New transitional pathways in direct marketing of food: Case study on farmers' markets in the Czech Republic

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Paper prepared for presentation at the 131st EAAE Seminar
'Innovation for Agricultural Competitiveness and Sustainability of Rural Areas',
Prague, Czech Republic,
September 18-19, 2012

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Annotation: The paper focuses on the phenomenon farmers‘ markets in the Czech Republic. Boom of the farmers’ markets is used as an illustration for ongoing transition process within agro-food regime. The paper provides information about the incumbent regime (based on sale of food via large retail chain store) and the alternative initiative and its logic. The farmer’s markets have developed from previous marginal activities framed by the alternative food networks. Using the secondary sources and empirical material (16 interviews) there is in details described the mechanisms of anchorage that enables the initiative to gain new position in the regime. The analysis shows that the success of the initiative has been conditioned by several factors that have aligned and created a stable structure in the regime

Key words: transition theory, niche, regime, FarmPath, food quality, retail chain stores

1 Introduction

Farmers' markets are seen as being representative of the alternative food networks (AFNs) that have been spreading all over the Europe and other countries (Renting and Marsden 2003). As such, farmers' markets form a new network of producers, consumers and other actors that exemplify an alternative to the conventional mode of food production, distribution and consumption.

The general goal of the paper is to describe how farmers' markets have evolved in the Czech Republic. This question becomes particularly interesting if we compare the development of the initiative with examples from other European countries. The Czech initiative clearly differs in several aspects. The farmers' markets developed relatively quickly (in two years the initiative gained national scope), in fairly radical form (the markets are organised in accordance with formal rules that accentuate an alternative quality of food), based on cooperation of different actors (it is rather the non-governmental organisations (NGOs) and municipalities in the role of organisers, than the agricultural producers, as the name of the markets would suggest). In this paper, we assume that the farmers' market in this form represents a clear departure from the "usual business", bringing about a radical change in the existing food supply chains. We therefore ask *how* this change has occurred, what actors and driving forces have enabled the change to take place and what their outcomes are.

The ongoing changes are investigated by means of the case study method, using the concepts of transitional studies. The study is a part of the FP7’s FarmPath research study (Assessment of transition pathways to sustainable agriculture and social and technological innovation needs), which is focused on the transitional process in the European agrarian sector. Major parts of the paper draw on the national report of the selected case study realised in the Czech Republic by the authors.

2 Conceptual framework and methods

2.1 Key terms of the transitional perspective

The conceptual framework for the study is based on a transitional perspective (Darnhofer 2011; Geels 2011). This perspective stems from different theoretical backgrounds, such as the structuration theory, innovation studies and evolutionary economics.

Regarding the overall theoretical framework of the FarmPath project, a multi-level perspective was applied, developed by Geels and Schot (Darhofer 2011: 4), which assumes that transitions represent a non-linear process, resulting from simultaneous and mutually intertwined development at three analytical levels: niches (representing innovative initiative), socio-technical regime (that includes a set of dominating practices) and landscape factors (long-term aspects that influence changes in the given field).

Niches represent the radical innovations different from existing practices embodied by the regime. Niches are created by different groups of actors on a typically local level. Elzen et al. (2008) regards niches as the seeds of systematic changes, including the fact that many of these "seeds" eventually perish.

Regime represents networks of actors, rules, knowledge and infrastructure that exist on a meso level. Regimes include relatively stable patterns (cognitive routines, favourable institutional arrangements and regulations, binding contracts) and their structure represents a lock-in. Many regimes can be divided into sub-regimes related to different fields.

Landscape factors are present on a macro level and express long-term trends affecting development processes. Geels and Schot (2010: 24) according to Darnhofer (2011) assume that these trends cannot be influenced in the long term by changes in the niche or the regime. However, landscape factors can bring about direct changes at regime as well as niche levels. In this way, they can fortify the existing patterns of the regime, or create a tension within a regime, opening a window of opportunity for the successful development of a niche.

Such a theoretical framework enables the description and analysis of the transitional process and an understanding of not only what is being changed, but also of how the change occurs, what has enabled the change and what are the outcomes of the change. The framework has been applied in the case study research of farmers' markets in the Czech Republic. The empirical application of the main terms is presented at the beginning of the Results section.

