



OUTREACH CALL

D3 User Needs and Innovation Solutions Report

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Author(s)	<i>Gianluca Gariuolo</i>
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1 Executive Summary

Provide a brief overview of your project, highlighting the key findings and recommendations related to user needs and innovative solutions identified throughout the Outreach Call activities.

The DEMO-IT project contributed to the exchange of experiences and the identification of stakeholders' needs for the promotion and development of Short Food Supply Chain (SFSC) models in the Apulia region (Italy).

Representatives of different local actors and experts of the local food system were invited to compile a questionnaire and participate to the focus groups organised by the project.

The results of the consultation are reported in this document and will serve as an input for further discussion with regional policy makers about measures to improve and support SFSC models. Similarly, the information collected in this phase will be used in the next phase of the POLIRURALplus project as a basis to exchange ideas and promote solutions that foster the local food system.

2 Introduction

Introduce your project, in greater detail than in the previous paragraph, including the methodology for user needs collection and other aspects of identifying innovative solutions.

The short supply chain is the marketing model that has characterized the agri-food sector since the dawn of the promotion process, the actor who entered the production process was the processor. With the advent of the Fordist period, new actors entered the agri-food supply chain, determining an increase in the value of the goods being purchased. The producer and the consumer, the real actors of the supply chain, have gained bargaining power and today find themselves passively living the logic of the market.

But what is meant today by the term short supply chain? It refers to a production process lacking some steps (intermediaries, large-scale distribution). This path is fundamental to reduce the information asymmetry between producer and consumer, indispensable for the former to know what the market demands are and for the latter as a tool for knowledge of the product.

Direct selling, on the other hand, is a more restrictive model of short supply chain where the only actors are the producer and the consumer.

Let's talk about the types of short supply chain and direct sales that have emerged over the last twenty years:

- **Farmer's market** (or farmer's market): it is a particular form of market in which farmers can sell their products directly to the public (so-called "short supply chain") and which has its origins in the broader legislation that has regulated the direct sale of agricultural products, governed by art. 4 of Legislative Decree no. 228 of 18 May 2001 "Orientation and modernization in the agricultural sector". (ACTOR WHO DETERMINES THE PROCESS: PRODUCER).

- **E-commerce**: it is a sales process through the use of technological platforms and today, especially after the pandemic, it has exploded as a purchasing model. the process of purchasing and selling products and services through the use of technological tools and devices, which is increasingly

widespread today. In Italy, the online food sector (which includes home shopping and catering) was worth almost 1.6 billion euros, about 5% of the total demand for Italian e-commerce. These numbers, although much lower than in other countries in the world, are constantly growing. During the COVID emergency, for example, in March there was a sales boom of +162% with a percentage of 75% of consumers purchasing food online for the first time. (ACTOR WHO DETERMINES THE PROCESS: PRODUCER).

- **GAS** (Solidarity Purchasing Groups), They are a group of people who share a solidarity purchasing model and turn mainly to local producers who can guarantee high product quality, respect for the environment and the ethics of sustainable work. The prices of the products will also be lower than those of a traditional store. (ACTOR WHO DETERMINES THE PROCESS: PRODUCER).

- **Box Scheme**, Many producers activate home delivery services (usually weekly) of a box that varies in size and content. Based on market availability, it can contain different food products: seasonal fruit or vegetables, meat, cheese, all from local producers. (ACTOR WHO DETERMINES THE PROCESS: PRODUCER).

- **Community-Supported Agriculture** (CSA). It is based on a direct form of commercial partnership between one or more producers and a group of consumers, in which the two parties share the risks, responsibilities and costs of the agricultural activity, through a long-term agreement. It is a model of agricultural cooperative based on the alliance between those who produce food (the farmers, producers) and those who consume it (the end customer): the consumer becomes a direct supporter and an integral part of the company, is encouraged to discover it and participate in its activities. (ACTOR WHO DETERMINES THE PROCESS: PRODUCER GROUPS/CONSUMER GROUPS).

In Italy, the short supply chain is regulated by:

- LEGISLATIVE DECREE N.228/2001: Which highlights that agricultural producers can sell their products without having a specific license. It is only necessary to communicate to the Municipality to the local ASL the start of the activity
- LAW N.114/1998: Allows farmers to open a shop of 150 square meters in a municipality of up to 10,000 inhabitants and 250 square meters in cities with more than 10,000 inhabitants
- Decree of the Ministry of Agriculture 20/11/2007: To promote the direct sale of agricultural products in specific dedicated areas in the city (single companies, cooperatives, producer groups).

