The Serving and the Served: Relationship between Suppliers and Food Hubs in Swedish Alternative Food Networks

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List of Abbreviations

AFN  Alternative Food Networks
BS   Bygdens Saluhall
CFN  Civic Food Networks
CSA  Community Supported Agriculture
LFN  Local Food Nodes
LFS  Local Food System
RM   Relationship Marketing
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Abstract
The Swedish alternative food networks landscape is underdeveloped compared to that of the US or the countries of Western Europe, however its development has sped up in recent years. The relationship between the farmer and the food hub is the first one to be built when an Alternative Food Network is being set up and therefore represents a valid starting point in the hitherto scarcely studied field of alternative food distribution in Sweden. The paper used a relationship-marketing framework with the addition of elements from Civic Food Networks conceptualization of Alternative Food Networks in order to explain the creation and maintenance, as well as the quality and depth of supplier-distributor relationships in two cases of Swedish food hubs. Given the immaturity of the Swedish market, this paper tried to explore the possible variations existing in the landscape. In the case of student-led food cooperative Ultimat and its two studied suppliers, values and larger local food systems goals played the primary role in creating and maintaining the relationship, in spite of the poor economic performance of such a relationship in the eyes of the suppliers. The linkages forged between the two entities are strong due to shared values and common goals. In the case of Bygdens Saluhall, the values play a certain role, but the economic element remains crucial for the farmers. At the same time, the connection is closer and ownership of the project by the farmers more significant. Additionally, points of interest arose for future research, notably the diverging stance of Ultimat’s suppliers vs. Bygdens Saluhall’s suppliers in the question of pro-business food hubs and organization of alternative food networks in general.

Keywords: alternative food distribution, civic food networks, food cooperatives, food hubs, Local food nodes, relationship marketing, Ultimat

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Summary
Even though alternative food distribution is in its infancy in Sweden, in recent years new initiatives are starting up, aiming to connect the farmer and the consumer. For these food hub initiatives to be successful, it is crucial to create and maintain a stable relationship with their main partners – the farmers. For the practitioners and researchers alike, this thesis aims to give one of the first answers to the question of how relationships between farmers and food hubs form and work in the context of Alternative Food Networks in Sweden and what the precursors and connections between the food hub and its suppliers are. Two case studies are presented in the following pages, Uppsala-based food cooperative Ultimat and two of its suppliers and Bygdens Saluhall (currently Local Food Nodes) with two of its respective suppliers. The paper concludes that values play the dominant role during the creation and maintenance of the business, supplier-distributor relationship. However, whereas in the case of Bygdens Saluhall such a relationship might not exist in the first place without a solid transactional basis, Ultimat forged a more value-based, network-oriented relationship with its suppliers. In that case then, economically not viable partnership perseveres.

Keywords: alternative food distribution, civic food networks, food cooperatives, food hubs, Local food nodes, relationship marketing, Ultimat

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1. Introduction

The introductory chapter situates the issue of relationships between food hubs and their suppliers in a larger framework of global agriculture’s sustainability crisis, introduces the reader to the particularities of Swedish context and present aim and the research question.

1.1 Problem Background

In the last few years, agriculture and industries connected to it, have become the “it” sector to analyze in sustainability circles. Stockholm Nobel Week in 2016 invited its high-profile guests to discuss the future of food, food-tech is where aspiring entrepreneurs want to be seen and as recently as May 2017, former US president Barack Obama named agriculture the second biggest greenhouse gas contributor. He further noted that recent international efforts to curb climate change – the Paris agreement of 2015 – fell short in addressing the issue of agriculture and food-related emissions (Strom, 2017). Granted, to the scientific community those words are hardly news, but being uttered from such a prominent political figure hints towards changing winds.

According to, among others, Rundgren (2015) and Pollan (2011), conventional agriculture is in crisis, trapped in a tautological circle of negative feedbacks. Its modus operandi hitherto is largely to blame for the climate changes and deteriorating environment (Vermeulen et al., 2012), which means that conditions under which agriculture operates get increasingly precarious, often leading to intensification of the already intensive agriculture and further deterioration of the natural conditions it operates under. This deep sustainability crisis concerns environmental, social and economic aspects (Pollan, 2011).

On the environmental level, conventional agriculture is putting enormous pressure on the planetary systems on which depend human safety and survival. Borrowing from Rockström’s ‘planetary boundaries’ concept (2009), three out of nine boundaries’ thresholds have been crossed which can lead to nonreversible and abrupt changes in the Earth system which can endanger the very basis human society operates on. Intense agriculture is partially responsible for all three of them: climate change, biodiversity loss and changes to the global nitrogen cycle. In turn these changes can and will affect agricultural yields.

Socially, people and communities producing food are poor, working in physically harsh conditions and in precarious financial situations (Rundgren, 2013; 2015) caused by debts, as they need to purchase their inputs rather than reuse their seeds or waste for fertilizer. In the developed countries the farming population is in decline and aging, which leads to decimation of rural communities and losses in communal knowledge about agriculture and other skills (Jarosz, 2008). On the consumer side we observe polarization between growing rates of obesity (WHO, 2016) and persistent malnutrition (FAO, 2015), despite reported levels of food production being sufficient to feed the whole population of Earth (Holt-Giménez et al., 2012). Pressing questions of food safety and ‘healthiness’ of food depending on its production method expose conventional agriculture to further scrutiny, opening up space for alternative actors (Lyson & Guptill, 2004; Pollan, 2011).

Economically, a globalized system is sensitive to butterfly effects as fluctuations in prices can affect any actor within the system in ways difficult to predict (Shawki, 2012). The 2008 food crisis unearthed the pathological state of the globalized agriculture when the prices peaked due to increased production of crops for fuels and caused aggravation of poverty for the already poor (Ibid.) and exposed the weaknesses of the globalized food system. However, facing corporate giants in production, processing, support and retail, it is the independent farmer that suffers most when a crisis hits. Efficient methods of industrial food production lowers prices of raw inputs such as grain and moves the added value higher up the processing chain. Consumers have access to the cheapest food in the history, adding further pressure on
independent farmers who need to seek demand niches tolerant to higher prices (Pollan, 2011; Rundgren, 2013).

