as well as Senate members see potential in the cities leverage on demand but miss concrete tools as well as a coordinated, cross-public authority effort including NGOs and preexisting organic value chains to make the transitions (Hamburg.bio e.V., 2020; VerbraucherInnenbündnis Bio-Stadt Hamburg, 2018:3). Transition efforts should happen in combination with the retail sector, so the authors of VerbraucherInnenbündnis Bio-Stadt Hamburg (2018:3) to create a second outlet for organic producers. Commonly more financial investment and a secure demand are requested. Some sources, such as Hamburg.bio e.V.'s assessment of the discussion during election campaigns, portray a certain level of distrust towards the political will and knowledge, for example by highlighting the Social Democrats' (SPD) aim to reach 100% regional sourcing in public catering first, which would violate EU law on discrimination based on regional origin when posting an invitation to tender (Hamburg.bio e.V., 2020). The city will have to find a different approach or set of criteria such as freshness or seasonality to comply with this statute and still support regional agriculture.

In their initial press release announcing the membership in the Organic-City Network in 2016, the City spoke of complying with consumers claim to transparent and short supply-chains, the important role of organic agriculture for a more sustainable economy and communal competences.

The city would profit from the network membership economically, it is portrayed to have a sizable effect on the agri-economy, production, processing and trade with a low financial input (Hamburger Pressestelle, 2016:2). A similar focus on economic benefits for the region as well as climate change impacts can be seen in a press statement by the IFOAM EU on the topic (2018) who announced their cooperating with Hamburg to reach the Organic Vision for Europe 2030.

5.1.2. More general demands for political action

The VerbraucherInnenbündnis Bio Stadt Hamburg voice a general need for more demand in the organic sector and view the city as an opportunity to create this demand long term, not just offer financial support for the transition time (2018:3). Public education on organic production is seen as necessary to strengthen demand long term (ibid.). In this context one source raised the example of Edeka Nord's regional label, stressing that consumer demand for regional or local product was vital (Wilhelm, in Zeit Online, 2019:2), while another source pointed out that demand for regional and local food already existed and that producers needed support in other areas (Bundesverband der Regionalbewegung, 2020).

Another much remarked upon point is the lack of sufficient agricultural land, despite efforts to transform as many areas as possible to organic production. The chairman of hamburg.bio e.V. Wilhelm highlighted in an interview with Zeit Online (2019:2) that the transition to organic agriculture is an economic risk for many producers, further indicating that the organization of retail is a burden for many producers who face additional pressure from cheaper EU imported organic products competing for little demand. The demand for more agricultural land was echoed by other sources, such as the VerbraucherInnenbündnis Bio Stadt Hamburg (2018:3) supporting the idea that transforming conventional agricultural land with expiring lease contract to organic farmland should be given priority, instead of being used as compensational ground for the growing city (ibid).

Additionally, the Bundesverband der Regionalbewegung e.V. (BRB) campaigned for active structural policies such as more decentralised processing and sales- outlets, which they say are the backbone of regional economies and rural-urban relations (2020). Regional product had to be produced and marketed by economically sustainable criteria, for which fair prices where necessary. These could only be achieved by decisive political action towards a regionalised food-economy (ibid.).

In summary, the document analysis found overall positive reactions to the city's plan to increase demand by sourcing regional organic product for catering in public institutions and events, indicating a need for increased demand in the organic food sector. However, this positive reaction is accompanied by several demands and criticism to the precise implementation of these plans in terms of financial framework, concepts and cooperation with pre-existing food supply networks and across public authorities. The city further has to adapt its implementation in a way that accommodates EU regulation on tendering.

Producer unions additionally called for support to mitigate economic risks, access to land and regionalised processing sides, as well as increased customer education to strengthen demand long term. This document analysis provided an oversight of more general issues shaping regional agriculture, for the solution of which producers turn to the state.

These issues may influence producers' interaction with retailers in such forms as their limited access to land, capital and processing facilities could stunt farm growth as well as their ability to mitigate price fluctuations or weather-related impacts on output. Further, it can possibly affect their ability to meet customers' or retailers' demand of quality and quantity in product. Most named, however, was the need for reliable demand, which retailers arguably provide, potentially even creating a competition between producers and lowering price premiums. The actual interaction between local producers and retailers will be investigated in the next section.

5.2. Results from Interviews & Questionnaires

The results from interviews and questionnaires are presented in accordance to the key aspects of the analysis framework in three groups: *transparency & communication of added value; Partnership, trust & longevity of business relation; and Fair pricing*. Each paragraph is structured to report the responses of the retailers first, followed by those of the producers and lastly deviations are highlighted. Further, paragraph 5.2.4. will present responds to questions not related to the retailer-producer interaction but to more general external circumstances affecting these. Both the results from the document analysis and the empirical data will be analyzed in the subsequent discussion section.

5.2.1. Transparency & communication of added value

As established earlier, 'local' represents value-adding attribute for the actors involved in this study. When asked about demand for local products and its importance for their business, all interviewed actors, retailers and producers alike, confirmed that local product is increasingly requested and purchased by customers, to the extent that customers recommend local producers to intermediaries (E3). 'Local' is seen as a sales argument, perceived by retailers as a distinguishing factor to their competitors. In addition, two sources mentioned that the packaging of products in general is a growing topic of interest with customers. One mentioned the observed positive effect of product origin on the packaging on sales (E3).

While 'local' is an important sales argument, producers highlight the superior importance of production certification such as organic labels 'Bioland' or 'Demeter' (LP4). Here customer demand is higher, with many describing their customers as well-informed individuals looking for and recognizing product from their surroundings. Nevertheless, some report the need to substitute their offer by buying non-local or non-seasonal goods like tomatoes in winter, or wine, in order to fulfill their customer's expectation of a familiar range of product variety all year round.

This is then displayed alongside own produce labeled specifically as local (LP2). 'Regional' or 'local' as a sales argument is most important for the micro-scale producers in this study, who rely on their long-standing reputation in local communities (M2) or worked their sales solely towards local customers from the start (M1). These micro-producers further show the narrowest definition of 'local' when compared to retailers or larger producers, namely the village they lived and sold the product and which they advertised with.

Among the retailer group the perception of the distance assigned to 'regional' varies between 'ca. 100 km' (E1), a 'relative' distance of the surrounding area in distinction to 'local' being the village (E2), and 50-60km (E3). Only one assigned 'local' any approximate distance. Overall, 'regional' is seen in relation to the product in question. Further, as E3 pointed out, regional is often linked to organic production, as additional sales argument.

Responses within the producer group were similar, where only one of the producers had a specific distance for 'local', ranging between the farm itself to 50km proximity (LP3). Another sees not much difference between both concepts and the yet others placed 'regional' within a frame of 250km, depending on the product (LP5), or plotted between Hamburg's surroundings up to the next larger cities (LP4) and the federal state (LP3). The smallest producer described it as a distance of 5-7km because it was connected to the specific properties of its product (M1) without differentiation of both concepts. The second micro-scale producer gave no specific distance for either concept, but felt 'regional' described a much closer proximity, such as within city limits or just outside for a specific product he would be unable to produce within city limits (M2).

Common among all producers is that none solely rely on one outlet; instead all have at least two forms of selling. These range from selling directly via farm shops and farmers markets in addition to supplying wholesalers and direct sale to smaller grocers (LP5, LP1). Other outlets are an online shop with delivery service and box scheme (LP1), and some mentioned to sell some of their product via 'eBay Kleinanzeigen' (M1). They see the latter however, as not the most efficient form of outlets, as the weight of the product makes shipping expensive and the product therefore unattractive to customers (M1).

