

Sustainability Issues of China's Agro-food Fair-trade Markets

compared with Farmers' Markets in L.A. of the
U.S.

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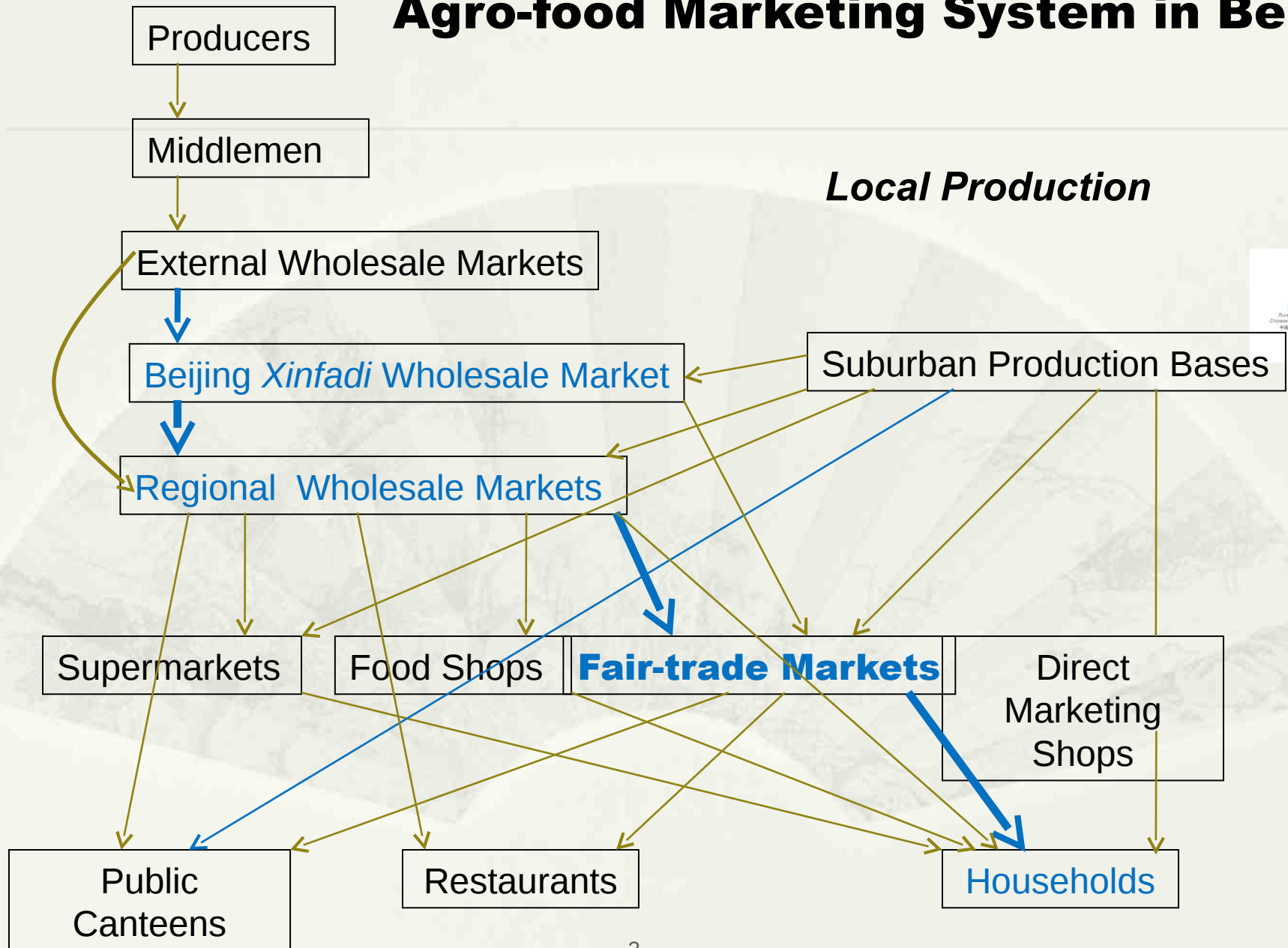
Introduction

- * Fair-trade market: a place to buy fresh products near home
- * Paradoxical attitudes towards fair-trade market
- * My point: Fair-trade market is acceptable from the view of sustainable food supply chain, although of course it needs improvements.