The world’s food provisioning system would be a nest of snakes if the snakes were deep and complex problems. Polluted air, water and soil, pauperized farmers and unequal distribution of, and access to food are more than mere technical riddles of reducing input here and negative externality there. Therefore, the attempted solutions to the complex problems in the food provisioning reach beyond the quick fix of certified organic production on the supermarket shelves. To rephrase, if sustainability on its environmental, social and economic levels is desired, (certifiable) organic production is only a part of the answer given the complexities and unknowns of the relationships between the food system and the nature it is embedded in (Rigby & Caceres, 2011). Alternative Food Networks (AFN) then represents a more holistic approach to solving food system’s systemic shortcomings and ills (Tregear, 2011; Renting et al., 2015; Feenstra, 1997). Descended from the 1960s organic movement (Bellasco, 2007), Alternative Food Networks represent the umbrella term for food provisioning systems outside of the conventional, a catch-all term for new consumer-producer relationships (Renting et al., 2012), which can be defined as “forms of provisioning with characteristics deemed to be different from, perhaps counteractive to, mainstream modes which dominate in developed countries” (Tregear, 2011:419). Under the AFN heading fall local food systems, social movements such as Slow Food, Community-Supported Agriculture (CSA), food cooperatives, farmers’ markets and other alternative food distribution systems. In the countries with developed AFNs, such as France, Italy or the USA, the alternative food system is usually organized through cooperation of three types of actors: farmers, food hubs and consumers R. A food hub is defined as an organization that aggregates demand and supply, markets and distributes food and other products from small-scale farmers (predominantly) further towards the final consumer (Cantrell & Heuer 2014). There is a possible overlap between the food hubs and farmers/consumers respectively, as the latter ones can be themselves organizers of food hubs. Additionally, some forms of AFN are centered on the direct contact between the consumer and the farmer or even a unification of the farmer with the consumer, such as Community Supported Agriculture (CSA) schemes or farmers’ markets.

Alternative Food Networks are less developed in Sweden than in the USA, France or Italy (Renting et al., 2012) and these emerging food systems face highly concentrated, import-fueled food distribution system as well as decades of agricultural policy that led to fewer of the small-scale farms which are more suitable for the development of AFNs. However, in recent years and with the development of digital solutions, new initiatives are appearing in Sweden (Min Farm, Local Food Nodes, Eko kooperationen för 17!, Reko Rings and others). Creation of a food hub is then usually the heart of these new solutions. Given the early stage development of such projects, it is of interest to explore and map their formation.

1.2 Problem

Many scholars may view Alternative Food Networks as antipodes of the conventional food system (Hinrichs, 2003; Ilbery & Maye, 2005; Jaklin et al., 2015; Renting et al., 2012; Tregear, 2011). However there are basic functionalities that most AFNs share with the mainstream: namely, the transaction between the supplying farmer and the demand-side consumer in a (more or less) market setting, with possible presence of an intermediary food hub. And despite the fact that ‘transaction’ is a prerequisite and an integral part of AFNs, these are seldom seen in the literature as businesses and rather academia treats them as social movements, networks, communities or warriors in the war against neo-liberal, globalizing capitalism (Renting et al., 2012; Tregear, 2011; Jaklin et al., 2015). Granted, an economic approach to AFNs is not rare in literature, however it focuses mostly on the placement of AFNs in a larger, macro-level context usually on a backdrop of anti-capitalist fight. Microeconomic studies focusing on the actors and the relationships between them are rare unicorns to find. From the author’s own experience, creating a relationship between a farmer
and a food hub of self-organized consumers is a complicated, courtship like affair and hence can represent a good starting point in studying AFNs from a business perspective.

The problem this thesis is attempting to address is thus twofold: from a practical perspective, a business-grounded study of food hubs and alternative food networks has potential to provide future or current AFN organizers with valuable insights on how to build relationships with suppliers. From an academic perspective, this thesis aims to close the theoretical gap in the study of AFNs as none of the major theoretical frameworks used in the study of AFNs focuses on or even acknowledges the economic, market relationship at the heart of the alternative food sector.

1.3 Aim and Research Questions

Food hubs play a crucial role of alternative distributing entities within the Alternative Food Network framework and are seen as the key to AFNs scalability (Cantrell & Heuer 2014). Their role is to market the AFN to consumers and producers, aggregate both demand and supply and ensure distribution to the end consumer. As such they offer a possible outlet for scaling-up of AFNs and other local food systems. Food hubs then may or may not be in a relationship with the final consumer, however they are always in a relationship with the producer and such a relationship is usually more long-term and stretched beyond the realm of a simple discrete transaction. The aim of the study is to explain different linkages between food hubs and producers in the context of two Swedish cases – the food cooperative UltiMat from Uppsala and Bygdens Saluhall, a ‘local food node’ located in Skåne. With respect to these considerations, the research question this thesis will seek the answer to is as follows:

*How does a relationship between a supplier and a food hub form, last and dissolve in Swedish context?*

*What are the roles values and transactions respectively play in this relationship?*

1.4 Delimitations

The study focuses on Sweden due to the personal interest of the author. Moreover, while international comparative study was considered as a possible approach, the low level of maturity of Swedish AFNs and food hubs in particular, called for a more basic approach. The two case studies of this thesis were chosen out of a rather small pool of possible cases. As the goal is to study the emerging food hubs and their relationships with the suppliers, only food hubs that were working directly with farmers were chosen. Additionally, only food hubs with a distinct organization and relationships with both suppliers and consumers were considered. Out of the five food hubs identified in the preliminary research, the two were chosen due to geographical convenience (Ultimat) and prior contact (Bygdens Saluhall). Other Uppsala-based food hubs were considered, however the exploratory nature of this study welcomes geographical as well as organizational variety among cases studied.

The unit of analysis is the relationship between the farmer (supplier) and the food hub, studied from the perspectives of both actors. In terms of marketing it is predominantly the food hub, which exercises marketing efforts on its suppliers. The thesis does not study the external conditions in which the actors operate and which could potentially have impact on the relationship studied nor does it attempt to create a comprehensive map of the ecosystem farmers and food hubs work in. It is similarly not the ambition of this thesis to assess whether or not the alleged sustainability failures of conventional agriculture holds against scientific scrutiny. Indeed, there is no shortage of papers and policy documents from scholars and non-academic institutions alike pointing towards the complex issues in the current food system (see section 1.1) while at the same time AFNs are presented as a remedy to these ills. It must

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1 Commercial name.
however, be mentioned that the AFNs are not without issues themselves as seen in the literature (Tregear, 2011; Guthman, 2008) and their performance on a larger scale is yet to be assessed (mostly because large scale has been elusive to AFNs so far) (Cantrell & Heuer, 2014).