The choice of outlet further corresponds with the advertisement producers make (see Table 2). Many rely on word of mouth and their reputation first, with websites and occasional leaflets as an additional source of information for customers. Websites play a greater role for those selling via a box scheme (LP1).

5.2.2. Partnership, trust & longevity of business relation

It is important to note, that all producer –retailer interactions were individual business relationships between a producer and an Edeka branch. One branch manager (E3) stated that every producer had an individual contract with the branch, which had to be altered every time conditions changed and deplored the administrative effort connected to the collaborations. Similarly, no evidence of formalized evaluation systems was found. Retailers (e.g. E2) relied on customer demand for a local product over time to assess its use for the company and when asked for details or thresholds did not offer any. When asked for the average duration of their relations to their local producers, all retailers stated that their relationship with local producers were generally long lasting. Only one, E3 had to change producers in the recent past due to inconsistent deliveries and a lack of customer demand. Commonly noted points of critique for a long duration are reliability, frequency and amount of delivery, price range, quality concerns, customer demand and a GTIN (barcode). Reasons to end a contract with a local producer all intermediaries shared is the lack of customer demand, high purchase prices, and quality loss or insufficient/ unreliable delivery. However, all retailers stated they had tolerance for unforeseeable events affecting a supplying producer short term (E1, E2) or emphasized them relating to their producers on a personal side level.

All intermediaries noted that the producers approached them. Only two said that they occasionally look for new direct suppliers or follow recommendations by customers (E2, E3). One highlighted the importance of health certificates when choosing (E3), while two stressed the bureaucratic strain of processing not GTIN goods, as it required the branch to keep two books. In this context one retailer mentioned that state requirement for this technology on producer side would be helpful (E1).

To establish a sense of the leniency and power dynamics, retailers were asked about their criteria for a ‘successful’ business relationship to their local producers, a few common requirements towards the producer became evident. Delivery and packaging have to be provided by the producer, at least once a week and with constant smaller margins (E1) to accommodate the limited storage capacity of the branches as well as customer demand. Further, the buying price has to be acceptable to the branches and quality needs to be constantly high. Here, one branch emphasizes the importance of quality over locality of the product (E1). Lastly, none of the retailers interviewed referred to their supplying local producers as partners.

The absence of small-scale producers amongst those producers who sell via Edeka is noteworthy. The group is dominated by the two largest producers questioned in this case study at one hand and the two smallest, at the micro scale, on the other. One larger producer (LP5) is functioning as an organic wholesaler in addition to own production activities.

When asked for their motivations to collaborate with Edeka, one micro-scale producer named the ‘outsourcing’ of selling as a motivating factor, allowing M2 more time for production.

In general, none of the producers included in the case study claimed to solely rely on Edeka for selling their product.

The two larger producers (LP1, LP5) named an additional outlet, because of the ability to sell larger margins, additional brand exposure and exposure to a wider market. However, it is not made clear by the questionnaires whether a wholesaler is involved in the interaction with Edeka, as both producers report that they sell directly to retailers and wholesalers. One branch manager mentioned bread from one producer being delivered directly as part of their route through the city of Hamburg (according to E3), where they supply several branches of different supermarket chains and individual shops (LP1 Website), which is part of the business model. Again, the word 'partner' or 'partnership' was not used for Edeka during interviews with members of this group.

When asked for their motivation to potentially sell via Edeka producers seem to split in two camps, with one producer mentioning a conflict within the community of Demeter certified farms (LP4). In the opinion of LP4, the reason that Edeka is opening up to Demeter certified products is because they see a growing demand and hope to catch some of the revenue, not because they want to support the concept. Other producers consciously chose to sell the share of their produce they could not sell through direct outlets via a special 'organic' wholesaler (e.g. LP3). LP3 based this decision on long standing personal relations with their wholesaler in addition to the wish to support the local economy, similar to M1, who build their business with the clear aim of 'localized', personal sale. Further, they named limited production margins as a reason, which would not meet Edeka's demand.

Nonetheless, except for the statements by LP4, LP3 and M1 most of the producers did not give a clear reasoning as to why they chose to not sell via Edeka. One producer, however, made a remark that it is more profitable to not sell via any kind of intermediary at all (LP2). This producer further mentions selling to a conventional wholesaler in rare cases, when an unusually large amount of produce has to be sold (LP2). In general, most producers, except the micro-scale ones, sell via a wholesaler as a secure outlet for large margins of produce, especially in harvest season (LP2).

5.2.3. Fair pricing

During the interviews, interviewees either discussed economic questions in general terms or declared themselves as not qualified to talk about pricing (e.g. LP2).

Questions about the importance of shared values with their producers were commonly answered by intermediaries as that a good personal relationship was preferable, but eventually economic concerns had to take precedence especially in regards to the customers demand for the product in question. All intermediaries (E2, E3, E1) stressed that they tend to have long standing relationships with their producers, as long as delivery and quality were reliable and the price reasonable.

One branch manager mentioned that it was important to them to be acquainted with the producer, and their openness to start ups and new products (E2).

On the producer side, only one gave an answer, stating that financial soundness remains the most important aspect in all their business relations (LP2). Most of the producer's relations were long lasting, with tradition, personal relations (LP3) and delivery conditions as important factors alongside the price. One producer, LP3, further expressed the opinion that farmers needed to organize in order to achieve sustainable price margins with retailers in general, feeling that individual farmers were often pressed into offering low prices to enter a business relationship with Germany's larger retailers and then had to maintain that low price in order to maintain the relationship.

5.2.4. Findings addressing more general obstacles for local food in the research area

In the interviews and questionnaires producers and retailers were asked where they perceived support was needed to open the market to more regional product. One retailer mentioned more technical know-how and access to the GTIN technology commonly used and demanded by the tax agency. Another demanded a clearer labeling system for customers. They also stressed that organic production certificates and the consumer health certificate (HHCCP) were too expensive for many producers despite keeping impeccable standards (E3). The same branch owner further mentioned that constant production margins and delivery were often a problem for smaller producers (E3). Another (E2) mentioned lack of agricultural land in the city as an inhibiting factor, as well as expressing a general concern towards the disadvantaged positions of farmers in the value chain.

One producer demanded reduction of taxes and loosening of legal requirements on employment while also calling for more climate conscious trade and consumption (LP5). Moreover, LP5 stated that 'slow growth with sufficient financial leeway' was necessary to grow a smaller business selling regional product. Fast growth and dependence on a few wholesalers are perceived as a risk. In this context M2 producer expressed a wish for more state support in regards to leasing land for their business. Many hobby-beekeepers had to pay (M2) while providing a service to agriculture and people.

M1 spoke of a need for more education towards the impact of food transport and for more conscious consumption. The regular customer base was perceived as not being representative of the average citizen (M1). This sentiment was echoed by another producer (LP4), who further mentioned the need for a stronger social media presence to keep pace with a demographic customer shift, something they 'had slept on for too long' but would need know-how and staff for (LP2). One of the mid-scale producers called for more organization and solidarity amongst producers to withstand price demands of the retail sector, as well as better advertising campaigns for local product, referencing how the 'Pink Lady' apple was world known in contrast to domestic varieties of equal taste and shorter food miles (LP3).

Here the need for skills and know-how was mentioned as well as most farmers would be busy with production and had little time to grow extensive marketing campaigns. This producer further expressed dismay on how farmers were perceived by the public and saw a greater flaw in agricultural practices in Germany in general, especially with animal husbandry (LP3).

When asked if state measures would help in this regard, none of the questioned had a concrete point of access to the problem.

On the retailer side, Edeka branch managers all voiced a general wish to offer more 'local' products, yet two mentioned the need to provide a certain set of 'standard' goods in their branches to meet patrons' expectations, which they felt limited the amount of space they could dedicate to 'local' products (E2, E1).