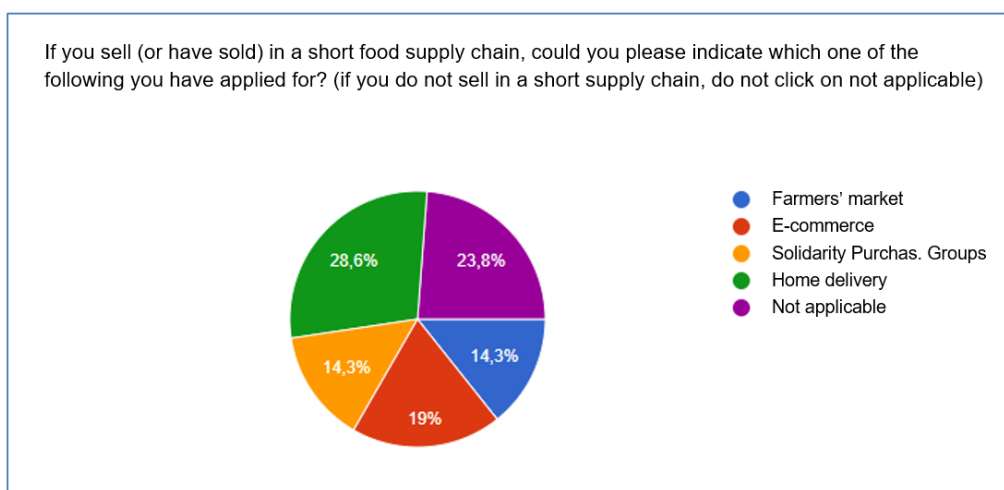
In the Apulia region, in addition to the aforementioned laws and decrees, there are two regional laws that regulate the process.

- “Rules for the support of Solidarity Purchasing Groups (GAS) and for the promotion of quality, zero-mile, short-chain agricultural products”.
- REGIONAL LAW 30 April 2018, n. 16 “Rules for the valorisation and promotion of agricultural and agri-food products.

3 Implementation

Provide a detailed account of the project's implementation, including key events, stakeholder interactions, and challenges faced, risks encountered and mitigation strategies applied.

During the period of activity, we were able to analyze the reference literature and the potential in terms of regulations and regional strategy on the short supply chain. The regional reference regulations, although innovative, have not received significant feedback from an administrative point of view to date but a regional incentive is expected that can start in an important way. The writer has carried out a sector survey to understand the propensity of producers to use the short supply chain distribution channel and the results obtained were very interesting. The sample interviewed is based in Puglia and are mainly small businesses. About 90% of the sample knows the short supply chain as an alternative distribution channel and 76% of them have sold at least once in the short supply chain. The main product sold is oil and the most used channels are home delivery as shown in the graphs below:



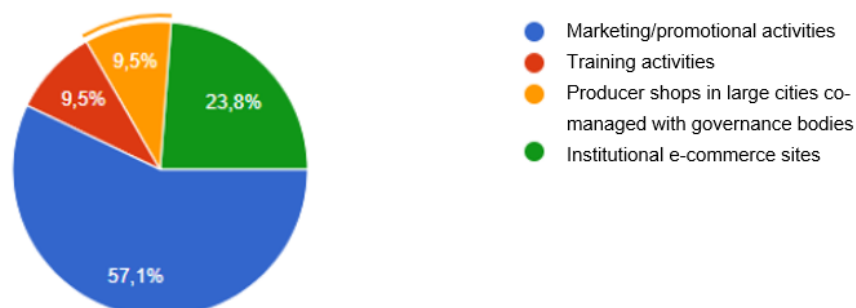
The entire sample agrees that the short supply chain is a useful tool for the growth of companies. Among the identified obstacles to the development of the short supply chain are:

- Fragmentation of the offer;
- Logistical and organizational problems of consumers;
- It is a micro sector within the company, which requires dedication, time and resources that are often not available or not structured;
- Logistics, lack of training, sometimes lack of staff;
- High communication costs.

The interview also covered the producers' knowledge of the REGIONAL LAW 30 April 2018, n. 16 "Rules for the enhancement and promotion of zero-mile agricultural and agri-food products and on the direct sale of agricultural products", well about 80% were unaware of the regional law on the short supply chain.

Finally, it was asked what measures institutions should take to promote short supply chain models in both rural and urban areas. The graph highlights the answers.