In regards to theoretical delimitations, the thesis is using a proprietary, mixed conceptual framework based on Relationship Marketing in order to conceptualize the different linkages that together form the relationship between the supplier and the firm. Furthermore, the RM approach allows encompassing the dynamic development of such linkages in time. Literature on RM is wide and was reviewed with regards to supplier relationships or Business-to-Business (B2B) relationships in particular. At the same time however, prior literature on AFNs, of which food hubs are part, was when reviewed by the author, categorized in three main groups of approaches, as presented by Tregear (2011). None of the hitherto used frameworks integrated a comprehensive business aspect into their analysis and, with the exception of Network Theory; none have focused on the relationships between the actors rather than on the goods and services circulating in the network. It is therefore the newest conceptualization of the AFNs - that of Civic Food Networks (CFN) (Renting et al., 2012) that complements the RM framework in order to capture civic aspects of the relationship. These civic elements encompass larger political and/or macro-level goals or, in short, any linkage that remains uncaptured by the RM framework alone.

1.5 Outline
This thesis is divided into eight chapters and it starts with Introduction (Chapter 1) where the problem in its wider sustainability context is presented. Further it features the theoretical gap the thesis is aiming to close and the research questions that will be guiding the analysis. The Theoretical Background and Conceptual Framework chapter (Chapter 2) encompasses the literature review – given the overall shortage of both previous research on AFNs in Sweden as well as business perspective in the literature in general, this review is conducted in regards to the conceptual approaches used in the study of AFNs. The concept of Civic Food Networks as a relationship-oriented approach to the study of AFNs then combines with Relationship Marketing in the conceptual framework of this study. Chapter 3 deals with the choices made regarding the methods used and the measures taken to assure the quality of the study. Empirical background on the Swedish food market and AFNs is presented in Chapter 4 and results, as well as their analysis utilizing the conceptual framework from Chapter 2, make up the contents of Chapter 5. Discussion on how the results of the thesis connect to existing literature in the field is provided in Chapter 6 and finally, Chapter 7 concludes the work with concluding remarks as well as directions for future research.
2 Theoretical Background and Conceptual Framework

The following chapter will firstly present the different approaches to conceptualization of AFN in order to transcend those by utilizing the Civic Food Networks concept. In the second part, relationship marketing will be presented as a complementary theoretical framework. Lastly, the conceptual framework will be defined.

2.1 Defining and Conceptualizing Alternative Food Networks

Alternative food networks is a catch-all heading for new consumer-producer relationships (Renting et al., 2012), characterized as “forms of provisioning with characteristics deemed to be different from, perhaps counteractive to, mainstream modes which dominate in developed countries” (Tregear, 2011:419). Using “oppositional conceptualization” in order to define a concept naturally leads to fuzziness as “alternative” can refer to the locality, governance, financing, product selection or even values of the actors involved in the particular network. Kneafsey et al. (2008:27) surmises that “we have a situation where one contested and fuzzy concept (‘alternative’) is used to stand for other contested and fuzzy concepts [such as] ‘local’, ‘organic’, ‘specialty’, ‘community’ or ‘low food miles’”. These terms are themselves vague and their meanings contested; how ‘local’ is ‘local’? In practical terms, AFNs represent primarily distribution schemes where the producer and the consumer are connected in a direct or semi-direct way. Concrete expressions of AFN include farmers’ markets, different forms of Community Supported Agriculture, food cooperatives or certain retailers, community gardens and organic produce boxes (Venn et al., 2006). Yet a clear definition of AFNs remains elusive; it can include both short food supply chains unaligned with a specific ethos as well as local food systems that encompass movements such as Slow Food (Jaklin et al, 2015; Renting et al., 2012).

Feenstra (1997:28) offers the following, more concrete definition of AFNs: “rooted in particular places, [AFNs] aim to be economically viable for farmers and consumers, use ecologically sound production and distribution practices, and enhance social equity and democracy for all members of the community”. She thus points to the various benefits of AFNs, encompassing social, economic and environmental aspects of sustainability. Economically, AFNs aim to be financially attractive for both producers and consumers by removing the middleman (LaTrobe, 2001). Moreover, the community at large benefits through ‘money retention’ within the community and associated effects on employment (Nilsson, 2009; Sage, 2003). On the social level, enhancement of direct contacts between producers and consumers is supposed to lead to more trustful and committed relationships (Ilbery & Maye, 2005) which in turn lead to more harmonious interactions within the community and lead to increased democratic participation (Goodman and DuPuis, 2002; Hinrichs, 2003; Goodman, 2004). However, no rose is without its thorns and various streams of literature unveil shortcomings and less-than-rosy realities of AFNs (as seen in Tregear, 2011).

A substantial share of existing academic research on AFNs utilizes three main theoretical frameworks. On one hand, political economy analyses of AFNs study the phenomenon from the macro perspective, predominantly using a Marxist approach (see section 2.1.1). On the other hand, rural sociology and development studies focus on lived experiences and the micro scale (see section 2.1.2). The third theoretical framework used – modes of governance and network theory – hovers between them at the meso-level and approaches AFN as clusters, defined by complex relationships, values and motivations (Tregear, 2011) (see section 2.1.3).

2.1.1 Political Economy Approach

Marx-inspired political economists postulate that “the large scale political and economic structures, in particular the forces of neoliberal politics and global capitalism can largely
explain micro level patterns of human behavior and choice” (Tregear, 2011:420). The Marxist analysis of AFNs therefore argues that the shape and workings of the AFNs are consequences of macro policies such as emphasis on neo-liberal economics in the world arena. Studies by Goodman (2004) and DuPuis & Goodman (2006) are symptomatic of this approach, as they describe AFNs as shaped by political and economic pressures under which they operate, thus conceptualizing such initiatives as a movement in a fight against the neo-liberal, globalizing forces. Furthermore, the Marxist approach asserts, that the goal and “the imperative of social science research is to expose and seek to redress the negative impacts that these [globalizing, capitalist] forces inflict on well being” (Tregear, 2011:420). However, as Tregear points out, this science-activist approach hits a rocky road when it idealistically ascribes political and economical goals to the AFNs' actors, effectively conflating “spatial scale with actor behaviors/motivations” (2011:420). As it turns out, sometimes people join AFNs for the simple purpose of getting some nice cabbage. Studies on producers’ and consumers’ motivations reveal that self-interest plays a prominent role in joining AFNs for both groups; Morris & Buller (2003) found that farmers are attracted by better margins and consumers appreciate reasonably priced, good quality produce (La Trobe, 2001).