In summary, the interview data painted a diverse picture considering the sample size. For one, retailers had a specific set of requirements for potential local producers to meet. There is a gap between micro-scale and larger producers cooperating with Edeka, indicating that these criteria cannot be met by everyone. Economic considerations were found to play an important role on both sides of the collaboration, as well as for those producers not interacting with the intermediary. It further showed that all producers, independent of scale diversified their outlets and did maintain contact to their customers via some form of direct sale. All of these findings will now be analyzed in discussed in more detail in the subsequent section.

6. Discussion

In the following section, the findings of the interview data are evaluated first, to establish whether the collaboration with Edeka can be classified as a VBSC. This is done by applying the criteria adapted from Stevenson and Pirogs 'values-based supply chain' (VBSC) framework.

The outcome of the evaluation will then be discussed, with the aim to examine the validity of the research hypothesis that the collaboration with Edeka is only beneficial to a certain type of producer, due to institutional obstacles in municipality level administration. The section thereafter, discusses the common findings of the document analysis, brought into context with the interview data to better understand the presumed effects of institutional obstacles on retailer-producer interactions. Together the sections aim to find answers to the research questions: *What motivations/reasoning do small- and mid-scale producers have to choose to sell via supermarkets in sub-urban/peri-urban areas, as opposed to selling directly to consumers? What motivations/ reasoning do supermarket managers have when choosing producers to source 'local' products from? What lessons can be learned from the example of 'local' product sourcing in EDEKA branches in northern Hamburg?*; which leads to evaluating the research hypothesis and the implications of the case study findings. Lastly, the VBSC framework itself and an alternative analysis framework will be considered, with the conclusion drawn in the last chapter.

6.1. Discussing the interview results through the 'values-based supply chain' framework

6.1.1. Evaluation of interview results through VSBC criteria

Before applying the four criteria *transparency & communication of added value, trust & longevity, fair pricing, partnership* derived from Stevenson & Pirog's (2008:4) 'values-based supply chain framework' (VBSC) we must first make an evaluation based on the material, whether the relationship between the Edeka branches and their local suppliers really qualifies as VBSC.

Concerning *transparency & communication of added value*, all producers selling via Edeka printed product-differentiating information on their packaging, which is required by the branch managers for a successful relationship (E3, E2). One further reported more positive responses by consumers when the origin of a product or its 'locality' were clearly indicated, resulting in greater demand (E3). This leads me to conclude that Edeka branches profit from communicating these value adding product properties to their consumers and that producers can thereby retain some of their power in the relationship, as information placement successfully carries the product differentiating through Edeka to the customer.

Besides the two micro-scale producers, all others are certified mid- to large sale businesses, with a stable regular customer base and several outlets (see Table 2).

The larger producers who choose to sell via Edeka seem to see it as yet an additional outlet. They reportedly deliver their goods directly to the branches, which could factor out Edeka Nord as an additional intermediary from the value chain, although no concrete statement is confirming it.

All of the producers included in the study rely on at least two different outlets to market their produce, which ties in with Dubois (2018:8) findings, affirming that many producers build on several modes of market relations and interactions with their customers, which they establish over time. Mount (2012:114) suggests that direct contact between producers and consumers is maintained by producers in order to profit from this 'symbolic act' of divergence to the conventional food system, which customers participating in SFSC often distrust. By maintaining direct marketing channels, the trust they gain then extends to other outlets (ibid.). Taking into account that especially two of the three largest producers engage in box-schemes, have farm shops or are present on farmers market (LP1, LP2), which led to the conclusion that all these producers have built sufficient customer ties in the past upon which some are able to build on by selling via Edeka and capture the added value through brand recognition and packaging.

While Edeka ties successful relationships with producers to mainly economic and organizational reasons, such as reliable delivery, constant quality, price and customer demand for the product (E2, E1), individual brand owners also show goodwill towards individual producers in case of unforeseen events (E1) and hold mostly long-lasting relationships. Individual brand managers even showed an understanding of the institutional obstacles faced by smaller regional producers in general, such as food safety certificates and high certification prices (E3) or on a personal level (E2) indicating a personal trust relationship. This would meet some of the predetermined criteria for *trust and longevity*, such as leniency for mistakes but contradict trust beyond personal relations. One retailer (E3) mentioned the bureaucratic strain of separated accounting for direct producer, but did not specify on a contract or institutionalized base. No evidence was found that Edeka or the producers understood each other as strategic partners and were committed to the welfare of all value chain actors (Campbell & MacRay, 2013:560), nor were any reports of institutionalized quality control or information sharing available which would oppose the criteria for *trust* in the business relationship.

Critical producers claimed that Edeka is merely intending to capture some of the value created through increased customer demand for regional products (e.g. LP4). They pointed to a conflict in values between especially Demeter farming and Edeka's business practice with regards to this (LP4), which may affect the building of trust relationships negatively. This criticism is backed by the findings of Doernberg et al. (2016:10) who report a rise in conventional food chain actors demand for regional products, which they see as a 'personal highlight priority' to distinguish themselves from competitors.

Further, Vittersø et al. (2019:2) found that even in supply chains with shared values in regards to e.g. the importance of 'local' or production methods, economic considerations such as a steady supply and price concerns, can influence supply chains and take precedence in how trust relationships are built. Additionally, it is important to mention the impact of personal preference, values and marketing experience on farmers' outlet choice, which Brekken et al (2019:15) derived from VBSC participation. Therefore, *partnership* in this case may be present in individual cases but depends on personal relations of branch managers and local producers, indicating different levels of *trust* between these actors.

During the interviews and in questionnaires branch managers stressed how important delivery times and stable quantities were and showed little or case-dependent tolerance, awareness and support for the risks and uncertainties their producers faced. This gave the impression that producers were interchangeable in the eyes of branch managers. Based on this the researcher concludes that Edeka presents a 'piggyback' opportunity, as Bloom and Hinrichs (2010: 13) termed it, for local producers to gain more popularity among a wider range of customers, which would otherwise not come in contact with local products (Weatherell et al. 2003:241). The majority of participants are therefore not in a *partnership* nor *longevity*-oriented business relationship with their local producers.

Concerning *fair pricing* no evidence was found for backwards calculation from retail (Stevenson & Pirog, 2008), which is a method used to ensure fair pricing. When one takes the criticism LP4 voiced towards Edeka into account, it is impossible to indicate the extent to which fair pricing is practiced outside of a case-to-case basis. In the interview, micro-scale producer M2 gave the impression that the price offered by the branch manager was acceptable and fair when considering the 'outsourcing' of time and effort he had by selling via Edeka. However, it needs to be noted that this is a micro-scale producer, who considers his product not as his main occupation and that all retailers named a low buying price as a concern in business relations.

More detailed economic data would be beneficial to evaluate the aspect of fair pricing, as most participants were hesitant to discuss their pricing mechanisms at all during the interviews or gave only broad answers in questionnaires. However, none stated any explicit dissatisfaction with their relationship to Edeka, nor did they indicate such. Therefore, the researcher comes to the conclusion that producers consider the pricing overall as fair or justified for the benefits they gain from the collaboration.

In sum, this analysis indicates that the business relationship between Edeka branches and local producers, except for individual cases such as the beekeeper M1, are not wholly representative of VBSC and rather a partnership of convenience.

6.2. Contextualization and discussion of the findings from document analysis

This section is dedicated to discussing the two main findings of the document analysis, namely the issues of land access and lacking demand in organic agriculture, further to bring them into context with the interview data and discuss possible implications for the future role of the Organic City Network policies in Hamburg. Lastly an attempt is made at answering the research questions and hypothesis, followed by a discussion of the analysis framework.