2.2 Methods

The study draws on the primary research that was conducted in Winter 2011 and Spring 2012. Data for the case study have been collected by different research techniques (semi-standardised interviews with organisers of farmers' markets /NGOs, local authorities/; farmers and policy makers). Additional empirical materials were obtained through a document study. Altogether, 16 interviews were conducted (5 farmers' market organisers, 7 producers, 2 public administration bodies, 1 key informant, 1 town council representative). The relevant data were qualitatively coded (with regard to the conceptual framework) and analysed with the use of the NVivo software.

3 Results and Discussion

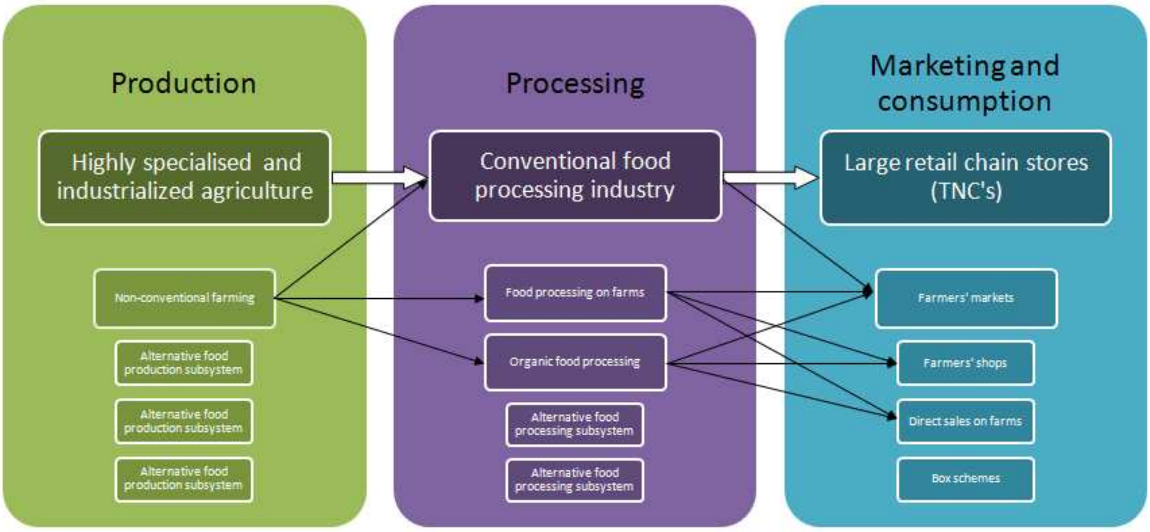
3.1 Description of the incumbent regime

Regarding the key conceptual terms, the main focus of the study is the agro-food regime. Food production, as the main focus of the regime, is based on several intertwined actions – agricultural production, processing and marketing (under which we also include marketing). Those three areas represent the three subsystems of the studied regime (see Figure 1).

One can see that the dominant regime forms a relatively stable production vertical that follows the same logic throughout all its subsystems. The same holds for the alternative vertical that stems from a specific form of agricultural production methods, develops selected areas of alternative food processing and continues with a specific form of marketing and consumption. The relations between the subsystems and possible combinations (showing how the subsystems can be aligned) are shown in the diagram below.

The dominant regime that draws on modern industrial agriculture and the processing industry is directly related to the distribution of food via large retail chain stores (supermarkets and hypermarkets). This mode has been prevailing in the Czech Republic since the early 1990s. The penetration of the Czech market by transnational corporations was obviously related to the fall of the communist regime in 1989. During the period of economic transformation (liberalisation of prices, initiation of private businesses, termination of state monopoly on international trade), the existing network of the small retail store was broken down. This opportunity was seized by foreign businesses, which brought new forms of food marketing, known from the developed Western European countries, into the Czech Republic.

Figure 1 *Agro-food regime and its structure*



The historical view shows that the first supermarket was opened in summer 1991 under the name of "Mana" by the Ahold company. According to the advertisements of that time, the store offered "smooth, fast and convenient sales" in combination with "good organisation, quality control and a broad range of goods for family shopping" (iDnes 2006). The success of this new form was ensured, due to the fact that none of these aspects was present in retailing before 1989 in the former Czechoslovakia. The new stores were extremely appealing to Czech consumers. In 1998 the first hypermarket was opened and the retail sector increased its market concentration. This process was followed with increasing competition that later on resulted in the market exit of some companies (e.g. Carrefour and Delvita, or the Delhainze Group). The pace of the market concentration process can be illustrated by the following figures: in 1993 the market share of the 10 largest companies was about 7%, in 1999 it was one-third and currently it is two-thirds of the retail market (Skála 2007: 13).