As an entrepreneur, what measures do you think can be taken by government bodies to promote short supply chain models in both rural and urban areas?



Promotion activities are the main tool for growing the short supply chain, but also training activities, institutional e-commerce sites represent a tool for growing the sector.

The information during the survey represented the starting point of the discussion of the thematic table that was held via zoom portal on 02/26/2025.

The thematic table was focused on the following focus groups:

- ✓ The short supply chain on fresh products: Opportunities and weaknesses;
- ✓ The short supply chain and logistics organization.
- ✓ Short supply chain models and cooperation between entrepreneurs;
- ✓ certifications as a food safety tool;
- ✓ The short supply chain and the concept of territory

In the first focus it was highlighted how the fresh sector, precisely because of its perishability characteristics, is not suited to “long-range” short supply chain models. In this case, short supply chain models organized by cooperative structures in the territory (GAL, Cooperatives, Districts) can overcome this difficulty, as it would be possible to purchase machinery (refrigerated vans, possibly electric) that can develop short supply chain models even over long distances.

Logistics (second focus group) represents a further gap to overcome, as, especially in e-commerce and home delivery services, the presence of workers who can prepare the required formats is necessary. In this case, it would be necessary to create a cooperation model (for example, a network of companies that can reduce logistics costs).

Cooperation, discussed in the third focus group, represents a further point of weakness in the agri-food sector. The lack of cooperation in the agri-food sector in southern Italy represents one of the main points of weakness and derives from a cultural legacy that is difficult to overcome. Producer organizations are working in this direction, but it is still difficult to overcome today.

The fourth focus group was on product and process certifications. In fact, during the meeting it emerged that the purchase of products within the GDO is more sought after as it is synonymous with

safety and control. This gap can be overcome with the help of certifications that, if properly promoted, can give the right answers to consumers.

Finally, the last focus group was dedicated to the short supply chain and the territory.

In fact, although the short supply chain represents a model of identification of the territory, in order to emerge it must be able to get out of the logic of km 0 which, although profitable in the months with the highest tourist influx, can never produce true profitability in the place where it is produced, that is, a consumer from Puglia is unlikely to be willing to buy a liter of oil for €12.00 because he often has relatives or friends who produce oil.

4 User Needs Assessment and Innovation Solutions

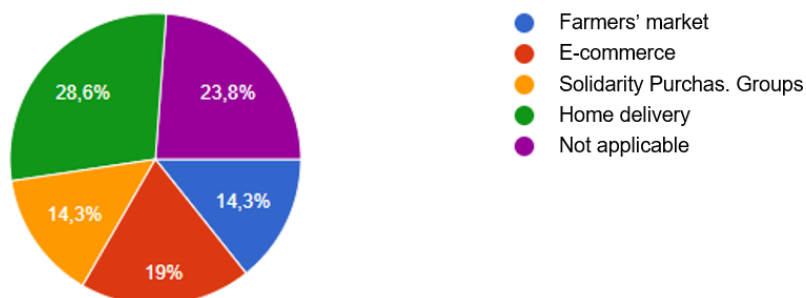
4.1 Identified Needs

Present a detailed analysis of the user needs identified through stakeholder consultations.

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During the period of activity, we were able to analyze the reference literature and the potential in terms of regulations and regional strategy on the short supply chain. The regional reference regulations, although innovative, have not received significant feedback from an administrative point of view to date but a regional incentive is expected that can start in an important way. The writer has carried out a sector survey to understand the propensity of producers to use the short supply chain distribution channel and the results obtained were very interesting. The sample interviewed is based in Puglia and are mainly small businesses. About 90% of the sample knows the short supply chain as an alternative distribution channel and 76% of them have sold at least once in the short supply chain. The main product sold is oil and the most used channels are home delivery as shown in the graphs below:

If you sell (or have sold) in a short food supply chain, could you please indicate which one of the following you have applied for? (if you do not sell in a short supply chain, do not click on not applicable)



The entire sample agrees that the short supply chain is a useful tool for the growth of companies. Among the identified obstacles to the development of the short supply chain are:

- Fragmentation of the offer;
- Logistical and organizational problems of consumers;
- It is a micro sector within the company, which requires dedication, time and resources that are often not available or not structured;
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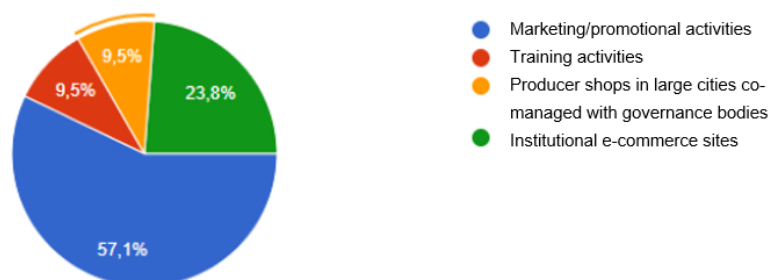
The interview also covered the producers' knowledge of the REGIONAL LAW 30 April 2018, n. 16 "Rules for the enhancement and promotion of zero-mile agricultural and agri-food products and on the direct sale of agricultural products", well about 80% were unaware of the regional law on the short supply chain.

4.2 Innovative Solutions

Present a detailed analysis of the identified innovative solutions.

During the project, it was asked stakeholders what measures institutions should take to promote short supply chain models in both rural and urban areas, as highlighted in the graph:

As an entrepreneur, what measures do you think can be taken by government bodies to promote short supply chain models in both rural and urban areas?



The consultation suggests that **promotion activities** (57,1%) are the main tool for growing the short supply chain, but also **training activities** (9,5%), and **institutional e-commerce sites** (23,8%) represent a tool for growing the sector.