6.2.1. Interaction with the retailer

The presence of multiple outlets for every producer included in this study elucidates that they can either choose Edeka as an addition, or forgo the outlet entirely without significant economic drawback. This indicated that selling via a conventional retailer is seen as a part of their outlet quiver and is further open to considerations of personal preference and values as LP4 stated. These conclusions can be in parts supported by the findings of Brekken et al. (2019:17). Brekken et al. conducted a study on the economic implications of VBSC participation on small and mid-scale farms in the United States and found that VBSC have a miniscule economic effect on the relative farm income (2019:17). Nevertheless, to interpret the results from the interviews, marketing costs and outlet diversification have to be taken into consideration. By comparing relative prices, costs and nonmonetary aspects of forms of direct sale, wholesale and VBSC schemes respectively, both Brekken et al. (2019: 9) and Hardesty and Leff's (2009: 32) find that direct sales have the highest revenue. However, they also come with the highest staff, certification and marketing cost and can process the smallest product volume (Hardesty & Leff, 2009:32). This is succeeded by VBSC schemes, where certification cost is similarly high. Revenue is unlikely to be higher than direct sales and do not have lower marketing costs (Brekken et al. 2019: 17). Nevertheless, some VBSC have shown an ability to offer price premiums for differentiated product and are able to process higher volumes compared to direct sales (ibid.).

In contrast, wholesale was found to have the lowest net returns with equal certification cost, but also the lowest marketing cost and lowest volume limit (ibid.). The authors therefore come to the conclusion that VBSC are an important diversification alternative for small to mid-scale farmers (ibid.), especially for those who do not meet the wholesalers' margin and product quality consistency standards. However, producers are able and sometimes even prone to change their interaction with the scheme as they evolve their business. From this, the authors concluded that participation in VBSC schemes is a transitional stage for most producers, particularly for those in the process of scaling up their businesses (Brekken et al. 2019:18). In this study however, it is not so much small-to mid-scale businesses scaling up, rather than the established, mid- to large businesses (Table 2) that use the collaboration as a transitional stage to reach more customers.

The assessment of wholesalers by Brekken et al. (2019:17) seem to not be representative of organic wholesalers, as LP2 reports to resort to conventional wholesalers accepting a lower price point in order to be able to sell large amounts of produce in peak harvest.

Here it is important to acknowledge the limitations of VBSC schemes from a producer perspective. As mentioned above, VBSC often have a maximal margin, meaning they can only sell a certain amount of a producer's product, often limited by customer demand, perishability and storage capacity of the retailer (Brekken et al. 2019:17). These are all aspects E3 mentioned to be restraining factors to the product volume and therefore the size of the producer the branch sources from. Remarkably, especially smaller commercial farms participate in VBSC in order to access larger markets (ibid.) but they then have been found to eventually be limited by the product volume of the respective scheme. While this study lacks sufficient comparable economic data, it indicates the possibility that aside from those producers selling via Edeka for reasons of increased exposure (LP5) or micro producers saving themselves the higher labor and marketing costs of direct sales, there is little economic benefit to selling via this retailer. This would make a retailer very much a transitional option for those companies in the study who want to grow their customer base. As LP5 stated in their survey, they are satisfied with their current customer base, although they agree that more is always better, which introduces the aspect of sufficient demand into the discussion.

6.2.2. Demand problem

Concerning those who chose to forgo the outlet via a retailer, one possible reason is that most producers exceed the volume they can sell via Edeka and then save the logistical expense the branches demand from them. This way they are able to focus on either more profitable or less logistically intensive outlets instead. Another reason why most small-scale producer diversifies their outlets is to minimize the impact of price fluctuation, according to findings by Hardesty and Leff (2009:33). Notably diverting to this observation, some of the producers interviewed in this study consider selling via conventional wholesalers as necessary to process larger amounts of produce (e.g. LP2) and therefore accepting lower revenue.

However, specific organic-wholesalers are chosen in the majority of cases, indicating a better revenue level when compared with conventional wholesalers. The action of LP2 also implies constraints in processing ability from sides of the organic wholesalers, when it comes to high product volumes. One primary producer even chose to act as an organic-wholesaler itself in order to handle margins more effectively and have higher levels of control over its revenue (LP5). This wholesaler and producer stated that the cooperation with Edeka is a convenient way of gaining more exposure and advertise. Brekken et al. (2019:17) theorize that the extent and turnover of VBSC schemes has to grow with their participants, in the sense that they have to grow the customer base they can sell to.

Further findings from the document analysis indicate a significant degree of uncertainty in demand of organic products, even though the interviews give no tangible evidence to confirm this, other than the aforementioned statement by LP2.

LP2 claimed that in cases of larger amounts of products they resort to selling via a conventional wholesaler as a last measure. According to LP4, there is a limited number of organic wholesalers in northern Germany.

This would support the notion that, at times, the demand in the organic market is insufficient for VSBC schemes to grow and provide sufficient price premiums for its producers as the results of the document analysis emphasize further (Zeit Online, 2019, VerbraucherInnenbündnis BioStadt Hamburg, 2018).

In contrast, in their Policy Plan (Hamburger Öko-Aktionsplan 2020), published February 2017, Hamburg's Senate cited a steadily increasing consumer demand for organic product (hamburg.de, 2017:4) as market observers detected the likewise rising distrust for conventionally grown food and consequent trend towards more organic and regional food (ibid.). The demand on consumer side for local food seems to grow, however as both Weatherell et al. (2003:241) and Gorton et al. (2014:6) report in their respective studies customer in urban settings often expect to find local or specialty produce in their normal retail outlets, applying a 'one store for everything' logic. Thus, it can be argued that selling via Edeka is an attempt to access a 'new demand' outlet, though, as argued above, there is no evidence that any of the included producers are economically depended on the collaboration for various reasons and rather have to rely on preexisting customer ties created in other outlets to achieve brand recognition (Dubois, 2018: 8). Furthermore, collaborating with Edeka is not accessible for all and not suitable for all times, thus sufficient demand may look different from producer to producer, depending e.g. on scale and produce and their resulting ability to meet the company's requirements.

As highlighted before, the VerbraucherInnenbündnis Bio-Stadt (2018:4) indicates in their dialogue-paper that the retail sector alone is insufficient and demands a coordinated effort to prevent a decrease in prices due to surplus supply, effectively damaging existing structures. Supporting these conclusions, Brenes-Munoz, Lakner and Brümmer (2016:10) argue that the degree of uncertainty that organic farmers experience in regards to not only the flow of subsidies and stability of agricultural policies, but also to the price volatility and future demand, can negatively affect their willingness to make critical investments crucial to farm growth.

These conflicting assessments of demand realities are explained differently by producers, producer representatives and the city senate. Both retailers (E3) and producers (L5) remarked on the accessibility of organic and food safety certification, as well as a 'financial leeway' (L5) as inhibiting factors farm growth. As mentioned in the previous section discussing interview data, Brekken et al. (2019) found these two aspects to be vital for producer's resilience towards price fluctuations and for encountering uncertainty.

According to the ‘Hamburger Öko-Aktionsplan 2020’ the policy makers locate the problem less in pricing than the fact that processors, handlers, importers, gastronomy, storage and retailers along the supply chain of organic produce have to be certified and this number of actors has more than doubled between 2006 and 2015 from 257 to 579 companies (hamburg.de, 2017: 7). Here, the number of intermediaries, as mentioned above, has risen in stark contrast to the number of producers procuring organic certification (ibid). All of these certifications are done by private companies, which in turn are licensed and controlled by the BUKEA (Behörde für Umwelt, Klima, Energie und Agrarwirtschaft). It is difficult to assess how much sway on certification prices the BUKEA has.