The large transnational companies (TNCs) also began to function as important market integrators. From the position of retailers, companies stepped "down" the production vertical towards processing (e.g. in the meat industry). Cooperation between actors in the incumbent regime was framed by industrial logic. Large stores were thus interested in collaboration with large processing companies and large producers, who could most likely supply their goods throughout the year in the required quantity and quality. It was this trend (in combination with consumer demand) that created the dominant position of the industrial regime and that later started to shape all subsystems of the agro-food chain, leaving no room for any alternative development (until about 2005).

Current data show that the Czech Republic is typical of a very high penetration of hypermarkets (4th place among European countries). There are 26 hypermarkets per 1 million inhabitants (268 altogether), whereas their networks span a catchment area in which about 90% of the Czech population reside. Supermarket networks are not so dense, in comparison to other European countries (10 large supermarkets per 1 million inhabitants, and 116 smaller supermarkets per 1 million inhabitants). Hypermarkets have become the main place of purchase for 43% of Czech households, supermarkets gaining 15% and discount stores 25% (Incoma GfK 2011a). The vast majority of food purchases are therefore conducted in the stores of the retail chains.

The high number of stores resulted in robust competition among companies, who mostly emphasise the low prices of their products. It appears that the race for low prices has been accompanied by the poor quality of products and processing. In recent years, the Czech media have created several food scandals which have increased the sensitivity of consumers to food quality (iDnes 2012). Due to the economic power of retail chain stores, the high market penetration and low price of the offered products, the position of the dominant regime has remained unchallenged in practice.
Moreover, the main retail chain stores in the Czech Republic have innovated their strategies and also directed their focus on more conscientious consumers (offering organic food, premium food brands, promotions, special labelling of Czech products and an emphasis on freshness) (Incoma GfK 20012b). Such trends suggest minor changes in the regime as a result of the inner tensions and exogenous pressure that can be related to the known "quality turn".

In order to understand the mechanisms of the regime, it is important to describe its guiding principles and the institutions ruling the regime. In the past, the activities of large retail chain stores were relatively sparsely regulated. Their proliferation was seen as a result of increasing material wealth (in contrast to the communist regime) and therefore they were welcomed by the authorities and citizens. The attitude towards chain stores started to change in the late 1990s. At first, criticism was articulated by the anti-globalisation movement. With the growth of the civic society in Czechia, there were increasingly more examples of citizens who opposed the construction of new stores. The discussion on the sustainability of large retail chain stores has been mostly related to environmental aspects and urban planning. Questions of the impacts on agricultural producers and processors have been neglected.

Just recently, the Czech government started implementing new rules to limit the powers of retail chain stores by applying the *Act on significant market power and its abuse* (395/2009 Coll.). One of the goals of this legislature was to reduce the pressure of the chain store companies on processors and producers. The TNCs have criticised this law and lobbied for its change. Proposals for new legislation are still being discussed.

In the past year, a debate on food quality has been opened. Comparison of Czech stores with their foreign branches has suggested that the quality of food sold in the Czech Republic is lower (and at the same time more expensive) than food sold in foreign branches of the same retailers (IHNED 2011). This finding proves that the TNCs in the Czech Republic are counting on the relatively low conscientiousness of Czech consumers in comparison with other countries. This discussion has recently caused official authorities to step in to increase controls in food stores. The State Food Inspection Authority is currently preparing a new information portal to present the results of its control and to share this information with consumers.

One of the key questions related to the changing regime is the sustainability of the system. Discussion on the un-(sustainability) of the dominant regime has been supported by the activities of the Agrarian Chamber. One can find several notices pointing out suspicious practices of large retail chain stores. However, the entire discussion is focused mainly on economic aspects. Environmental and social issues have been neglected in this issue.

The economic sustainability of the regime is related to the pressure that is put on suppliers and producers. The Agrarian Chamber recently lodged several complaints, saying that retailers receive a 30% margin on food (ZS ČR 2010). The Chamber thus proposes to put limits on the retailer margins that are constantly increasing, despite the fact that producers cannot increase their prices (ČT24 2012).

3.2 Pressures from the socio-technical landscape

The agro-food regime has been faced by many different landscape factors, creating tensions or opportunities in inner parts of the regime. It is important to note that tensions as well as opportunities can emerge within the incumbent regime, as well as within a niche (for more see Elzen et al. 2008: 7).