On the bright side, the political economy approach rarely falls into the trap of romanticizing the rural communities as many rural sociologists do (Jarosz, 2008; Hinrichs 2000, 2003, 2008). It therefore succeeds at unveiling hidden inequalities or injustices within these networks, such as gender or weaknesses in implementation of workers’ right as will be seen in the following section.

2.1.2 Rural Sociology and Development Studies Approach
Whereas the political economy approach studies AFNs as embodiments of the anti-capitalist front on a small scale, rural sociology and development studies bring it ‘back home’. These scholars see AFNs in terms of the endogenous growth it can propel in the rural community and their analysis starts with the individual and ends with the community. As Tregear (2011:421) puts it, in their view AFNs are “social constructions” or “embodiments of the members of local (rural) communities themselves, as expressions of the beliefs, values and motivations of those members as they pursue activities that they hope will lead to socio-economic gains”. Conceptualizing AFNs as social constructs means that investigating actors, their goals and strategies is regarded as the best methodological approach. Rather than ‘neo-liberal’ and ‘globalization’, rural sociologists organize their analysis around terms such as ‘embeddedness’, ‘trust’ or ‘care’. At the same time, AFNs are conceptualized as tools for endogenous growth, as the community uses its resources and capital to gain socio-economic benefits (Renting et al., 2003; Van der Ploeg & Renting, 2004).

Studied as lived experience, this approach allows for a detailed, micro-level account of motivations behind a behavior that deviates from the mainstream. It however also exposes unexpected tensions, such as feelings of obligation among many rural farmers markets’ customers (Sage, 2003) or the role nostalgia plays in creating and presenting such events. These ‘regressive’ or ‘reactionary’ motivations offer food for thought for political economists who see AFNs as anti-capitalists aware of their globally connected fight. It is then rather surprising to see a lack of literature attempting to reconcile, or make sense of, these two quite conflicting accounts. For instance, a consensus reigns among rural and developmental studies that market and commercial farming is key for rural development and increased prosperity of rural communities. However, these scholars fail to take into account the larger macro economic picture and in so doing overlook inequalities in rural economies that penalize vulnerable groups such as migrant workers or women. Guthman’s (2008) Marxist critique additionally highlights the discriminatory nature of practices meant to promote endogenous growth as the emphasis on markets, premium pricing, resources’ appropriation and property rights’ protection, acts as a hurdle, rather than a facilitator of community integration. And thus, whereas political economists ascribe anti-capitalist status to local food systems as a natural goal and the reason for their existence, rural sociology and development studies idealize social relations within the AFNs.
2.1.3 Network Studies Approach

Networks studies, modes of governance and regulation, and conventions theory focus on the meso-level and study AFNs as clusters of actors operating at the scale of regions or states (Tregear, 2011). These systems are then developed as the result of “interaction and negotiation processes between those actors and groups, and the power and control issues they face, against an active backdrop of pertinent regulatory and institutional environments” (Tregear, 2011:421). The understanding of AFNs as a social construct is common to both rural sociology and the meso-level network studies, as is manifested through the shared focus on actors, their goals and motivations. However, these goals and motivations are then positioned within the regulatory and institutional framework, allowing for the study of individuals as well as relationships. These scholars operationalize terms such as ‘control’ and ‘power’, ‘trust’, ‘reciprocity’ and ‘solidarity’, in attempt to understand why similar actors with similar goals and motivations pursue different strategies, to the point of exerting dominance on others. This approach often focuses on interactions and power play between AFNs and its constituent groups, in regards to, for example, organic certification (DuPuis & Gillon, 2009).

Unlike political economy and rural sociology approaches, Tregear (2011) states that network studies refrain from either ascribing macro-goals to the actors or romanticizing the idea of endogenous growth in the rural communities. Rather, network approach aims to describe and understand a complex system and its workings, leading to certain behaviors and impacts, refraining from normativity of the two former theoretical frameworks. However, it risks oversimplification in order to create a comprehensive narrative for a complex system (Tregear, 2011).

2.2 Civic Food Networks

Due to its oppositional definition, AFN is an inherently ‘fuzzy’ concept regardless of the theoretical framework used – in fact, the fuzziness nurtures the variety of theoretical frameworks. Several authors pointed out (Jaklin et al., 2015, Tregear, 2011) shortcomings in the hitherto executed studies and consequently entrenched theorizations. Firstly, studies tend to focus on the producer and its products, omitting the relationship with the consumer or the consumer herself, as a valid research subject (Jaklin et al., 2015). Furthermore, the “objective” goodness of AFN is an unspoken “truth” that permeates the research; rarely do scholars question the assumed straightforward link between ‘local’ and ‘good’, ‘fair’ or ‘socially just’ (Born & Purcell, 2006). Such a lack of scrutiny applies to the latter terms as well. However the most poignant critique addresses its inherent binary opposition towards the conventional system, as scholars assume that AFNs are a perfect and insulated opposite of the mainstream food system. Methodologically, such orthodoxy or rather, simplification of reality means that power relationships within AFN and conventional food systems are not addressed, as they are assumed to be non-existent. Therefore empirically failing to take into account continuous connections and overlaps between conventional and alternative food systems, as expressed by the organic food in the supermarkets, farmers supplying to both conventional and alternative distribution channels and hybrid forms of AFNs (Jaklin et al., 2015; Renting et al., 2012).

New initiatives emerged in the last decades where citizens—consumers are the driving force behind network creation, enlarging AFN’s scope from mere producer-operated direct-selling and marketing towards “new forms of engagement with food” which potentially reaches “beyond food provisioning itself” (Renting et al., 2012:290). Such initiatives encompass food cooperatives, buying groups or even ‘co-creation’ of food via urban gardening or certain Community Supported Agriculture schemes. In order to conceptually frame this shift of control towards consumer, Civic Food Networks (CFN) is used as a complementary analytical concept in the study of AFNs.