In addition, Hamburg hosts Germany’s largest harbor, with a nation’s highest number of import companies for organic produce located in the city, however the paper does not specify how this impacts the local organic food sector, other than noting the discrepancy between production and market development visible in certification numbers (hamburg.de, 2017: 7). Moreover, the chairman of hamburg.bio e.V. (Zeit Online, 2019:2) stressed the competition from other European organic producers, which may be able to undercut domestic prices and ‘stripping many producers of their outlet’. It seems that despite increased demand by customers and a growing number of organically certified handlers, processors, gastronomy, retailers and other chain actors, said growing demand for especially organic produce in Germany is covered by imports instead of domestic or local product (Bundesumweltamt in hamburg.de, 2017: 5). Hamburg.bio e.V. (2019b) tie this to the lower price point of imports, local producers cannot compete with.

When asked for changes they perceived as necessary to improve local food chains many of the interviewed producers called for education about local food among the population (M1, LP2) and better advertisement campaigns (LP3) to raise demand and make local product competitive in a globalized organic food market. In addition, the overall positive response to the announcement to create an additional outlet for organic producers found in the document analysis supports the argument for more and stable selling opportunities. The city has been criticized for its lack of decisive political action to create a price mechanism, as well as stable demand for producers (Hamburg.bio e.V., 2020). A senate publication, on which the Organic City Agenda is based, indicates, that the city plans to at least partially tackle the issue of stable demand by tendering contracts and hopes the increased exposure of citizens during events and in cantinas will contribute positively to education on local food (Bürgerschaft der Freien und Hansestadt Hamburg, 2016:3).

Despite the 2019 published guidelines on sustainable public procurement (Umweltleitfaden), intended to support schools and cantinas in their efforts to choose caterers offering local organic food, little tangible progress has been made, so producer representatives (Hamburg.bio e.V., 2019b). Among other things, they criticize the lack of a tangible target past the 10% organic sourcing in tendering for public authorities (Umweltleitfaden 2019, 2019: 96; Hamburg.bio.e.V., 2019b), insufficient financial support and control mechanisms (ibid.).

Further, the efforts to avoid a violation of EU-discrimination legislation of prioritizing seasonality over the banned regionality criteria is partially appreciated by producer representatives of Hamburg.bio.e.V., despite its vague phrasing (Hamburg.bio. e.V., 2019c). This also supports the argument that cheaper EU-import is often more attractive to customers than local food and thus poses the question to what degree customers can pay the price premium of local food and how many customers. A similar problem faces the Organic City Agenda. As with all state sourcing, the tendering contract is open for competition and given to the cheapest offer, despite a system in place to prioritize the highest organic and seasonal offer (Umweltleitfaden 2019, 2019:96), which is then hampered by limited financial support for inevitably rising purchasing costs (Umweltleitfaden 2019, 2019:9) as Hamburg.bio.e.V. (2019b) criticize.

These points of critique lead me to conclude that the Organic City Agenda will be an opportunity for mid- to large scale organic producers who can cut prices by bulk provisioning, rather than affording smaller producers the stability to grow. Hamburg.bio. e.V. (2019b) proposes to tackle the aforementioned problem by issuing lot-sizes on public tendering invitations large enough to allow smaller regional producers to participate, coupled with sufficient financial support for public agencies to grow the percentage of organic food long term to a hundred percent and consultation and education offers to navigate the vague 'seasonality' guideline. A 'regionality' label is also considered from both Hamburg.bio.e.V. (2019b), producers (especially LP3) and retailers (E3, E1). However, it remains to be seen if the concept passes EU- competition legislation once it is in practice.

6.2.3. Land access

Vittersø et al. (2019:4) found that accessing conventional supply chains is generally more difficult for small-scale farmers. However, the gap between micro- scale, hobby-producers and small-scale commercial producers observed in this study indicates that there may be several factors affecting availability than just market access, which introduces the second main finding of the document analysis, a limited access to land.

Between 2006 and 2015, the number of organic producers grew from 30 to 40 (hamburg.de, 2017: 7). Especially the vegetable producers remain small, family run highly specialized businesses with long established ties to buyers (ibid.). Nine of 105 vegetable growers in Hamburg produce organically, out of which two managed to grow extensive retail networks (ibid.). Both the Hamburger Öko –Aktionsplan 2020 (hamburg.de, 2017:12) and the Argrarpolitisches Konzept 2025 (Bürgerschaft der Freien und Hansestadt Hamburg, 2019:13, 21) discuss measures to incentivize and support conventional farmers to transition to organic agriculture, effectively increasing the acreage through transition not individual farm growth. The Senate reasons that due to Hamburg's position as a city-state, agricultural land is limited (hamburg.de, 2017:8), however farm acreage increase developed differently, the often small,

family-owned vegetable farm's acreage stagnated while especially apple farms grew (Bürgerschaft der Freien und Hansestadt Hamburg, 2019: 11; hamburg.de, 2017:9).

This lack of agricultural land or the re-clustering of agricultural land as compensation areas for construction has been criticized by spokespeople of interest groups and NGOs in interviews and press statements (VerbraucherInnenbündnis Bio-Stadt Hamburg, 2018; Zeit Online, 2019). Hamburg is however, not alone with this problem. In their study on community supported agriculture for regional food supply for Berlin, Doernberg et al (2016:12) mention access to land and a continuous rise of land rents as a limiting factor for both organic and conventional retail. This dynamic, according to the authors, applies to the whole of Germany (ibid).

Land access is further important for competitiveness, but shows a misbalance. Brenes-Munoz, Lakner & Brümmer (2016:12) stress the impact of insufficient land availability and leasing prices on especially small farms ability to grow and increase production and thus lower production cost, when compared with larger farms. Large farms were found to increase their farm size more frequently, have the necessary capital for land conversion and extra labor which small farms often have more difficulties accessing (ibid.). Doernberg et al. (2016:13) report of several civil societies (e.g. Bio Boden Genossenschaft, 2020; Wezel et al. 2018:11) engaging in the debate over completion in farmland acquisition, to the point where agricultural land is acquired for small-scale producers.

Hamburg sources a sizable amount of its food supply from counties of bordering federal states Lower Saxony and Schleswig-Holstein (Joseph, Peters & Friedrich, 2019:6) where Hamburg's policy makers have limited influence. Nevertheless, in the Agrarpolitisches Konzept 2025, the Senate, currently holding the majority of the city's land, intends a set of measures, which would give organic farms precedence when land is re-leased (Bürgerschaft der Freien und Hansestadt Hamburg 2019:35) and further mentions cooperations with the bordering federal states to support farmers. Lastly, it is arguable if the transition of more conventional farmers into agriculture would only increase the competition on organic farmers, unless the demand grows to absorb this additional pressure and allow local organic farmers the price premium that makes their businesses economically feasible. As the Senate acknowledges in the Hamburger Öko-Aktionsplan (hamburg.de, 2017: 10) organic farming has a better economic standing in Germany than conventional farming at the moment. However, this sector does not grow with its demand. It is not unlikely that without better competitiveness with EU imports especially small-scale farms will be unable to compete for either the public tendering or market outlets and cease to exist.

One way of strengthening these farms could be to make land access easier, so they can lower production costs, as Brenes-Munoz, Lakner & Brümmer (2016:12) showcased. Nevertheless, Hamburg cannot allot agricultural land endlessly; therefore, other measures have to be considered.

Aside from access to land, Brenes-Munoz, Lakner and Brümmer (ibid.) found that subsidies and therefore political support for organic agriculture has a significant impact on farm growth. The authors further report a relation between output increase and average production cost decrease, as well as a significant positive impact of capital, labor, intensity of livestock production and soil quality on revenue growth of organic farms (ibid.).