1) *Robust competition among retail chain stores.* Transnational companies often use their economic power to increase their competitive advantage. One of the implications is the pressure put on suppliers (Nazemi 2012). From time to time, information is published about conflicts between stores and suppliers (usually one or other large company, such as Danone, Ferrero Rocher or Coca-cola). Economic power is often abused in price negotiations. In order to maintain profits, suppliers are inclined to decrease prices, which is then reflected in the product quality. Many consumers find this situation problematic, creating a tension within the regime.

2) *Quality turn.* The current decrease in the quality of some foodstuffs due to economic pressure (see above) has led to product differentiation and new marketing strategies for different consumers. This approach can be seen as a part of the "quality turn" that follows the known trends from Western European countries (Zagata 2012). Consumers are starting to recognise process-based food qualities (where it comes from, how it is produced, what the impacts are of its production on the environment, society, etc.). This attitude of consumers has been proved by many statements by the farmers' market organisers. This trend led to the launch of a Facebook movement: "We want farmers' markets in Prague". The aim of this group was to convince local authorities to facilitate the organisation of farmers' markets.

The above-mentioned "quality turn" is also followed by supermarkets that change their marketing strategies and try to improve their public image, for example, by increasing the offer of regional products (Incoma 2011).

3) *Influence of public policies.* The activities of public administration bodies (including state and local authorities) have created many important opportunities for successful anchorage of the alternative initiative. One of them was the dialogue between local politicians and the Facebook community in 2010. The positive attitude of the local authorities was most likely framed by the upcoming elections in fall 2011 and therefore the motivation of politicians to increase their public popularity. Incidentally, the Mayor of the Prague district where the markets were organised for the first time was appointed Minister of the Environment a year later.

The Ministry of Environment set up a grant scheme in 2011, which has become a key opportunity for development of the initiative and its anchorage in the regime.

3.3 Description of the niche

The farmers' market is one of the oldest and most widespread forms of direct food marketing (Gale 2011). However, the tradition of this form of sale was significantly challenged after 1989, when the new industrial system of production and consumption was being established. The farmers' markets that are described here have their origins in the year 2009. The evolution of the initiative has gathered a very rapid momentum, which included a radical break in the regime that could be explained with regard to the inner tensions and opportunities that emerged in 2010.

In 2011, there were more than 200 locations with farmers' markets. The total turnover of farmers' markets in 2010 reached CZK 1 billion and, in 2011, it was CZK 1,5 billion (1 euro = 25 CZK), which is still very low in comparison to the financial power of the retail chain store (see the description of the regime).

Technical and technological changes are not crucial for transition, however they provide some important innovations in the area of (1) hygienic rules for selling food and (2) communication with customers.

The niche keeps a critical stance towards food that is produced on an industrial basis within the "hygienic–bureaucratic mode" with its own standards of quality (Marsden 2006: 203). The organisers of farmers' markets point out a new food quality which challenges the above-mentioned perspective. Due to this fact, there is strong disagreement about the hygienic framework for food sales. What prevail are the hygienic standards that are taken from the industrial regime and applied universally.

The second factor to be considered in the technological aspect is related to communication. The incumbent regime is based on long supply chains and anonymous relations. In contrast to these, the organisers of farmers' markets are trying to provide enough information about the market as well as about the farmers (this aspect was evident in many interviews). For this purpose, social networks and informal word-of-mouth communication among customers are often used. Most farmers publish information about their activities on websites. The information provided is intended to strengthen a relationship of trust.

The initiative is not too large from the market-share perspective, but it introduces an important leap in the minds of people. In this way, the initiative has selected the societal aspects of the regime. Consumers have discovered the issue of food quality with regards to product- and process-based qualities. There is a great shift in the relationship between producers and consumers, between rural and urban areas. This change was enabled by a radical departure from the previous mode of marketing. In order to anchorage the initiative, a change in the farmers' attitudes must occur. Organisers of the first farmers' markets related how they needed to convince farmers to cooperate with them:

> *"Farmers did not believe that… with some difficulty, we got together about 35 producers who agreed to arrive. Everyone was thinking – 'OK, let's try it and we will see, we are not confident about its future success'."* (organisers of the farmers' markets)

The current situation is very different. Successful farmers can choose from different farmers' markets. Organisers visit farms and invite farmers to arrive at "their" markets.

An important aspect of cooperation is the collaboration between organisers. They often share a list of farmers and information about them. This informal control helps to maintain the necessary quality. It is interesting that farmers also share information about the market organisers and their approaches. The most popular actors in the initiative can freely choose with whom they want to cooperate.

