



AgEcon SEARCH
RESEARCH IN AGRICULTURAL & APPLIED ECONOMICS

The World's Largest Open Access Agricultural & Applied Economics Digital Library

This document is discoverable and free to researchers across the globe due to the work of AgEcon Search.

Help ensure our sustainability.

Give to AgEcon Search

AgEcon Search

<http://ageconsearch.umn.edu>

aesearch@umn.edu

*Papers downloaded from **AgEcon Search** may be used for non-commercial purposes and personal study only. No other use, including posting to another Internet site, is permitted without permission from the copyright owner (not AgEcon Search), or as allowed under the provisions of Fair Use, U.S. Copyright Act, Title 17 U.S.C.*

No endorsement of AgEcon Search or its fundraising activities by the author(s) of the following work or their employer(s) is intended or implied.

**THE ESTABLISHMENT OF AN ORGANIC FARMERS' MARKET AS A
TRAINING CASE STUDY FOR STUDENTS OF THE FACULTY OF
AGRICULTURE IN THE UNIVERSITY OF PALERMO**

Giorgio Schifani*, Paolo Inglese, Francesca Noto*****

*Dipartimento di Economia dei Sistemi Agro Forestali Università degli Studi di Palermo,
Dipartimento di Colture Arboree Università degli Studi di Palermo *Casualmente Students'
Association Università degli Studi di Palermo



**Paper prepared for presentation at the 119th EAAE Seminar 'Sustainability in the Food
Sector: Rethinking the Relationship between the Agro-Food System and the Natural, Social,
Economic and Institutional Environments', Capri, Italy, June, 30th – July, 2nd, 2010**

*Copyright 2010 by Giorgio Schifani, Paolo Inglese, Francesca Noto. All rights reserved. Readers
may make verbatim copies of this document for non-commercial purposes by any means, provided
that this copyright notice appears on all such copies.*

The establishment of an organic farmers' market as a training case study for Students of the Faculty of Agriculture in the University of Palermo

Giorgio Schifani¹, Paolo Inglese¹, Francesca Noto²

¹Università degli Studi di Palermo

² Associazione Studentesca "Gasualmente"

gschifani@unipa.it

The role of organic agriculture in the island of Sicily is well recognised by farmers, though the consumption of organic products still fails to largely develop in the local markets, due to several reasons, among which the small scale agricultural system and its structural poor organization plays a major role. The University of Palermo holds two major undergraduate and graduate courses on "Organic Agriculture" with a very good participation of Students. A student's association was established with the aim of: a) encourage the consumption of organic products coming from local small scale farmers, and b) endorse the capacity of creating new job skillnes and opportunities for graduate students of the Faculty, and encourage the relationship by producers and consumers through the creation of a farmer market and a group of buyers specifically devoted to organic agriculture. The association was supervised by the Faculty and its development in terms of market role and education opportunities is discussed in this report.

KEYWORDS: organic farming; small scale farmers; buyer groups.

1. Introduction

The consumers' new trends and the interest of farmers for shortening the distribution chain of their products, with the consequent reduction of their price, have been leading, in Italy, to the development of groups of buyers called "Gruppi di Acquisto Solidale (GAS)". GAS are group of consumers (buyers) who organize themselves to make collective purchases of agricultural products. They are rapidly spreading in Northern Italy (70 are present in the City of Milan); usually, they prefer agricultural products coming from organic agricultural systems, giving particular preference to food safety and to their organoleptic and nutritional value, as well as freshness, tipicity, and to some ethical and social values, such as energy saving, respect of human health and labor, animal welfare.

Counting an acreage of almost 220,000 (22% of the national acreage), the island of Sicily (Table 1) is the leading region for the organic agricultural production in Italy, being one of the most important in Europe, with about 7.000 enterprises (14% of the national value); 6.346 are agricultural farms, 476 are processing industries, 155 compound the

production and processing of the agricultural products, and 8 produce, process and trade their products.

However, the distribution and the consumption of organic products in Sicily is still very poor, being concentrated mostly in the large-scale retail trade (GDO) and in specialized shops, where prices are, more than often, too high to stimulate their purchase.