CFNs are defined as “an expression of civil society influencing market and state governance mechanisms” where the scholarly inquiry focuses on “quality of interactions
between actors and not quality of the products circulating in the network” (Jaklin et al., 2015:42). This perspective, allows for the transcendence of the dichotomies between local/global and conventional/alternative (Jaklin et al., 2012; Renting et al., 2015). Arguably, the CFN approach is inclusive towards AFNs that were previously excluded from the pool on the basis of not being local or alternative enough, based on rather arbitrary criteria, and allows for re-focusing on what Renting et al. (2012) perceive as more important issues – the political struggle for sustainability of the food system.

CFNs can be analyzed along two axes, internal and external. Firstly, internally, closer cooperation between the consumer and the producer reshapes food networks in order to reform food provisioning. This close interaction is for example reflected in community-supported agriculture via shared risks of food production between the producer and the consumer. Additionally, pro-active consumers can self-organize in food cooperatives, buying groups and different food hubs. Depending on the level of engagement of producers in marketing and distribution and consumers’ involvement in production, Renting et al. (2012) distinguish between ‘co-production’ – a more collaborative relationship, characterized by active involvement of consumers in the production process, and ‘co-sumption’ – where the engagement of the consumer is limited to the act of product choice.

Externally, CFNs exert civic engagement with the goal of ”shaping public opinion, culture, institutions and policies by communication, lobbying and political activism” (Renting et al., 2012:300). Externally, CFNs can be seen as “an expression of the revitalized role of civil society-based governance mechanisms and, more generally, of a rebalancing of the role and relative weight of different types of governance mechanisms” (Renting et al., 2012:297). In this perspective, CFNs are understood as an expression of the civil society, which is competing for governance over the food system with the market and the state. Arguably, the oligopolistic corporations controlling processing and retailing distorted the market to the detriment of both the producer and the consumer. State’s power on the other hand, has withered due to intensified globalization and liberalization. AFNs seen through the CFNs prism thus represent a democratic alternative to the current food system governance mechanisms, based on direct relations, trust and concern for social as well as environmental sustainability. Founders of food cooperatives are then motivated by “their dissatisfaction with the hegemonic food system”, seeking to build an alternative one, founded on “trust, solidarity and transparency” (Jaklin et al., 2015:41). CFNs are therefore not limited to market exchange and food provision; according to Renting et al. (2012), CFNs actors share societal values. This is manifested through their political actions of activism, pressure on authorities in issues such as regulation and their contacts with other civic movements, such as Transition Towns.

Conceptually, CFNs are nested within the theoretical framework of rural sociology and political economy and the concept comes as a result of critiques towards insufficient ‘cross fertilization’ between the different theoretical frameworks (Tregear, 2011). Having previously studied AFNs as “embodiments of the members of local communities themselves”, the CFNs concept places these initiatives into a political game of influence, played with the state power and the market power (Tregear, 2011:421). This new macro-focus reflects the political economy approach that links AFNs to larger processes and situates it, among others, in the global anti-capitalist fight. From the modes of governance and network theory CFN incorporates the study of interactions between the actors in the food network, which should lead to the admission that power and control issues do exist within AFNs (Ibid.). CFN can be understood as a meta-theoretical category of AFNs, one that encompasses largely the same pool of food hubs and entities. It is both a category of objects and a theoretical approach. In this work, AFN will be used to denominate the food networks studied, as the ‘civic’ character of the networks in question is yet to be confirmed whereas their alternative character is confirmed.

2.2.1 Shortcomings of the Civic Food Networks Approach

Tregear (2011) argued that many researchers, especially those coming from the political economy or rural studies background, ascribe values to the alternative networks they are
studying, conflating the spatial scale on which AFNs operate with political, left-leaning agenda. The civic food networks approach then seemingly deals with the issue by acknowledging the ascription of such values and goals and establishing a new category of AFNs, defined through their political involvement, both internally and externally. Thus, CFN advocates do not pass the assumed “goodness” of the “local” with silence but invite scholars to own up to their biases (Ibid.).

Hence scholars continue to create agendas for CFNs rather than simply observing and understanding the phenomena at hand. DeLind (2011, in Tregear, 2011: 426) argues that to achieve true civic character, “CFNs need to transcend market logic (such as private ownership, growth and focus on individual needs) and to build communities that work together” whereas Renting et al. (2012:304) call for understanding citizens’ actions related to food as “embodying a gradual shift from utilitarian-private visions to economic models based on solidarity and the defense of common goods”. Such politically laden requirements and interpretations put on alternative food systems lead to omitting areas of research and approaches that could help understand the success and failures of AFNs (Tregear, 2011).

2.3 Relationship Marketing

According to Buttle (1996:1), relationship marketing developed as a “response to the intensified, globalized competition, fragmented markets, overall improvement in quality leading to search for new competitive advantages and demanding, better informed and volatile customers.” In such a complex environment, the classic transactional marketing theory operationalized through the marketing mix of 4Ps (price, product, place and promotion) and born out of insights from micro-economic theory, fails to successfully navigate firms towards profitability (Buttle, 1996; Gummesson, 2008). The term ‘relationship marketing’ was first introduced in the service marketing context by Berry in 1983, followed by Jackson who used it in B2B analysis in 1985 (Grönroos, 1997). Berry and Jackson recognized another set of dynamics and relationships that exist between firm and its customers, suppliers and other partners. However, the phenomenon of the relationship approach – the crucial role of customer and partner care – “is as old as the history of trade and commerce” (Grönroos, 1997; p.99). Relationship marketing is then both an attempt at a paradigm-shifting theory (Gummesson, 2017; Gummesson, 2008; Sheth et al., 2012; Sheth, 2017) and a practical approach to marketing, utilized by marketing practitioners (Buttle, 1996; Morgan and Hunt, 1994; Grönroos, 1997; Li & Nicholls, 2000). First we shall present several definitions of RM. Then, we will present the constituents of the relationship: the parties that exchange value on the market. Lastly, we shall present the axis alongside which relationship marketing can be studied (e.g. time, quality, key mediators and properties).