Main network anchorage was based on the activities of "outsiders", actors who originally did not belong to the regime sector. However, they had a close relationship to gastronomy (conferences, competitions, exhibitions) and some of them were engaged in experiments with different AFNs and SFSC (such as box schemes, consumer groups, etc.). The organisation of the farmers' market was in this way a continuation of the previous efforts that reflected a (presumed) societal demand.

In the beginning, the market organisers had fairly close relationships and shared their experience. This situation changed later on, when the sector grew and competition among the organisers increased (due to a limited number of suitable producers). This aspect is obvious in Prague, where the market potential is very high and where "organisers perceive each other as competitors and do not cooperate at all" (Prague farmers' market (FM) organisers). This competitive relationship undermines the potential for institutional anchorage. Organisers from different towns are more open to collaboration. Together they have created a "black list" of unreliable producers, which helps to ensure the markets' quality.

The main institutional actors related to the agro-food regime started to pay attention to the initiative after the concept of the farmers' market appeared to be successful (i.e. in 2010). The Ministry of Environment created an important opportunity for the proliferation of the initiative by its grant scheme. The Ministry of Agriculture (which is more influential in the sector) initiated a discussion group among the main organisers with the goal of codifying the concept of farmers' markets. Participants in the discussions told us that the Ministry was not willing to play a more active role and, due to this, did not gain much respect from the niche actors.

The initiative tried to challenge some of the universal rules of food quality which are embedded in the industrial regime. They did not succeed in this. Each organiser is obliged to have a formalised market order that must be in accordance with the legislature of the municipality. This document must also be approved by the State Veterinary Office and State Food Inspection Authority. When the initiative started to grow rapidly in 2010, the Ministry of Agriculture initiated a round-table discussion with representatives of these authorities and the organisers. The main purpose was to create a codex for farmers' markets. The Codex was issued, but it never became obligatory for farmers' market organisers and some competing organisers do not respect the Codex.

In 2011, the Ministry of Environment stepped in to establish a grant scheme for NGOs and municipalities that were interested in creating a new farmers' market. The number of applications greatly exceeded the allocated funds, so they needed to be increased repeatedly till the final limit of CZK 10 million. The requirements of the applications were not too strict (acceptance rate was 90%). Due to this support, the number of locations with farmers' markets in the Czech Republic very quickly doubled (from 100 to 200).

Another disputed point in the institutional anchorage of the initiative is the foundation of the Association to bring together farmers' market organisers. One group of organisers agrees with establishing an Association to become a formal representation of the initiative. One of the main tasks of the Association should be the creation of a stricter codex and certification systems for the markets to guarantee the authenticity of the sellers and producers. A specific goal of the Association should be the promotion of the initiative and the lobbying for changes in legislature to facilitate organisation of the markets and sales of some products. Other groups of organisers (also very strong) are convinced that the Association is not needed, because the current formal framework enables the effective organisation of farmers' markets. These organisers are also worried that the new codification of rules would enhance standardisation of the markets, which would then resemble the industrial regime.

Looking at the new learning opportunities for farmers, one can see that farmers are gaining new competencies in the methods of selling their produce directly to consumers. Even after the successful anchorage of the markets in the capital city, they were quite sceptical about farmers' markets in other towns. Later they realised that these doubts were unfounded.

Some farmers who are active in the niche still keep in touch with the regime. These relationships are based on pragmatic (economic) reasons. For example, large farms still cooperate with industrial processing companies, but a part of their produce is intended for their own processing on the farm and for direct marketing. On a farm with a small milk processing facility and a very successful farm store, they process 95% of their produce on their own, the remaining 5% is sold to an industrial processor, just to keep the contract between them valid. The main advantage of direct marketing for them is the fact that they do not have to negotiate the price or conditions of the supply. Low economic power often meant that they had not been able to succeed in negotiations with a strong partner.

It appeared that many farmers combine different forms of direct marketing that they have gradually developed. Besides farmers' markets, it might be a farmers' store, on-farm sales, delivery service or restaurants. For many producers, the farmers' markets have become (when they developed into new channels) a small addition to their activities.

It clearly appears that the learning process also continues on the part of the organisers. They put a lot of effort into shaping their own concept of the market to make sure that it is a place for purchasing and for the meeting of people, as well as a place that complies with the formal requirements (legislative requirements).

Concerning the impacts of policies and their effects on the niche development, one can see that there were two important opportunities. Firstly, it was the fact that 2010 was an election year, so local politicians were relatively more open to entering into dialogue with the public. Many politicians also "promised" citizens to open farmers' markets in their towns, if elected.