Exterior Production

Agro-food Marketing System in Beijing



The 1+8 Wholesale Markets



What are the consumers concerned about?

- * Consumer prices;
- * Food safety;
- * Convenience of purchase;
- * Freshness



What is the government concerned about?

- * Guarantee of supply: 菜篮子、米袋子
- * Market order: supply and price fluctuations;
- * Food safety events: when it becomes the concern of the public: 深圳死猪肉事件



Issues from the view of Sustainable Food Supply Chain

- * **Economic:** profitability of each economic entity along the supply chain, including the farmer, wholesaler, retailer;
- * **Social:** Food safety, nutrition and health, equal benefit distribution along the chain
- * **Environmental:** green- or bio-farming, less transportation and higher efficiency



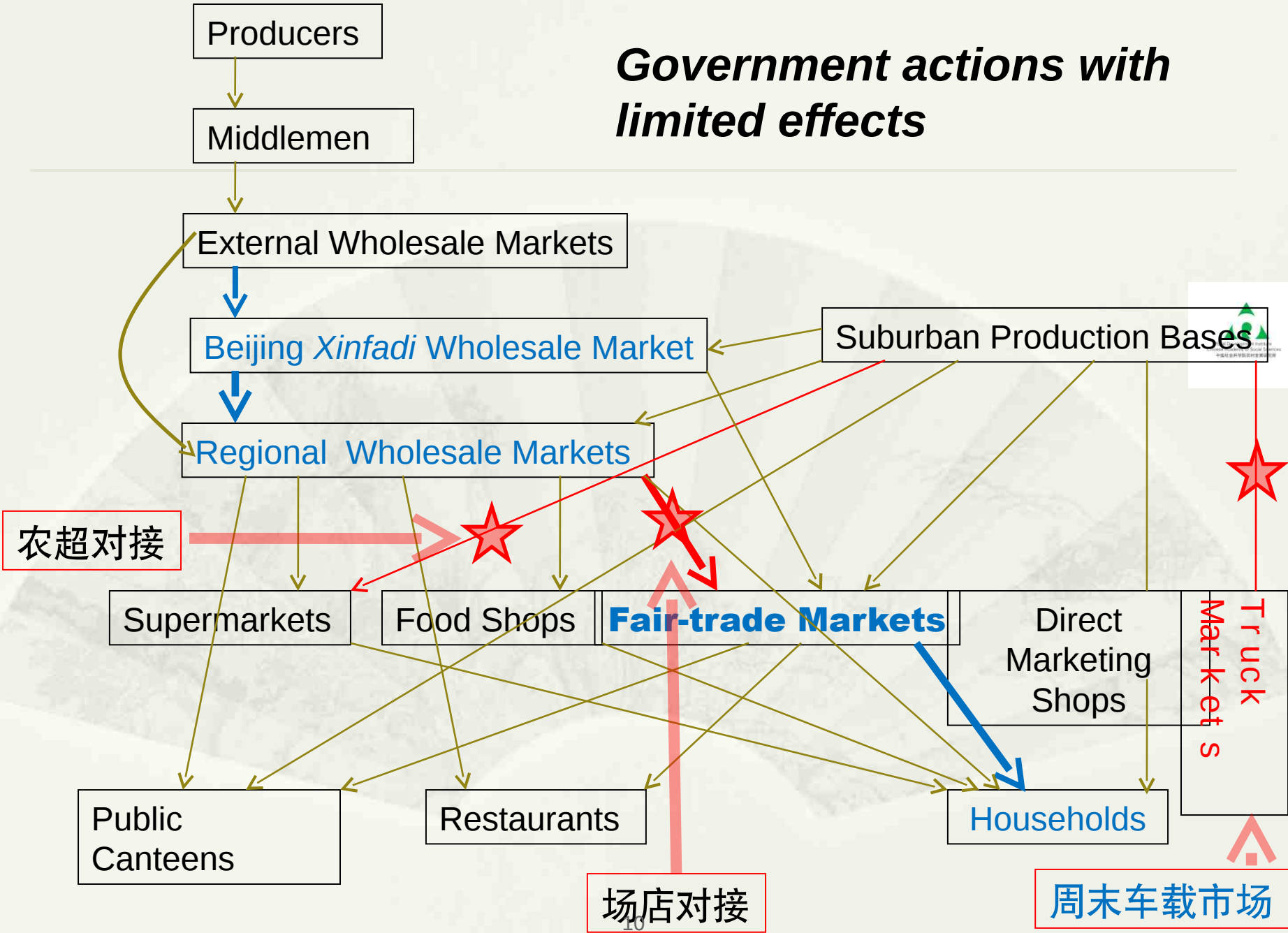
The Case of Fair-trade Markets

- * Advantages
 - * Convenience
 - * Freshness
- * Disadvantages:
 - * Food safety risks
- * Ambiguities (due to more intermediate transactions):
 - * Higher consumer price → fair price?
 - * “Unequal” benefit distribution along the chain: 两头叫、中间笑 ■ who are the intermediate traders?
 - * Environmental costs: carbon emission; social costs: too much traffic and traffic jam → unit cost?

Government actions responding to such concerns

- * Planning of larger marketing system: 2+15
- * Promotion of local production
- * Regulation on food safety
- * Regulation on business of wholesale and retail markets
- * Direct actions: [Connecting the Farms and the Supermarkets](#); [Connecting the Wholesale Markets and the Retailers](#); [Weekend Truck Markets](#)