5 Conclusions and Recommendations

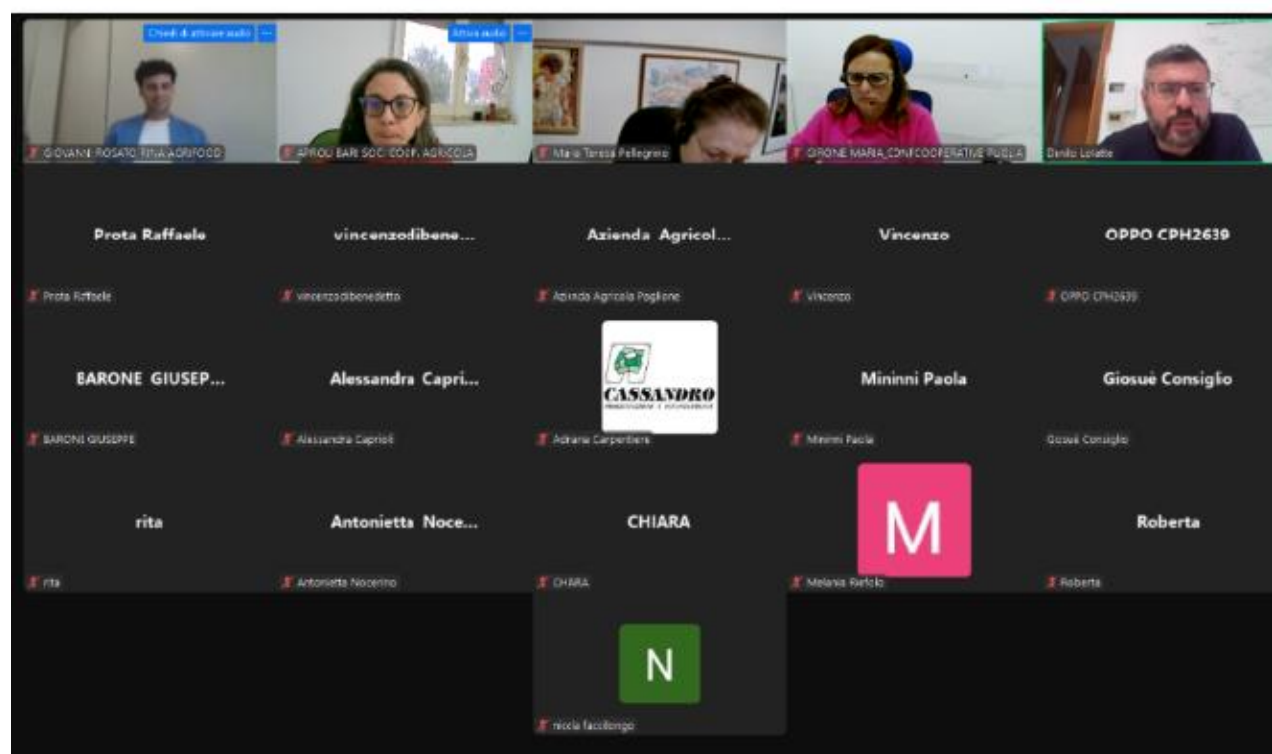
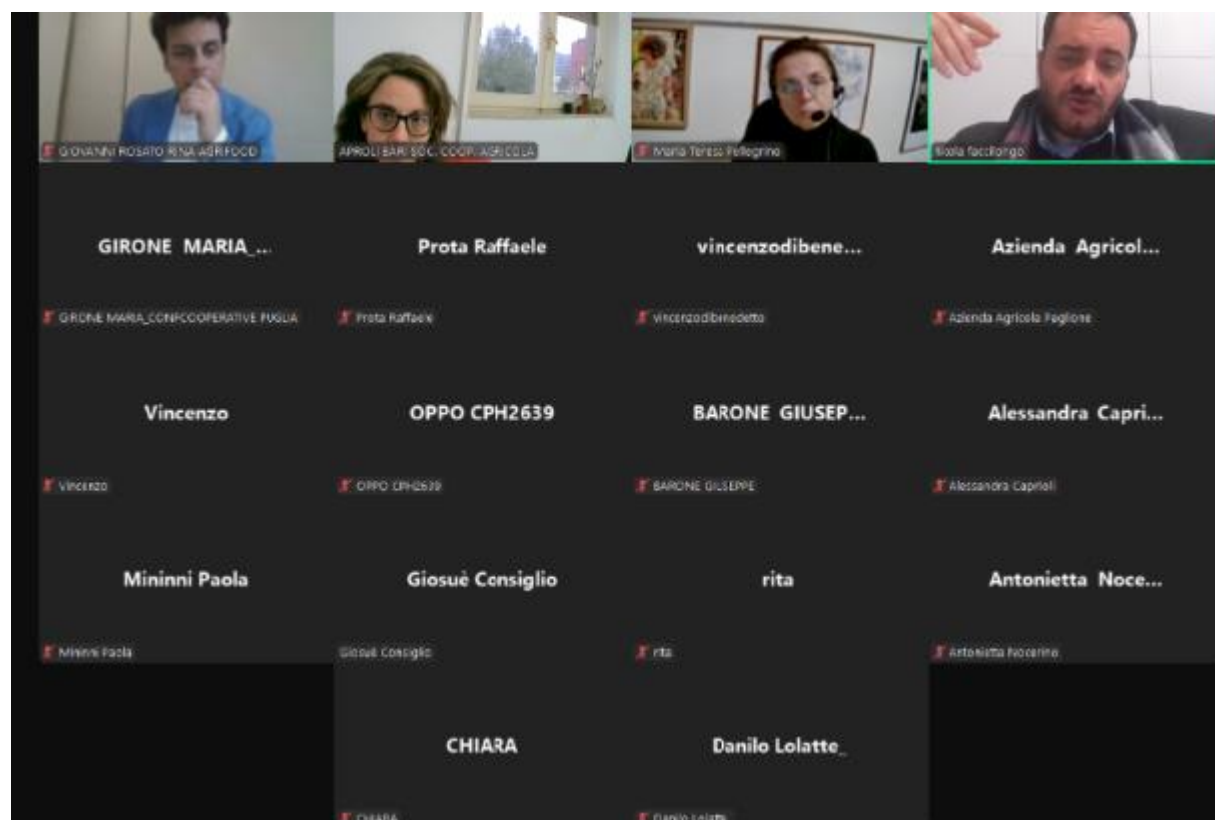
Summarise the key findings of your project and provide actionable recommendations for addressing the identified user needs through innovative solutions.

Please reflect here on the KPIs from your project proposal and expected impacts.

Both producers and consumers think that the short supply chain is a fundamental tool for growth. However, such a goal can only be achieved with the commitment of the institutions that support adequate measures and tools in the territory.

For instance, a very important step concerns the financing of Sub-measure 16.4 of the PSR Puglia 2014-2020, a call for proposals that promoted the creation of short supply chain projects (rural markets, shops) much appreciated by the trade associations involved (Cia and Confcooperative). Unfortunately, this measure was not proposed again in the new regional program for financing the agricultural sector. In addition to this instruments, further measures such as training activities for professionals and cooperation schemes, which are both important elements of the CAP Strategic plan, should be discussed and received support from the appropriate institutions.

Here below are some images of the focus group meeting:



6 Annexes

Authors should include any relevant materials from organised events, such as agendas, lists of participants, presentations, or workshop outcomes. Please note that these annexes will be excluded from the public version of the report to protect privacy and sensitive information. Nevertheless, please make sure all content is GDPR compliant.