Secondly, it was the grant scheme administered by the Ministry of Environment. The financial support for the market was focused only on the opening in the year 2011. Since these were 1-year projects, there is the question of their sustainability. Exact data are not available to show how many farmers' markets actually are being held in 2012.

Thirdly, the last important aspect of the institutional anchorage is the decision about establishing the Association. The Ministry of Agriculture supports it, but is not actually active in deed in setting up the Association. The main issues related to the Association are the questions of financing and its competencies.

3.4 Interactions between the niche and the regime

The specific form of the farmers' market is based on the organisers' ideas. The first farmers' markets (concept 2010) have become an inspiration to other organisers, who have modified this concept and adjusted it to local conditions. Market organisers also have very different views on collaboration with actors from the regime.

One group of organisers emphasises the specifics of the markets, the renewal of tradition and public spaces in towns, enhancing the community aspects of the municipality, educating people about food quality and support of local producers, as one can see from the following extract from an interview in Pilsen:

> *“To us, quality food does not mean that it looks good and tastes good, but we are also interested in how it was produced and processed.”* (farmers' market organisers)

This excerpt represents one type of organiser who follows its own values, which are reflected in the organisation of the market. Usually these organisers are not interested in organising markets which do not correspond with their values (i.e. emphasising process-based qualities of food). For them, cooperation with actors of the regime, such as supermarkets, is forbidden. The farmers' markets that have been opened in collaboration with supermarkets in unsuitable sites (such as a supermarket's parking lot) are what they oppose. They see this as a threat to the initiative.

Besides those, there is another group of organisers which utilises the positives of the globalisation process and is more integrated into the dominant regime. To them, the organisation of farmers' markets together with supermarkets is not seen as a problem. Contrary to the process-based quality of food, they emphasise the quality aspects related to taste (gourmets) and new experience. Farmers' markets are seen as a form of "business" that can be deliberately organised. In the interviews they presented several arguments defending collaboration with supermarkets: convenient purchases for consumers, easy transport, enough space, use of cars, better infrastructure (water and electricity) that helps to meet the hygienic requirements. These organisers also argue that some towns do not have suitable public spaces and in those cases it is necessary to find a space – and this can be even at a supermarket. However, they admit that it is another opportunity for the retail chain store. This study was not focused on consumer attitudes towards farmers' markets, but we could see that even this type of farmers' market could prove popular with customers.

In this way, one can consider two types of actors, i.e. hybrid actors. They include those who enter the hybrid forum (Elzen et al. 2008) from the regime and enter into cooperation with actors in the niche. Due to their activities, the initiative is being changed, gaining a new focus from "oppositional" alternative towards collaboration with the regime, when retail chain stores are asking market organisers to hold a market on their premises. The second group includes the actors who are originally from the niche, however, who are active in collaboration with the regime.

Hybrid actors from the regime are typically represented by the retail chain stores that "order a farmers' market for themselves" (interview with Nalok). Their interest stems from the economic opportunity that the 2011 FM concept discovered. The economic potential of the initiative doubled during the years 2010 and 2011 and the retail chain stores obviously wanted to profit from it. Representatives of the retail chain stores claimed that the farmers' markets are so small that they do not threaten their position. Their idea is to attract customers who buy some fresh foodstuff on the farmers' market and then the rest in the conventional store. Some people are referring to this situation as a "Macdonaldisation of the farmers' market". This process was visible right from the beginning of the initiative. In 2010, this was apparent only in Prague, but later was also so in other towns.

Hybrid actors from the niche are represented by organisers who extend their activities and who enter into collaboration with regime actors through networks. The decision of a successful market organiser in Prague, who helped to open another farmers' market in Moravia for a selected supermarket, represents a good example of this process. This is mentioned in the following extract:

> *"*[…] *they gave them the complete know-how, created graphics, selected farmers. Now they continue on their own with the use of a manual that was prepared for them."* (farmers' market organisers)

Collaboration like this significantly helps in spreading the initiative all over the country (anchorage in the regime), however, the integration in the regime has brought about inevitable changes to the initiative.

Different types of organisation also affect the decision of farmers about participation. The primary criterion for them is the question of revenue. However, some of them mentioned that they would not participate in markets held at supermarkets, because they did not agree with them.