Organic horticulture in the Province of Palermo accounts for an acreage of 6,232 ha of traditional small scale farms, with a diffused use of local genetic resources. Olive orchards and vineyards account for 40% of the organic production in the province of Palermo, while citrus (410 ha), nuts (118 ha) and various fruit trees (560 ha) have a limited importance (Gugliuzza et al., 2008).

The very high fragmentation of the offer, which is inherent to the small scale agricultural system, with a very poor level of organization, makes the development of market oriented enterprises very difficult.

Indeed, even in the city markets, local organic products are difficult to find at an affordable price.

There are two main strategies to further the growth of the local organic agricultural systems: a) the concentration of the offer; b) the development of farmer markets and buyers groups devoted to organic products.

2. Background (research and training)

The Faculty of Agricultural Science of the University of Palermo during the year 2000 began to offer a Degree Course on “Organic Agriculture” (three years), and since then it organized one Master Course (2005-2006) and an international Degree Course on “Organic Farming”, which is currently running. During 2009 a research and training project was set, and a GAS was created, together with undergraduate and graduate students of the Faculty, with the ultimate goal of creating a model for the direct analysis of all aspects related to the functioning of similar groups active in Sicily, including the relationships between farmers and consumers who operate through the farmers' markets.

This initiative is based on the capacity of our students to utilize their skill and knowledge, becoming active subjects in the creation and management of a specific no-profit commercial activity, which implies the coordination of groups of farmers, on one side, and groups of buyers on the other one.

The first step was to present the idea to graduate and undergraduate students of the Faculty, to make them aware of the state of art and the strategic commitments of buyer groups, buyer associations, as horizontal mergers to increase sellers vs. buyer relationships. The theoretical and legislative framework was presented and analyzed, at the end of this step,

eighteen students agreed to create a GAS association, named “Gasualmente”. The GAS was established during spring 2009 and begun to operate during September 2009. At that stages Students had already created the network of sellers, chosen among the best organic farmers in the island, with a wide range of products, going from horticultural fresh products to legumes, milk and derivates, meat and processed products (tomato sauce, olive oil, wine, etc.).

It is noteworthy that, among the GAS which are active in Italy, the one organized under the aegis of the Faculty is different in terms of selection of its proponents, who all have a background in organic agriculture, being students or/and graduate students, and because it was created as a prototype to further the interaction between research and “on the job” activity of the students, in a functional perspective in which they have to work out practical problems, also applying their theoretical knowledge to the real experience.

Ultimately, students may become themselves trainers for any other group who is willing to the create a new GAS, in the same perspective.

3. Objectives

Starting from this hypothesis, and in agreement with the regional assembly of the GAS, the Department of Economy of Agricultural and Forestry Systems developed a research project which has the objectives of: 1) testing the capacity of the students to apply the theoretical knowledge, coming from the courses attended during their careers in the Faculty, in a commercial activity; 2) developing new instruments and knowledge to tight the relationships between organic farmers and buyers, within a GAS framework; 3) improving the logistic and the relationships among buyers’ groups; 4) analyzing profiles, trends, and the level of satisfaction of GAS members; 5) understanding the capacity of the sellers (single farmers, farmers’ organizations, small scale processing industries, etc) to adjust themselves to address the request of this particular consumer’s profile; 6) creating a regional GAS network; 7) giving to the policy makers new suggestions useful to improve policies of rural development.

The main research activities concern: a) the market analysis to understand the actual and potential role of GAS in the whole market trade; b) a regional analysis to set the profile and level of satisfaction of the consumers; c) an on farm analysis to understand the adaptive changes needed to address the request of shortening the distribution chain, and the direct sell to GAS buyers.

4. Methodology and data

Once the project plan was made, students’ training was done thorough seminars and common work as well as meeting with other operating GAS;

working groups were created to face specific problems related to the constitution of the GAS, which included some legal and fiscal requirements needed to constitute the association; students were made aware of the needs of farmers and consumers and the different ways capable to create tight links between them; the criteria for farmers and products selection were set, and they were chosen among the best certified farmers distributed in the province of Palermo, to reduce the distance between field and consumers, and in the other provinces of the Islands; only in one case organic products were chosen from other Italian locations (Figure 1). All of them were chosen thank to personal relationships created during the research activity carried out by Faculty professors. A brief analysis was carried out on the availability in the market and the prices of different organic products, considering also those ones offered in other GAS operating in the island.