All of these factors are particularly important for farms that cannot increase their acreage significantly, as they can increase their revenues through said factors (ibid.). This is confirmed by Tiedemann and Latacz-Lohmann (2013:19), who highlight the positive relation of soil quality and training of farm management to farm efficiency, while also stating that increased farm area had opposite impact.

Therefore, increasing output and decreasing production costs by making capital for e.g. certifications, technology, training and often expensive labor more accessible might be a good strategy. This could support organic agriculture in the region without interacting with the already competitive land market around the growing city and the Agrarpolitisches Konzept 2025 lists several research projects and investment schemes, including subsidies for organic certification (Bürgerschaft der Freien und Hansestadt Hamburg 2019: 30, 31, 33-36). Lower production costs could also lower retail prices mid- to long term and should therefore be in the interest of the city, as it would make regional sourcing for public catering less expensive. For regional organic agriculture to prosper long-term, financial incentives to mitigate production risks are vital. Access to capital offers farmers a higher chance to continuously meet certification standards and thus receive price premiums, so Siepmann and Nicholas (2018:9, 11) which contributes to their ability to mitigate risks, buffer price fluctuations and grow sustainably.

While especially the Agrarpolitisches Konzept 2025 (Bürgerschaft der Freien und Hansestadt Hamburg, 2019:28) acknowledges the necessity of making certification accessible and implements financial support for small-scale producers specifically, as well as to invest in income diversification, creation of new outlets and scientific consulting, it also acknowledges the necessity to coordinate the efforts of the Organic-City Network agenda to achieve a more strategic, know-how driven supply of needs. This coordinated effort is a central demand by producer and consumer representatives, along with more investment in rural structures (Hamburg.bio.e.V., 2019c; VerbraucherInnenbündnis Bio-Stadt, 2018:4). The proposed policies are, in many cases, already in place but not always effective. Past reports show limited advances with regards to economic development projects in rural areas, which got defunded by 2020 (Bürgerschaft der Freien und Hansestadt Hamburg, 2019:30-31), but more progress with certification subsidies and consultation (Bürgerschaft der Freien und Hansestadt Hamburg, 2019:40).

Lastly, the impact of the Covid-19 pandemic on international supply chains has been noted in Germany and certainly in harbor city Hamburg. It shone a light on the importance of short food supply chains and local agriculture, both in terms of food availability and price point,

as e.g. asparagus harvests got delayed over travel restrictions on seasonal workers (tagesschau.de, 25.03.2020; Jörges for Zeit.de, 22.03.2020).

One example of a perspective change in politics is a speech in May 2020 by green party member Renate Künast to the German parliament, demanding a more localized orientation of German agriculture (gruene-bundestag.de, 28.05.2020).

How much of this perspective change will be put into state level policy remains to be seen, though it can be argued that the pandemic gave producers something new and pressing to negotiate with. The fieldwork for this study ended before these effects could be included in the interviews, thus further research is needed to assess the effects on Edeka or the producers in this case study.

To summarize this section, the conclusions drawn from the findings so far indicate that the research hypothesis ‘Selling via a retailer is only advantageous for a specific type of producer’ was correct in respect to those producers, who already have an established variety of outlets and choose it as a way to gain new and more customers. Others either see little advantage in the cooperation in comparison to their existing outlets, or their personal preferences and values make Edeka an unfavorable business partner. Notable among the cooperating producers in this case study, despite its small sample size, is the absence of ‘small-scale’ producers. While micro and mid- to large-scale producers do cooperate, the ‘middle’ is not represented here. Both interviews and document analysis, as well as existing literature locate the limiting factors to a certain degree in the institutional realm, namely access to state held certification, land and financial support for technology (Feenstra & Hardesty, 2016:11, Hardesty et al., 2014:22). Hamburg’s latest two agricultural policy publications (Hamburger Öko-Aktionsplan 2020, Agrarpolitisches Konzept 2025) list several measures to support local agriculture, financially e.g. with certification and loans, advisory boards and expertise consulting, through research projects and land lease schemes favoring organic agriculture. At the same time both reports acknowledge a disproportionate growth of larger agricultural businesses, while especially smaller, family led enterprises stagnate or cease to exist, due to limited competitiveness and a demographic change among farmers, who struggle to find successors (Bürgerschaft der Freien und Hansestadt Hamburg, 2019:10). The attempt to create more demand for local food through public tendering and catering, as well as indirect customer education via public event catering and in schools, is unlikely to have much effect on these small businesses, unless the Organic-City Network Agenda is adapted suitably. All public tendering is held to source at the lowest price, thus creating price competition among contenders. Small businesses would either have to be included by suitably sized tendering invitations (see Hamburg bio.e.V., 2019b), but are likely to profit more from measures to raise their competitiveness, such as access to processing sides, technology, more land and income diversification. Hamburg remains monopoly holder on the latter and while many of the problems and concerns small scale producers voiced are recognized, the future will show if the policies drawn up in the Agrarpolitisches Konzept 2025 are specific enough to have impact.

6.3. Answering the research questions

The case study indicates that selling via a retailer has its advantages and disadvantages for the producers included and there is no 'one-fits' all approach. On average, economic decisions were juxtaposed with a conflict of values for others, however, the decisions were often based on pre-existing ties with customer, farm size and production or certification standards. Concluding the discussion section is the attempt to answer the initially posed research questions, headlining the respective paragraph.

“What motivations/reasoning do small- and mid-scale producers have to choose to sell via supermarkets in sub-urban/peri-urban areas, as opposed to selling directly to consumers?”

Supermarkets seem to serve as an additional outlet creating income and exposure to more customers in an array of outlets for the larger producers.

The level of cooperation varies depending on how the business relation is set up. As mentioned above, producers are not opposed to selling via a retailer, but notably none of the ones included here sells a majority of their produce via Edeka, neither directly nor via Edeka Nord. Those who choose not to sell via Edeka state a lack of matching values and seem to have found other outlets which share said values and are sufficient in revenue. Having different values seems to be a limiting factor.

What motivations/ reasoning do supermarket managers have when choosing producers to source regional products from?

From Edeka's perspective, the appeal of regional product is created through customer demand since the branches mainly sell to regular customers and the branches have experienced a shift in demanded product. All interviewed branches offer several products, which they source directly from a producer. Commonly stated requirements to the producer in question are reliable delivery, a certain product margin, pre-packaged goods and constant quality for a 'reasonable' purchase price. Interviewees have reported a positive customer response to displaying the precise origin of a product, e.g. the farm next to the product. Nevertheless, it is arguable that to a certain extent, the branch manager by their comparative freedom can, and do, include regional product in accordance to availability and personal relations and motivation.

What lessons can be learned from the example of regional product sourcing in EDEKA branches in northern Hamburg?

In some cases, and for some products, and especially for beekeepers, Edeka is a useful partner. Other producers see a great marketing opportunity as well as a chance to access a wider customer base in their collaboration with Edeka, however, not all producers agree here

and criticize the decision to open up to the chain. The case study gives insight into possible hurdles for smaller producers, namely the high prices for ‘organic’ production and consumer health certificates, barcode technology, product margins, delivery and packaging infrastructure.