Successful anchorage of the initiative is also seen in the development of the new forms of direct marketing. In particular, those producers who have been successful at farmers' markets have discovered the potential for a subsequent growth in direct marketing. These new forms mainly include a method of farm shops to resolve some contradictions about farmers' markets (a shop can be open every day; it is possible to delegate sales activities; hygienic and other requirements can more easily be met; it is possible to cooperate with other farmers and create a shop with a specific focus, etc.).

The proliferation of farmers' markets (FM concept 2011) has also created pressure on the original values of the initiative. Similarly to other movements, the dilemma of growth has arisen, showing a mass growth of the initiative can be achieved without modification of its original values.

One of the issues is related to the question whether foreign goods should be sold on farmers' markets. Some organisers emphasise the localness of the goods sold, allowing only products from the Czech Republic on the markets. Other organisers argue that the markets should offer products from any geographic region around the Czech Republic. This issue tackles the question whether e.g. to sell sea fish. Some organisers, in order to complete the range of products, are offering sea fish, however it means that they must cooperate with a common supplier who also delivers fish to retail chain stores.

The proliferation of farmers' markets was followed by great media attention. In the first stage, farmers' markets were positively accepted. Later, the opinion of the markets became more critical. This included a few articles with a clearly negative evaluation of the phenomenon. Market organisers confirmed to us that information in the media significantly shapes the discussion about authenticity. There were a few cases of markets, where sellers were not "genuine" producers, but merchants who had bought the products and were offering them on the markets as their own. In the interviews, some organisers speculated that this information could be spread by supermarkets that want their market shares back. Despite the fact that media attention (positive in the beginning but, later, occasionally negative) plays a crucial role in the development of the initiative, it is not included in the overall figure of the anchorage process due to its complexity.

Looking at the policies and programmes which helped the proliferation of farmers' markets, one can see that the initiative has been supported mainly through the state and local administration. The success of the first farmers' market concept in 2010 opened up a great opportunity for future development. The Ministry of Environment clearly responded to this opportunity by establishing a grant scheme for new farmers' markets.

The support was drawn from the revolving fund. The maximum contribution was CZK 150,000 (1 euro = 25 CZK) and the duration of the project was 6 months. Projects under this support were realised in 2011. The support was framed by specific points related to healthy lifestyles and support for new organisers (farmers are not mentioned in this context). Most projects were prepared by municipalities. Applicants could use the support for purchasing technical equipment or securing the necessary infrastructure).

Other support for the initiative often came from the municipalities themselves. Town, city districts and regional councils often transferred money for starting a farmers' market in their area. The subsidies were typically included in the support for cultural events and/or free time. This was obvious especially in 2010 when the elections took place. One can assume that political parties wanted to gain some support from the public through this. Another (however minor) source of support were specific foundations, focused mostly on environment-related projects.

The initiative improves the quality of life of farmers. This is related to the economic aspects (higher profit), but also to social aspects (positive feedback from customers, creating new relationships with consumers). A direct form of marketing rediscovers a marketing channel that enables a farmer to sell his produce without the middle man, typical in conventional food networks. Farmers' markets assist local producers and, in this way, generate revenue for regional economies.

Overall, there is no consensus about the localisation of the markets and their purpose. Currently there is ongoing discussion about the authenticity of the markets: What is a real farmers' market? Who should be selling there and what should they be selling? The contested nature of this question is weakening the potential for institutional anchorage. A specific result of this situation is the fact that the actors of the initiative have not so far been able to establish the necessary Association.

3.5 Characterisation of the emergent transition

One may distinguish different types of anchorage which co-evolve to lead to a transition.

Firstly, it is *technological anchorage* which includes the "concept" of the farmers' markets that has gradually developed over two years. The success of the first markets founded a basis for new coalitions between the actors. Organisation of the market has in this way been transformed into a marketing concept that can be transferred or sold as a know-how to other partners.

The potential for creating an alternative channel has been growing for a long time. Before the initiative took off in 2010, there were some examples of the AFNs. This type of engagement later created a relatively stable network of actors, who, together with others created a Facebook community entitled: "We want farmers' markets in Prague". Representatives of this movement entered into dialogue with the local council. One can assume that the closer cooperation with citizens was conditioned by the upcoming elections in fall 2010. Local authorities decided to support the organisers of farmers' markets in Prague (since, at that time, it appeared to be quite an uncertain business) and opened the first farmers' markets in March 2010 (concept FM 2010). Other large cities followed, e.g. Pilsen opened a market in May 2010. The concept appeared to be extremely successful, due to the very high demand by consumers.