Nowadays, “Gasualmente” is located in the Faculty binding more than 70 associated members, most of them recruited within Faculty personnel (professors, students, administration and technical employees); some members are farmers and all of them pay an annual fee of 20,00 €.

The core business of the association is to organize collective buying of agricultural products and “Gasualmente” is supplied by nine different sources: six of them are single organic farms; one is a cooperative binding 5 organic farmers; one is a processing industry producing organic pasta, and the last is a small scale handcraft producing shoes with specific ethical and environmental friendly requirements.

Every single product to be offered within the GAS network was approved by the “Quality Commission” of the GAS, in charge of assessing their characteristics and the compatibility with the supply logistic.

In detail, the 8 suppliers of organic products are distributed as follows (Figure 2):

1. bovine milk and derivates (cheese, butter, and ricotta cheese);
2. bovine, swine and boar meat and derivates (salami, ham, etc) as well as chicken and eggs;
3. horticultural fresh products are supplied by farmers members of a cooperative association;
4. two winemakers for organic wine;
5. Bread as well as flour derivates (biscuits, etc);
6. olive oil;
7. pasta.

GAS activity started with the horticultural products (fruits and vegetables), followed by meat, pasta, olive oil and wine, and, a few weeks later, by cheese, bread, biscuits and other flour derivates.

Orders are made by e mail and the sellers weekly (every Sunday evening) fill the data base, prepared by the GAS, with all their available products and prices. Every Monday morning GAS associates receive the mail by the GAS order office and, if they are willing to buy, they send it

back to it after having filled the data base with their request. The total amount to be given is set automatically by the data base at the end of the order. On Thursday afternoon (13.00-15.00) the products are delivered to buyers in a location set up by the Faculty. Five staff members, who work on voluntary basis, check if the supply meet the order requirements, then they deliver the products to the buyer and cash the amount to be given to the sellers who will receive the amount due one week after the supply.

A first analysis of consumers' profile indicate that 85% of families have a high degree of instruction, with a relatively high incomes and excellent satisfaction in terms of products' quality and price. Consumers appears to be satisfied by the whole organization and they care if organic products are certified. However, associates do not participate to GAS activities other than buy and sell. They agreed to join the GAS mainly because of reasons such as food safety; environmental concern; concern for small scale farmers. Price is not the primary element for their choice and this is likely to be related to the excellent quality/price ratio of the products supplied by the GAS.

Associates buy weekly, and only 25% of them every second week. For 44% of the families the GAS supply accounts for less than 20% of the whole monthly alimentary supply of the family, for 40% of them it goes from 20% to 50%, and for 16% of them it accounts for over 50% of the whole alimentary monthly costs.

5. Results

First data on GAS activity show how the volume of the purchases increased constantly from October 2009 to April 2010, reaching 1,500.00 € week⁻¹ during the last months. Most buyers were interested to horticultural products (40% of purchases) and meat (38% of purchases), 9% bought cheese, while a lower interest was dedicated to the other products (Fig. 3, 4, 5).

The activity of "Gasualmente" made it possible to realize an important and new event for the City of Palermo, the so called "Fiera Bio", which takes place monthly in Palermo, and, under the organization of other subjects, in the cities of Catania, Messina and Caltanissetta.

This event, hosted monthly, every third Sunday morning, at the headquarters of the University of Palermo is organised together with the Italian Association for Organic Agriculture (AIAB) and thanks to a specific agreement with the University of Palermo. More than 50 operators participate to the event, to offer their products to an average of 1,500 individual buyers, each Sunday. Seminars were offered to couple the commercial activity with cultural events.

In cooperation with the farmers, and according to the objectives of the research project, "Gasualmente" is seeking the possibility to serve those buyers who, for different reasons, are unable to attend the schedule of

product delivering set by the Faculty Gas or by other (6) GAS operating in town. It is noteworthy that two of them were created with the contribution and consultancy of our students.

The goal is to help the group of suppliers who deliver their product to the Faculty GAS, to optimize their distribution chain in the city, reducing economical and energy costs, even through the home delivering of the products.

