

The Transition towards Sustainable Food Consumption and Production

Food Retailers as Key Actors

All kinds of food products are easily accessible throughout the year in the outlets of global retailing firms. Nowadays, as most people shop for food in supermarkets, the retail sector is also assuming a dominant role in sustainable food consumption. Can they fulfill this role and how can they realize it?

By Peter Oosterveer

Sustainable food consumption starts at the shopping floor where consumers and retailers meet on a daily basis. What concrete shape this evolving social practice acquires can therefore not be understood without taking into account the roles of the central actors in the food provision system, for instance the retailers (Spaargaren 2003; Oosterveer et al. 2007).

Retailers have become obligatory passage points in most contemporary food provision systems. This system is globalizing rapidly as more food is crisscrossing national borders than in the past creating difficult problems for regulating the quality, safety and sustainability of food. Therefore, in this context retailers take up active roles in regulating food as well, next to governments (Oosterveer 2007).

The power of large retailers

Food retailing has gone through a rapid process of concentration and today in many countries only a few major retailers account for considerable shares in general food-sales (Dobson 2003).

As the organization of food production and consumption is becoming a global affair, food quality and safety issues consequently stretch far beyond the level of local and national authorities. Trade liberalization and export promotion fuelled a move away from state regulation and towards self-regulation by private corporations. Where in former times quality control rested primarily in the hands of public regulators, a major change occurred in the 1990s, when particularly European retailers assumed an active role in the development of food quality and safety standards and procedures. Examples are the Hazard Analysis and Critical Control Point Concept as well as the ISO 14000. This engagement was a response to the various food crises like BSE, FMD and others, which made food into a contentious issue that could not be ignored by retailers either. They contribu-

ted to an emerging market-based governance regime, offering the consumer choice also with respect to food quality beyond basic standards (Marsden 2000).

The uniformity and high quality necessary for large-scale buying and selling food products through supermarket chains promote long-term coordination between different actors in food supply chains. Because of their central position in these networks, large retailers can use standards as a mechanism to both restructure and control global food supply. Food quality and safety standards have become the appropriate tools for product differentiation, chain coordination, market creation and growth (Reardon 2001). Supermarkets are also using private standards to develop new niche markets, such as organic, fair trade, free range, and locally produced goods. This way, standards not only define product attributes but also production practices, handling requirements, and distribution.

Why would retailers engage?

Retailers have become the leading actors also in provisioning sustainable food. In 2005, organic food sales in Europe were worth 13 billion Euro, up ten percent since 2004 (Willer/Yusefi 2007). Fairtrade goods compounded to 660 million Euro and growing an astonishing 20 percent annually since 2000 (Krier 2005) and most is sold via supermarkets. Several reasons can be identified why supermarkets become engaged in promoting sustainable food consumption.

Firstly, the above presented transformation of the food retail sector into a global oligopoly has made competition more difficult as most large supermarket chains are able to procure goods at similar conditions and are limited by competition in the prices that they can charge. Therefore, the concentration in the food retail sector and consumers demanding more variety have pushed large retailers to differentiate the marketplace. Market differentiation includes both the introduction of new food products, but also the addition of new attributes to conventional foods, such as sustainability, and fairness in the production process. The result is that while mass production of staple goods continues, niche markets for sustainable foods have emerged.

Secondly, supermarkets benefit from a high level of public acceptance in comparison with most public institutions, for the very reason that supermarkets are consumer-driven institutions. Retailers can substantiate their claim to be closest to food-consumers as they meet on a regular, almost daily basis with major segments of mainstream food-consumers. These regularized and frequent interactions at the shop floor provide retailers with

the possibilities to experiment with new, green or healthy, food products and practices. As a consequence, retailers can more or less create and control not just green consumers but also, on behalf of the consumer, the suppliers of green products.

Thirdly, the growing consciousness also among retailers of the social and environmental impacts of their business contributes to acknowledging their corporate social responsibility. Non-governmental organisations and consumer pressure provide further incentives for food retailers to incorporate social and ecological considerations into business practices. The result is that large supermarket chains are increasingly using such attributes as quality, safety, labor conditions, and the environment to differentiate themselves on the marketplace for food.

How do retailers become involved?

Promoting sustainable food consumption and production can be done in many different ways. Stocking organic and fair-trade labeled food products have become regular practices in most supermarkets, but other options are less well-known.

The way in which products are presented at the supermarket floor has enormous impact on their sale figures. The location of sustainable food products in the floor plan of the shop and their position on the shelf can directly increase their attractiveness.

Different information strategies are available for supermarket firms. The EU General Food Law demands traceability of food products so companies identify the suppliers of their products on sale. This obligation opens the door to transfer this knowledge to consumers, supplemented with information about their environmental and social background. Retail companies can link images and information about labor, animal welfare and environmental circumstances involved in the production of certain foods with their in-shop information and communication policies.

Retailers can individually or collectively decide to change their suppliers and only buy their products from sustainable sources. In the UK, this has been expressed in the Ethical Trading Initiative and the Dutch retailers have, for instance, decided to only sell sustainable fish by 2011.

Environmental non-governmental and consumer organizations can develop reliable sets of environmental performance indicators at retail-level as a tool for environmental action and facilitate citizen-consumer engagements in terms of political consumerism (Micheletti 2003).

Challenges and conclusions

Although retailers play crucial roles in sustainable food provision, environmental social scientists have mostly shied away from studying them, in particular the large corporate retailers. However, their key position in contemporary globalised provision of sustainable and not-so-sustainable food should attract more social science research to better understand the limits and

„Despite the chance of greenwashing, private companies should be involved in environmental regulations.“

the potentials of these companies involvement and to further elaborate strategies to promote more sustainable food consumption and production.

Involvement of private companies in environmental regulations is always confronted with suspicion out of fear of encouraging so-called greenwash. Although such practices cannot be excluded this is however not a necessity as private firms also have economic and social arguments to genuinely promote more sustainable food provision.

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