These factors hinder especially many small businesses to meet Edeka’s requirements, according to E3. Consequentially they do not qualify for a potential cooperation with Edeka branches. However, this knowledge opens up potential strategies to consider for policy makers to improve small businesses chances by for example supplementing certification for organic product for producers below a certain product turnover. Overall, strategies to mitigate producers’ economic risk, training and access to capital seem to be the most effective policy instruments to consider (Brenes-Munoz, Lakner and Brümmer, 2016:12; Tiedemann & Latacz-Lohmann, 2013:19), which, other than increasing land access, do not rely on expanding past the city’s borders. While most of these measures have been taken by the city administration in an effort to raise the competitive edge of especially organic regional production (hamburg.de, 2017; *Bürgerschaft der Freien und Hansestadt Hamburg*, 2019)), not all seem to have been beneficial for all scales of farms, as indicated by the interview data. Future research could provide clarification if the policy adaptations between the Öko-Aktionsplan 2020 and the Agrarpolitisches Konzept 2025 had the desired effect, for example by investigating if the currently missing ‘mid-sized’ local producers can be found in Edeka’s branches.

6.4. Discussion of framework and alternative approaches

The VBSC framework, while developed from conventional value chain analysis (VCA) theory to assess value chains in alternative food networks, has been criticized for its disregard for entry barriers, e.g. necessary infrastructure and economies of scale (Hardesty et al., 2014:22, Feenstra & Hardesty, 2016:11). However, the approach served the aim of the study, to understand the reasoning of both local producers and branch managers for cooperating with each other, what barriers of entry local producers faced and if Edeka could provide them with access to a wider audience without producers trading in the distinctive locality value of their produce. In combination with interviews and document analysis, it rather identified barriers of entry to the analyzed food retailer specifically (delivery margins, price points, certification), and in the case study context more generally (certification prices, land access, infrastructure). Further, it provided the necessary and more importantly adaptable tools to ‘hybrid’ networks (Forssell & Lankoski, 2015:72) as the findings show evidence of conventional and alternative logic on both sides, such as the desire for more market exposure (LP1, LP5), outsourcing of time intensive selling (M1) or awareness and concern for producers concerns (E1, E2, E3) though on a more personal level. LP4’s description of a divide between Demeter certified producers to cooperate with Edeka or not, pointed towards the importance of participants’ values, goals and logic for economic decision making in ‘hybrid’ alternative food networks (ibid.), especially in regards to a producer’s agency.

One interesting alternative approach to analyze especially the decision-making and agency of small-scale producers aiming to expand in a 'hybrid' food system is Theory of Planned Behavior (TPB) (Aggestam, Fleiß & Posch, 2017).

The authors pioneered the approach as an analysis tool for the attitude towards expansion of small-scale farmers in rural Sweden (2017:65). The TPB theory had previously been applied to farmers to assess e.g. their intention and behavior towards organic farming, and has been shown useful by Aggestam, Fleiß and Posch (2017:66,70) to study farmers individual assessments of potential pressures, their capacity and confidence to scale up their businesses in rural Sweden (which includes the possible impacts of lacking infrastructure, investment and other common hindrances to short food supply chain expansion). However, this framework falls short when it comes to anticipating impulsive behavior or recognizing factors beyond an individual's control, which may stop an individual to act upon an intention, according to Ajzen, 2011; Kor & Mulligan, 2011 (in Aggestam, Fleiß & Posch, 2017: 66).

TPB's focus on individual behavior prediction would most likely not have been sufficient to explain actors reasoning in as much breadth as VBSC theory, which has a more network oriented, less isolated view on food chain actors in interaction with each other, while not losing sight of individual aspects such as an actor's values and logic. In addition, the limited use of the TPB framework past its hitero environmental focus gives very limited literature to cross reference findings with.

Furthermore, as Berti and Mulligan (2016) show in their comprehensive literature review on the competitiveness of small and family farms in regional and local agri-food schemes, the Values Based Supply Chain theory is base to an expanding body of economic literature on 'organizational strategy aiming at re-territorializing the agri-food systems'. To the best knowledge of this researcher, there is no alternative framework, which would give a similarly tested and differentiated view on alternative and conventional food actors' interaction with each other and which would not in some form be based on VBSC theory. Producers, such as e.g. LP2 and LP5 gave just as much economically motivated reasoning to their decision making as the branch managers, thus supporting the choice of an economy-based analysis framework as warranted one.

Lastly, the findings in this study show that producers have expanded their businesses and networks before entering into cooperation with a retailer. None who are in the cooperation solely rely on this outlet for the survival of their business and that producers can build networks without relying on a large conventional retailer, such as Edeka. Further, Berti and Mulligan (2016:21) highlight that, especially in this digital era, food hubs and other alternative food network applying values-based supply chain theory have started to bridge the infrastructure or investment gaps for which conventional retail was so far the main support.

In addition, governments, such as the City of Hamburg, have become aware and active to support small-scale producers (see Bürgerschaft der Freien und Hansestadt Hmaburg, 2019),

who have become increasingly vocal about their wish for a change in the agri-food system (Nowack & Hoffmann, 2019). What remains is the issue of food justice.

In this case study, producer representatives stressed the higher, for many parents unattainable price point of local organic food in Hamburg's school catering concept.

The VBSC theory is supply driven and has yet to find a way how lower income consumers can participate. This issue is especially relevant considering the impacts Covid-19 induced lockdowns could have on food chains and incomes in the future.

7. Conclusion

This case study employed a qualitative mixed methods research design of document analysis and semi-structured interviews to investigate the role and potential of national supermarket chains Edeka in Short Food Supply Chain (SFSC) schemes in suburban northern Hamburg, Germany. By analyzing a total of six interviews and four questionnaires with an adaptation of the criteria for successful business relationships from SFSC and Stevenson & Pirogs 'values-based supply chain' framework, the study found that those local producers selling via Edeka mostly did so as an additional outlet for their produce and to gain more customer exposure or 'free advertisement'. They were either large and well established enough to transfer customer recognition gained in other areas to this new outlet, or as micro-producers small enough to profit from outsourcing the labor cost of selling directly to the retailer. None of the included producers were dependent on these collaborations for their businesses survival and all had a minimum of two outlet forms.

This supports the research hypothesis that only a certain type of producer in a SFSC scheme would profit from this cooperation. The study further found an absence of small-scale producers, which can be linked back to institutional obstacles such as high land prices, high prices for third-person certification for products (often organic production label) or for food safety standards, all presenting a hindrance to expand small-scale agricultural businesses and increase their competitive ability. Retailer-cooperation cannot provide a solution here. Most producers also addressed issues that are connected to wider agricultural policies, not just specifically to local food supply chains, such as a wish for more education and respect for farmers amongst customers, steadier demand, protective taxes against non-EU competitors or more support for advertisement campaigns. Overall, these findings concurred with the literature on both obstacles to small-scale producers expansion in SFSC schemes and criticism towards German agricultural policy in general, contributing to the limited literature for the context.

Many of the points of criticism found in this study have been recognized and adopted into agricultural policy since Hamburg's membership in the Organic City Network in 2016 (see hamburg.de, 2017; Bürgerschaft der Freien und Hansestadt Hamburg, 2019). However, the

2020 report Hamburger Öko-Aktionsplan shows different impacts in different sectors. Considering the recent, Covid-19 induced calls for shorter food supply chains in addition to farmer protest earlier in 2020, it remains to be seen if the projected agricultural policy measures, including public tendering contracts, will improve the situation of regional food schemes and small-scale farmers.

Another take away point of this case study is that local producers seek opportunities to grow their business and reach more customers independently, but face different challenges depending on their scale. VBSC has been criticized to have limited regard for outside factors such as accessibility of processing sides (Feenstra & Hardesty, 2016:11, Hardesty et al., 2014:22) and has furthermore explicitly been developed for US agricultural mid-scale producers (Stevenson & Pirog, 2008:120). However, its key aspects are a flexible and accessible method to evaluate ‘alternative’ food actors’ interactions with, and their ability to conserve their power through product differentiation in a ‘hybrid’ food chain. In combination with a qualitative methodology aware of this criticism, e.g., interviews or the aforementioned Theory of Planned Behavior (TPB) approach (Aggestam, Fleiß & Posch, 2017), VBSC theory could yield valuable, detailed insights into what can be done to raise small-scale producers’ resilience and ability to compete with focus on business relationships and sensitivity to scale and surrounding (infra)structures of the food scheme in question.