2.3.1 Defining Relationship Marketing

Relationship marketing can be defined in a narrow or a broad sense, loosely linked to the theory/strategy approaches to understanding of the concept. The narrow definitions of RM stem from the concrete uses of relationship strategies in particular marketing situations; Vavra (1991) understands RM as customer retention strategies, tactics to bind the customer to the company (e.g. after-sale marketing). Facilitated by the digital revolution, Customer Relationship Management is a more modern development of the customer care approach that focuses on a one-to-one relationship with the consumer via database building, enhancing the understanding of customers’ preferences in order to facilitate long term growth and customer retention (Peppers et al., 2004). Relationship marketing developed first within the field of service marketing and later spread to the industrial marketing sphere, where the relationship approach was already naturally integrated in the practice. Jackson (1985; in Sheth et al., 2012:5) developed RM as a key-account approach, understood as “marketing oriented towards strong, lasting relationships with individual accounts”.
Broad definitions of RM focus either on defining relationship marketing in particular or on redefining marketing in general to reflect on the paradigm shifting potential of the concept. Belonging to the former camp, Morgan and Hunt (1994:22) frame RM as a comprehensive set of activities, performed by the practitioners: "relationship marketing refers to all marketing activities directed toward establishing, developing, and maintaining successful relationships." Sheth et al. (2012:7) specify that relationship formation is an "ongoing process of engaging in collaborative activities" with the customers and partners, and that the goal of said relationships is to "create or enhance mutual economic, social and psychological value, profitably." Shani and Chalasani provide the following definition of RM: "an integrated effort to identify, maintain, and build up a network with individual consumers and to continuously strengthen the network for the mutual benefit of both sides, through interactive, individualized and value-added contacts over a long period of time" (1992:44), integrating the points made by Sheth et al (2012) and Morgan & Hunt (1994). Grönroos (1990) redefines marketing by introducing relationship logic, supported by transactional marketing mix and later provides the following definition of RM (2004:101) "a process of identifying and establishing, maintaining, enhancing, and when necessary terminating relationships with customers and other stakeholders, at a profit, so that the objectives of all parties involved are met, where this is done by a mutual giving and fulfillment of promises". On the purely academic level of marketing as a scholarly domain, Dwyer et al. (1987) specify the study focus of RM as the collaborative, long-term relationships between the firm and its customers and/or other marketing actors who are interdependent.

It is Gummesson (2008, 2017), who provides the most inclusive definition of RM to date. Presented under the term ‘Total Relationship Marketing’, Gummesson defines RM as “interaction in networks of relationships” (2008:3). RM establishes a relationship between at least two parties at its core, who then group into larger networks where the parties interact. Further developing from this brief definition, Gummesson (2008:12) redefines marketing as “a culture, an organizational function and a set of processes for creating, communicating and delivering value with customers and for interacting in networks of relationships in ways that benefit the organization, its customers and other stakeholders.” And whereas conventional marketing focuses on studying an impersonal exchange of mass-produced and mass-distributed goods and services between anonymous parties, RM in Gummesson’s view studies “individual and affinity groups, communities of like-minded people who seek a relationship with the product, the supplier and even with each other, sharing a common interest” (2008:14). Gummesson’s focus on networks resonates with Thorelli’s (1986) ‘network paradigm’, which postulates that global competition occurs increasingly between networks of firms (in Morgan & Hunt, 1994:47). Consequently, there is a need for collaboration in order to compete on the global scale; an effective competitor needs to be a trusted cooperator.

2.3.2 Relationship marketing elements: value and partners
The traditional definition of “market” is that of a place where products and services are exchanged between producers and consumers. In turn, marketing studies how to “push product through distribution channels (trade marketing)” and how to “pull consumers towards the point of sale (consumer marketing)” while marginally studying internal marketing focused on employees (Buttle, 1996:3). Relationship marketing redefines this analysis by focusing on value as the exchange article and enlarging the pool of parties that are involved in the exchanges.

Value is a core constituent of relationship marketing (Ravald & Grönroos, 1996; Grönroos, 1997) as the RM concept is built upon the premise that the value provided by exchanged products/services is complemented by the value created by the relationship between the two parties. This complex value is what creates competitive advantage for the firm. According to Gummesson (2008), value creation is the ultimate goal of economic activity. Hence, it is value and not the product (be it goods or services) that customers seek on the market. Companies place value propositions on the market, which are further co-created in collaboration with the consumer (e.g. car is a value proposition placed on the market by the
company and value is co-created when the car is used by the customer). The dual value that RM offers (that of the good and the relationship) is then furthermore strengthened by the value from co-creation between the producer and the consumer (Gummesson, 2017).

RM framework considerably enlarges the pool of interactions within marketing. Morgan and Hunt (1994) identify ten forms of relationship marketing between the focal firm and its partners/stakeholders, which are presented in Table 1 below.

**Table 1. The relational exchanges in RM**

<table>
<thead>
<tr>
<th>Supplier partnerships</th>
<th>Lateral partnerships</th>
<th>Internal Partnerships</th>
<th>Buyer partnerships</th>
</tr>
</thead>
<tbody>
<tr>
<td>Goods suppliers</td>
<td>Competitors</td>
<td>Business units</td>
<td>Intermediate customers</td>
</tr>
<tr>
<td>Services suppliers</td>
<td>Non-profit organizations</td>
<td>Employees</td>
<td>Ultimate customers</td>
</tr>
<tr>
<td>Government</td>
<td>Government</td>
<td>Functional departments</td>
<td></td>
</tr>
</tbody>
</table>

Gummesson (2008) broadly defined RM as “interaction in networks of relationships” between parties that can be individuals, firms or groups who seek relationships not only with a product but also possibly with each other. This allows him to identify as many as 30 different relationship-marketing interactions on both market and non-market levels. Market relationships account for more than half of the total 30 relationships, and they cover the classic market relationships of supplier-customer dyad, supplier-customer-competitor triad and network of physical distribution, in addition to several special market relationships that focus on smaller-scale aspects of the classic relationships (such as loyalty programs). Gummesson’s unique additions are the nano- and mega- relationship, that are placed outside of the market but which “indirectly influence the efficiency of market relationships” (2008:37). Mega relationships are situated above the market and mega marketing is concerned with the socio-economic fabric of society. These relationships include lobbying, public opinion or even friendship. Nano relationships on the other hand operate below the market level and within organizations. This radically inclusive stance is however challenged by Sheth et al (2012:6) who argued for delimitation of RM’s domain in order to avoid dilution of “the value and contribution of the Marketing discipline”. Accordingly, RM should focus on areas traditionally covered by marketing, excluding supplier relationships or internal relationships with exception given to the relationships with third parties “as long as it is studied in the context of how it enhances or facilitates customer relationships” (Ibid.). Furthermore, Grönroos (1997) also makes the distinction between RM and other “factors”, such as networks building, strategic alliances or partnership agreements, which he sees in supportive roles to RM.