In order to set up the market, several elements needed to be aligned: organisation of the collective action, willingness of the local authority and an experienced network of people who had previous experience of different AFNs. The first market event was attended by 15,000 people, with some farmers already running out of produce by 10 am. This experiment proved the great potential of direct food marketing. This potential could only have been guessed at before that. The first evidence came from Prague due to this event, which created a real opportunity for other actors.

The opportunity was taken up by the Ministry of Environment who launched support for new farmers' markets all over the country. On this basis, a new mass model for farmers' markets (FM concept 2011) was established. This concept could already use the experience from the previous year. At this stage, *the institutional anchorage* of the initiative was still not too strong, because the Codex was not obligatory, but the demand of consumers ensured its success. Currently, the FM concept 2011 is translated into new forms of direct marketing, such as the farmers' shops. This process is supported by a combination of network anchorage that has been created in a parallel way. A good example of such a network is the Internet portal, Nalok, which shares information about producers, communicates with consumers and provides information to farmers' market organisers. Nalok virtually operates as "the eyes of the market" and represents a strongly *anchored element in the social dimension*.

Actors in the niche were in opposition to the conventional regime. Keeping up the differences between the alternative and industrial product was the key to the initial success. Later, the original concept of the markets was modified (creating FM concept 2011) and one version of it counted on the cooperation of large retail chain stores. However, these cases are only known in large cities. Due to the inner tension of the regime, people accepted the markets even in their controversial form.

Despite the mass proliferation of the markets, their market share remains very low. The main reason is that conventional marketing and consumption is so strongly anchored in the agro-food regime that it cannot be so rapidly undermined. The disadvantages of the farmers' market are higher prices, limited time framework for purchases (typically once a week) and localisation in towns or cities.

Due to the institutional anchorage, the initiative has gained an influential position - it has become a partner of the Czech ministries. The first opportunity was linked to the round-table discussions organised by the Ministry of Agriculture. Another set of discussions - towards official Associations - was unsuccessful. One can assume that this step (institutional anchorage) could become a safeguard for the initiative to enable it to gain a clear status in the agro-food regime and for its goals to be clearly defined. This step has not yet been achieved. Current policy is indifferent to the initiative.

A very important step in the institutional anchorage was represented by the grant scheme of the Ministry of Environment, by which new farmers' markets were supported. Since the support was provided by another Ministry (different from the Ministry where the first network was established), the project did not have to reflect the previous discussion and requirements set out by the Codex. The new markets (concept 2011) thus had more lax rules, which went hand in hand with the mainstreaming of the initiative.

4 Conclusions

The emergence of farmers' markets in the Czech Republic signifies the changes in the food networks that have been observed in different countries in Europe. The initiative as such has resulted in four major outcomes:

1) De-routinisation. Regarding the agro-food regime, an important shift in the approaches of farmers has appeared. The FM concept has proved to be viable. On this basis, a range of new approaches became visible. The farmers' market concept has been translated into a new network of farmers' shops (such as Český grunt/Czech basis). Successful producers from the market have become more independent and have often made the effort to open up new marketing channels, such as web-shops and other types of collaboration.

2) Shift in power relations. The initiative strengthens the negotiating power of producers in the vertical chain. Some of them have managed to get rid of them completely, some of them have decided not to (yet). Some producers have taken the opportunity to invest in new processing technologies (e.g. a fruit producer in the Pilsen region that has newly focused on must production and dried apples). This new position of producers depends on the nature of production, type of commodity and also the size of the farm. This description also sheds light on how the links between the subsystems are created.

3) Localisation. The FMs' concept and new forms of direct food marketing are disembedding producers from transnational relations. One can also note that the concept of the FMs was originally created in contrast to the actors of the regime, who are not authentic producers. Some markets do not allow the sale of foreign products, but there is no agreement about this rule.

4) New model of food governance. Anchorage of the initiative has been successful in the technological and social (networking) dimensions. The institutional dimension (creating a new mechanism of coordination) has not yet been achieved. This is obvious from the experience with the Association, the non-obligatory nature of the Codex, and not initiating new financial support for the market organisers. The organisers in Pilsen have opened a farmers' shop and are currently starting a new box scheme combined with a web-shop.

Acknowledgements

This publication was generated as part of the FarmPath Project, Agreement No. 207727 funded by the European Commission under Food, Agriculture and Fisheries, and Biotechnology Calls: FP7-KBBE2010-4. The publication reflects the views of the authors and not those of the European Commission, which is not to be held liable for any use that may be made of the information contained. The authors gratefully acknowledge funding from the European Commission.

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