Lastly, considering the calls for customer education and the impacts of Covid-19 on (food) supply chains, more research into the economical accessibility of local food with its ‘price premium’ for a wide range of customers (see e.g. Vittersø et al, 2019) could support a sustainable transitioning of food systems. While VBSC theory aims to ensure a fair wage for producers, it does not yet have a solution for costumers’ limited ability to pay price premiums. In this case study, the document analysis shows concerns by Hamburg’s producer representatives over the economic feasibility of the local, organic school catering without state price subsidies. Likewise, the interviews in this case study indicate that local food is demanded by supermarket customers and that the communication of value adding properties, such as geographical proximity and production mode, is appreciated by these customers. However, the price of a local product is considered an important criterion for collaboration. Thus, the ability of customers to pay the price premium of local food may be an inhibiting factor to overall SFSC growth and should be considered in further studies.

8. References

Figures:

Figure 1: Google Maps, 2020a. *Germany, Hamburg highlighted, Volksdorf indicated with red beacon.* [Map]. Copyright: GoogleMaps, Map Data © 2020 GeoBasis-DE/BKG (© 2009). Available at:

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Figure 2:

Google Maps, 2020b, *Hamburg North – Volksdorf highlighted.* [Map]. Copyright: GoogleMaps, Map Data © 2020 GeoBasis-DE/BKG (© 2009). Available at:

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9. Appendix

Appendix A: Interview Guide for Producers

Introduction:

Please describe your business and your role in it. Is it your full-time job?

What product do you produce mainly?

Is your business officially certified? If yes, what certification(s) do you carry?

How many employees does your business have?

How would you describe your average customer? Do you have more 'regulars' or a changing customer base? Do you perceive any impact on your business caused by demographic change?

To clarify the meaning of 'local' and 'local' as a sales argument:

What does the term 'local' or 'regional' mean to you?

If you were to assign a distance (in km) to each term, what would it be?

Do you think your costumers appreciate 'local' produce? Has demand for 'local' produce changed in your experience?

How important is 'local' as a sales argument to your business? e.g. more important than organic certification? What other unique selling point(s) is there to your produce?

How do you advertise your produce? (e.g. Announcement, YouTube, Website, flyer?)

Do you think your costumer base is sufficient? If not, how do you plan to increase it?

Sales channels:

Which product do you sell the most? Through which channels? (e.g. Farm shop, box scheme, farmers market)

Which of your channels do you prefer and why? (e.g. higher revenue, long standing relations to costumers/ retailers?)

Do you sell produce via a wholesaler?

If yes: Do you sell regularly? What motived you to do so? Why did you choose the wholesaler you are selling to?

If no: What made you forego a wholesaler?

Do you sell via a conventional retailer, such as supermarket chain Edeka? Would you consider doing so? (Please state your reasoning.)

Which risks do you associate with selling via a retailer? What advantages do you associate with selling via a retailer? Do you have set prices and deliveries? Please describe the relation.

Do you cooperate with other producers in the region? What motivated you to do so/ not to do so?

Do you consider shared values an important part of a business relationship? (e.g. a long standing business relation receives your produce offer first?)

What institutional conditions do you perceive as hindering to your business? Did you face institutional obstacles in the past and how did you surpass them?

In which areas would you like to have more leeway or more support through the state or municipality? (e.g. bureaucracy, certification, health certificates)

In your opinion, how difficult is it to expand a small business selling local produce today?

If you were to expand your business, which opportunities and risks do you perceive tot hat plan?

Do you have any other ideas to strengthen the local food network and let more people participate in ‚local‘ food? (e.g. Social Media presence, different/more advertisement, state support? (Where and how?)

Would you like to comment on something that has not been touched upon yet?

Wrap up and check for accuracy.

Appendix B: Example questionnaire for Producers (Example was adapted to a specific producer, to be sent via e-mail upon producer’s request)

Questionnaire Bakery

Please describe your business and your role in it. Is it your full-time job?

What product do you produce mainly?

Is your business officially certified? If yes, what certification(s) do you carry?

How many employees does your business have?

How would you describe your average customer? Do you have more ‚regulars‘ or a changing customer base? Do you perceive any impact on your business caused by demographic change?

Do you think costumers appreciate ‚local‘ produce? Did you notice a change in demand for ‚local‘ produce?

Is ‚local‘ an important sales argument for your business? Is it more important than e.g. ‚organic‘ certifications?

How do you advertise your produce? (e.g. Announcement, YouTube, Website, flyer?)

Do you think your costumer base is sufficient? If not, how do you plan to increase it?

There is a map of your outlets on your website. In what proximity (km) to your bakery does ‚local‘ or ‚regional‘ start/ end?

Would you increase this proximity to reach more customers, even if that would no longer meet your idea of ‚local‘?

According to your website, you sell via the farm shop, a delivery service, in several organic grocery stores and retailers, amongst them Edeka and Rewe.

Which of these channels do you prefer and why?

How did this business relation start? Who reached out first? Do you sell to separate branches or Edeka Nord?

What motivated you to collaborate with Edeka? What would motivate you to end the business relation?

Do you sell produce via a wholesaler?

Which risks and advantages do you associate with selling via a retailer?

Do you consider shared values an important part of a business relationship? (e.g. a long standing business relation receives your produce offer first?)

What institutional conditions do you perceive as hindering to your business? Did you face institutional obstacles in the past and how did you surpass them?

In which areas would you like to have more leeway or more support through the state or municipality? (e.g. bureaucracy, certification, health certificates)

In your opinion, how difficult is it to expand a small business selling local produce today?

If you were to expand your business, which opportunities and risks do you perceive tot hat plan?

Do you have any other ideas to strengthen the local food network and let more people participate in ‚local‘ food? (e.g. Social Media presence, different/more advertisement, state support? (Where and how?)

Would you like to comment on something that has not been touched upon yet?

Wrap up and check for accuracy.

Appendix C: Interview Guide Retailers

Introduction:

Please describe your branch and your role in it.

How would you describe your average customer? (e.g. age, gender etc.)

How popular is ,local' product? How important is it to you to inform customers about the production methods, standards and origin of a (local) product?

Do you carry product by the ,Unsere Heimat' label in your store?

To clarify the meaning of ,local' and ,local' as a sales argument:

What does the term ,local' or ,regional' mean to you?

If you were to assign a distance (in km) to each term, what would it be?

To focus on the ,local' product you do not source via Edeka Nord: Where do you source your ,local' product? Do you source directly?

Relationship to producer:

How did your relationship to these ,local' producers develop? Do you search for them or do they approach you? Of the first: What criteria do you have when you look for a producer?

(e.g. proximity, delivery, price, certifications?)

What are the ,minimal' criteria that have to be met for a successful business relationship?

(e.g. minimum product margin, quality, price?)

How do you establish a price with a producer?

What factors let you source product NOT ,local' or from the region? (e.g. not in season, price concerns, quality of product)

How important are shared values with your producer for the business relationship, in regards to e.g. production standards, sustainability? Please name which values you think are most important in your business relationships.

Do you have a personal relationship with your local producer? How important is a good personal relationship to your producer? (e.g. would you buy the more expensive local product, because of a good relationship with the producer?)

What is, in your opinion currently the biggest obstacle to sourcing more products from local sources?

Where do you think state intervention or support would be necessary? How would that ideally look like?

Wrap up and check for accuracy.