6. Final remarks

This first year of experience made it possible to understand the critical point as well as the potential of this particular commercial activity.

One of the major critical points is related to the quality and quantity of work needed to run GAS activities, from its organization to its management.

Usually, GAS operate as non-profit organizations, being merely a link between buyers (who organize themselves in a network, providing all the job needed at a voluntary basis) and suppliers. In our case the very active members of the GAS are students, while most of the associated merely behave as clients. This is likely to occur for most of the new GAS, which have been created lately. Considering the high number of members (70 families) and the complexity of the management of such different products, it is clear how the most active members need, and deserve, a certain degree of incomes to pay the time they spend to run GAS activities.

This means that some resources should be found to pay back 2-3 part time job positions, still considering the status of non-profit activity which is typical of the GAS. Different solution are under investigation, both from the economic and legal point of view.

Another aspect which deserves a further analysis is the understanding and creation of instruments and management policies which, still considering the growing needs of this peculiar activity, will preserve its status of voluntary association between buyers and sellers, not trespassing the border with other typologies of commercial activities, even at a very specialized level of trading.

In this perspective, "Gasualmente" is committed to further differentiate the offer of organic certified products, and, also, to endorse the development of new groups of buyers in the City. The ultimate goal is to create a network of GAS operating in the City, which will made it possible for the farmers to have a threshold volume of buyers, to allow the development even of small buyer groups in the City, who will be able to buy products otherwise impossible to reach.

The cooperation among buyers is also stimulating the same process at farmers' level, and this may develop in the creation of specific platforms specifically dedicated to GAS and organic farmers.

The establishment of a local network of buyer groups (GAS) can be considered a first step towards a regional GAS network.

7. References

Gugliuzza G., Sibani R., Liguori G., Inglese P. (2008), *La frutticoltura biologica nella provincia di Palermo*. Rivista di Frutticoltura e di Ortofloricoltura, 2: 46-50. ISSN 0016-2310.

Schifani G., Albanese A., Migliore G. (2009), *I Gruppi di Acquisto Solidale in Sicilia: modelli organizzativi e di comportamento attraverso l'analisi di un caso studio*, in: IV Workshop GRAB-IT, Agricoltura Biologica: sistemi produttivi e modelli di commercializzazione e di consumo, a cura di M. Crescimanno e G. Schifani, Palermo, 26-27 ottobre 2009, Atti pp. 305-310, ISBN 978-88-6213-011-0.

Schifani G., Albanese A. (2010), *Diffusione e caratteristiche dei GAS in Sicilia*, relazione presentata al Seminario INEA “Lo sviluppo rurale in Sicilia: esperienze a confronto tra emergenze e nuove opportunità. La filiera corta”, *Facoltà di Agraria*, 16 aprile 2010.

Migliore G. (2010), *Il consumatore dei Gruppi di Acquisto Solidale in Sicilia: primi risultati di un'indagine diretta*, relazione presentata al Seminario INEA “Lo sviluppo rurale in Sicilia: esperienze a confronto tra emergenze e nuove opportunità. La filiera corta”, *Facoltà di Agraria*, 16 aprile 2010.

Table 1 Acreage of organic production in Sicily (ha)

Culture	Ha
Cereals	43.831
Legumes	11.973
Root crops radice	425
Industrial crops	696
Vegetables (including strawberry and mushrooms)	6.145
Forage	42.943
Grape	10.531
Fruits	3.187
Citrus	12.968
Nut crops	5.722
Olive	16.056
Permanent crops	487
Pasture lands	58.085
Bare lands	4.099
Rotation lands	1.496
Total	218.647

Source: MiPAAF – Ministero delle Politiche Agricole, Alimentari e Forestali.

Elaborated by SINAB – Sistema d'Informazione Nazionale sull'Agricoltura Biologica.

Figure 1 Diagram of the training stage for the creation of a Group of buyers (GAS) dedicated to organic agriculture and small scale farmers.

Figure 2 Suppliers of the buyer group promoted by the University of Palermo (Gasualmente)

Figure 3: Time course of purchases by products (data from Gasualmente: Oct 2009-April 2010).

Figure 4: Distribution of purchases by value for each category of product (%).

Figure 5: Total purchases from November 2009 to April 2010