### 2.3.3 Relationship marketing characteristics and development

RM practice signifies according to some “a shift in the nature of general marketplace transactions from discrete to relational exchanges - from exchanges between parties with no past history and no future to exchanges between parties who have an exchange history and plans for future interactions” (Weitz & Jap, 1995:305 in Sheth et al, 2012). Hence the academic inquiry into RM focuses on the relationship: one can study RM as a process of creating and maintaining successful relational exchanges, or as a collaboration between the parties defined by properties and linkages that facilitate the collaboration (Sheth et al 2012, Buttle 1996).

Marriage is widely used as a metaphor in the dynamic study of relationship development. Levitt (1983:111) argued in the early days of RM development that “the relationship between a seller and a buyer seldom ends when the sale is made (...) the sale
merely consummates the courtship. Then the marriage begins”. Dwyer et al. (1987) add elements of dating and divorce into the mix – even though it could be contested whether there is any difference between courtship and dating. They further model the supplier-consumer relationship as progressing through five stages: awareness, exploration, expansion, commitment and dissolution (Buttle, 1996:4). Christopher et al. (1991) offer a similar understanding of the relationship’s progress, albeit with a little qualitative twist. They propose a ‘ladder of customer loyalty’ as the measure of RM’s success as a strategy. The relationship progresses through stages of prospect, customer, client, supporter and advocate. Reaching the advocate level is the ultimate success of RM manager, as advocates are “so deeply enmeshed in the organization that they are not only very loyal long-term purchasers but they also influence others through positive word of mouth” (in Buttle, 1996:4). It is “enduring sequences of encounters that involve indebtedness, embeddedness and rules of reciprocity” (Buttle, 1996:11) that propels the relationship through the stages of the ‘ladder’ or the ‘marriage’. However, a relationship cannot form exclusively via series of transactions, as there is a need for “mutual recognition of some special status between exchange partners” (Buttle, 1996:13). Czepiel (1990, in Buttle, 1996) describes the development of a long-term relationship as follows:

The accumulation of satisfactory encounters → Active participation based on mutual disclosure and trust → Creation of a double bond (personal and economic) → Psychological loyalty to the partner.

The transaction – corner stone of transaction marketing – remains present during the relationship, as it is the substantive element of the exchange (unless we accept Gumesson’s mega-and nano-marketing, devoid of transactions as part of RM). Conceptually, transaction represents the level ‘zero’ in the RM scale where only the price and the convenience components are present (as in, consumer decides based on price and convenience). Pure discrete transaction where the relational aspect is kept to zero is extreme, usually found in certain retail situations (Li&Nicholls, 2000). Generally, the exchanges are placed on a continuum from pure transaction until relational element reaches its maximum – when “the customer and the supplier are practically the same organization” (Gummesson, 2008:22).

Commercial relationships have a large number of properties, which can be used to evaluate the relationship in retrospect. Some of them can be defined as “key mediators”, crucial for the formation and success of the relationship. Gummesson (2008) provides an exhaustive list of properties commercial relationships have, while he recognizes that particular properties vary in importance, he does not rank them or assign a hierarchical order. These properties are listed in the table below with a brief description.
Table 2. Properties of relationship within RM (Summarized from Gummesson, 2008)

<table>
<thead>
<tr>
<th>Property</th>
<th>Description/Example</th>
</tr>
</thead>
<tbody>
<tr>
<td>Collaboration</td>
<td>Space of collaboration; preference for high collaboration and low competition</td>
</tr>
<tr>
<td>Power</td>
<td>Symmetry is rare in relationships; however more power does not mean unfairness or exploitation</td>
</tr>
<tr>
<td>Longevity</td>
<td>Duration, retention and defection</td>
</tr>
<tr>
<td>Commitment, Dependency, Importance</td>
<td>The more important the relationship, the more committed the parties are</td>
</tr>
<tr>
<td>Trust, Risk and Uncertainty</td>
<td>Uncertainty creates risk and can be mitigated by trust</td>
</tr>
<tr>
<td>Frequency, Regularity, Intensity</td>
<td>→ leads to stronger relationship</td>
</tr>
<tr>
<td>Adaptation</td>
<td>Long-term relationships need adaptation, which can lead to costs</td>
</tr>
<tr>
<td>Attraction</td>
<td>Via image or values (as in marriage)</td>
</tr>
<tr>
<td>Closeness and Remoteness</td>
<td>Physical, mental or emotional; Physical closeness boosts trust and credibility</td>
</tr>
<tr>
<td>Formality, Informality, Transparency</td>
<td>Need to informal interaction as well as formal contracts</td>
</tr>
<tr>
<td>Routinization</td>
<td>Routines are more efficient and effective; risk of boredom (marriage metaphor)</td>
</tr>
<tr>
<td>Content</td>
<td>Economic exchange – interaction and co-creation of value; knowledge; information</td>
</tr>
<tr>
<td>Personal and Social Properties</td>
<td>Charm; charisma; likeability; social proximity</td>
</tr>
<tr>
<td>Properties of Properties</td>
<td>Not all properties are equally important; which are most beneficial for RM?</td>
</tr>
</tbody>
</table>

Crucially, however, the properties are not objective in the sense that the parties in the relationship might perceive them differently. In the case of the ‘dependence’ property for example, Anderson & Narus (1990) operationalized these possible differences in their model of distributor-manufacturer partnerships as *relative dependence*, meaning that it is the firm’s perception of its dependence relative to its partner’s dependence on the relationship that is of greater interest in the distribution channels relationships research.