Government actions with limited effects



The Four Weekend Truck Markets

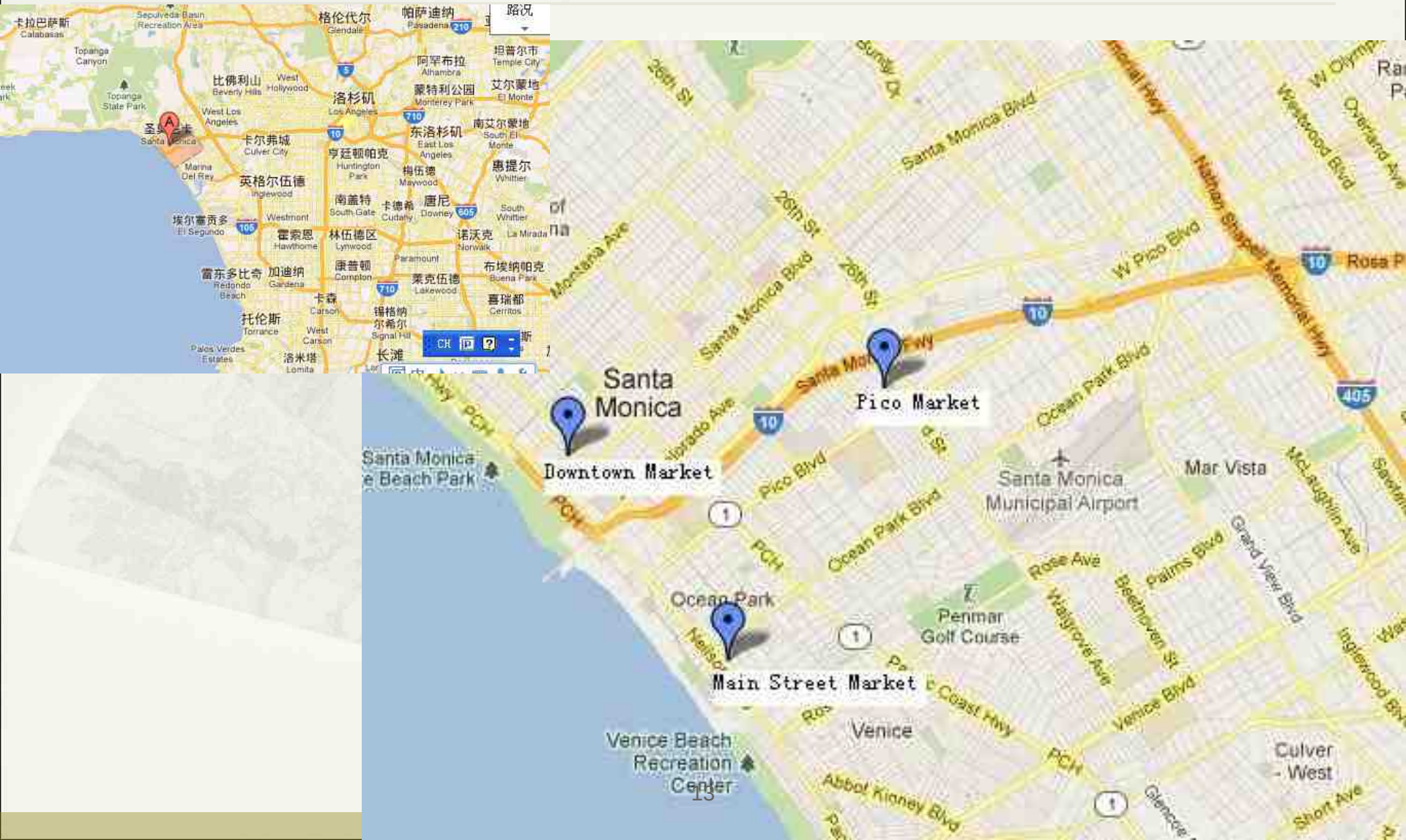


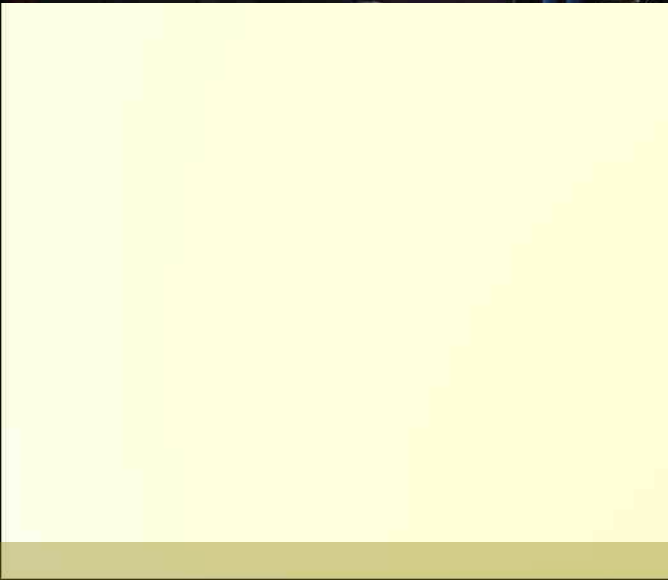
周末车载市场 Weekend Truck Markets

- * An idea inspired by *direct marketing* models from the west;
- * Four markets run by three **cooperatives**, since July 2011;
- * **Welcome** by local residents;
- * From seasonal to year-long;
- * From open space to indoors;
- * Government **subsidies** to both communities and cooperatives;
- * **No plan to expand...**



Four Farmers' Markets in Santa Monica L.A.





Santa Monica Farmers' Markets

- * Sites: 2 streets, 1 park
- * Time: a half day a week
- * Vendors: 150 registered farmers
- * Products: vegetables, fruits, meats, eggs, etc.
- * Operator: local government; NGO
- * Objective: not for profit
- * Administration: special office in the city government, staff are government employees
- * Regulation: Direct Marketing, California Code of Regulations; Farmers' markets Rules, Regulations and Policy Guide
- * Charge: 1% of sales income
- * Supply guarantee: basically satisfied

Weekend Truck Markets compared

- * Sites: community open spaces
- * Time: every weekend
- * Vendors: **single** cooperative
- * Products: vegetables, fruits
- * Operator: municipal government
- * Objective: not for profit
- * Administration: municipal commission of commerce
- * Regulation: no special regulation
- * Charge: no charge (receiving **subsidy** instead)
- * Supply guarantee: far¹⁶ from satisfied

Beijing Fair-trade Markets compared

- * Sites: fixed and planned buildings
- * Time: every day
- * Vendors: lots of independent vendors
- * Products: vegetables, fruits, meats, processed food, and more...
- * Operator: businessmen, collectives, state...
- * Objective: for profit
- * Administration: various government departments in their own scope
- * Regulation: regulation on urban fair-trade markets, regulation on standard food markets
- * Charge: fixed stall rent



Reflections

- * 1. Direct marketing such as truck markets and farmers' markets is welcome, but difficult to expand or to substitute fair-trade markets.
- * 2. Fair-trade markets are efficient and competitive, compared to other forms of marketing such as supermarkets and truck markets.
- * 3. Fair-trade markets assure fair prices, freshness, and benefits for all.
- * 4. Food safety is a major problem with the fair-trade markets currently, which is also a problem with the supermarkets. Time is needed to solve it.

Reflections cont.

- * 5. The social and environmental costs in the food marketing system might not be the costs of the system itself, but the cost of social transformation, e.g. urbanizational congestion and geographical readjustment.
- * 6. It is important to consider who eat and buy in the cities, and who trade along the chain.