Morgan & Hunt (1994) argue that it is the tandem of trust and commitment that acts as the key mediator on the road to successful commercial relationships. They develop their position from the industrial marketing and supply-chain management practice: for instance, ‘just-in-time’ procurement requires a great deal of trust in the supplier to deliver on time and in demanded quality (as the industrial or service process does not keep stock). Perceiving commitment as a central variable distinguishing a social exchange from an economic one, Morgan & Hunt define it as “an exchange partner believing that an ongoing relationship (...) is so important as to warrant maximum efforts at maintaining it; that is, the committed party believes the relationship is worth working on to ensure that it endures indefinitely” (1994:23). Trust is then defined as “confidence [one party] has in an exchange partner’s reliability and integrity” and the partner’s ability to stand by his word (Ibid.). Thus, trust is the cornerstone of a strategic partnership and in combination with commitment facilitates the relationship. The levels of trust and commitment are in turn determined by precursors, summarized in the Table 3 below. Additionally, Anderson & Narus (1990) identified cooperation as a precursor of trust in distributor-manufacturer relationships.
Table 3. Precursors to Commitment and Trust (Summarized from Morgan & Hunt, 1994)

<table>
<thead>
<tr>
<th>Precursor</th>
<th>Precursor to Commitment / Trust</th>
</tr>
</thead>
<tbody>
<tr>
<td>Relationship termination costs</td>
<td>Commitment</td>
</tr>
<tr>
<td>- Costs of termination, dissolution or switching partner</td>
<td></td>
</tr>
<tr>
<td>- Possible asymmetry in the costs between the parties, leading to power differences</td>
<td>Commitment</td>
</tr>
<tr>
<td>Relationship benefits</td>
<td>Commitment</td>
</tr>
<tr>
<td>- Suppliers are crucial allies in a competitive market</td>
<td></td>
</tr>
<tr>
<td>- Better value proposition than alternatives</td>
<td>Commitment</td>
</tr>
<tr>
<td>Shared values</td>
<td>Commitment &amp; Trust</td>
</tr>
<tr>
<td>- Extent to which the partners share opinions on which behaviors, goals or policies are good/bad, important/unimportant</td>
<td></td>
</tr>
</tbody>
</table>

Relationship marketing first developed in industrial marketing and supply chain marketing (Buttle, 1996). Traditionally, the literature in these fields characterized the relationship between customer and supplier as confrontational or adversarial; partnership was a zero-sum game and marketing a “bag of tricks” used to fool the adversary (Gummesson, 2008: 21). However, as these B2B markets were (and remain) smaller, more exclusive in nature with a higher probability of actors knowing each other, it was in this field that the marketing mix approach first started to fail. The classic ‘power paradigm’ of asymmetrical power being used to ‘squeeze’ the most out of the business partner has been replaced by partnership paradigm (Buttle, 1996:21) where the parties “focus on objectives that [they] have in common, to focus on these and the benefits to be achieved by co-operation”. Partnership paradigm can be understood as another variant of relationship marketing. In order to successfully implement RM in supply chain management, Buttle argues that instead of the traditional approach where the contact between the organizations was limited to the seller and the buyer, the organizations should broaden contact between each other. Eventually, they will create a quasi-organization that acts as an umbrella for both businesses. The contact between organizations is then on the Commercial level, Interpersonal level and Informational level. Commercial level represents the transaction around which the relationship is built. Informational level of linkage between organizations postulates that constant flow of information and updates improves the relationship. Investing in interpersonal linkage then means a more personal relationship between the buyer and the seller and other persons within the firms. Similarly, Gummesson (2008) identifies three groups of linkages between organizations, namely activity links – technical, administrative and marketing; resource ties – encompassing exchange and sharing of resources, be it tangible machines or intangible knowledge; and actor bonds – created by interacting people who influence each other and form bonds.
Figure 1. Possible interactions between manufacturers and retailers in traditional vs. relational interaction

Figure 1 schematizes the tangent points between two entities in a business relationship, adapted from Buttle (1996). The classic, transactional approach to business interactions postulates one point of contact between the entities, mainly the sales department. In a relational interaction on the other hand, the cooperation connects on several levels and points across the entities. Figure 2 below then presents these linkages in more detail (also adapted from Buttle, 1996), categorizing them into three main groups – Commercial, Interpersonal and Informational, which can then be used to describe a relationship between two business entities.

Figure 2. Components of relationship marketing relationship
2.4 Conceptual Framework

Alternative Food Networks’ conceptualizations often emphasize the closeness and the relationship between the farmer and the consumer. CSAs and farmers’ markets utilize direct marketing between the producer and the final consumer whereas more complex supply chain systems include a ‘middleman’ in the form of a food hub. A food hub is defined as ‘a business or organization that actively manages the aggregation, distribution, and marketing of source-identified food products primarily from local and regional producers to strengthen their ability to satisfy wholesale, retail, and institutional demand’ (Cantrell & Heuer, 2014:5). Such a definition is wide and rooted in the US context, where hubs act as alternative distributors for small-scale producers on one hand and retailers, business and other end consumers on the other hand, effectively becoming the corner stones of alternative food distribution. Bloom & Hinrichs (2011) understand food hubs as a solution to connect local food with conventional distribution channels, granting small-scale farmers access to larger markets. A sub-category of food hubs would be a ‘food cooperative’, which aggregates the demand of a group of self-organized consumers and connects them to the aggregated offer of several suppliers. Food coops are then defined as “groups of individuals or households who organize at least part of their food purchases jointly in order to avoid intermediary traders” (Jaklin et al. 2015:42). In the classic rural sociology framework or LFM framework, food coops are the least “local” or alternative, as they are the most organized, with less direct interaction between the final consumer and the farmer. However, civic food networks proponents appreciate food coops as the truly innovative, next-generation alternative food network, where unlike the farmers’ initiated markets or box scheme of yesteryear, it is the consumer who organize themselves into “an institutionalized form of interaction between consumers and farmers, (...) ‘co-produced’ by both of them” (Jaklin et al., 2015:44). Food cooperatives then act as ‘true’ food hubs, managing aggregation of the demand, marketing and organizing distribution and delivery.

Reviewing literature on Alternative Food Networks resulted in confirmation of the preponderance of a few theoretical frameworks, namely political economy and rural sociology, and lack of research on the more business aspects of AFNs activities. The research covered issues of customer motivation and producer motivation to participate in AFNs, but lacked in analyzing relationships within AFNs through a business or marketing perspective. AFNs do represent a rather special case, where goods flow and purchases are made, but the ideological motivation is, according to some theories, the raison d’être of the whole system. Therefore the analytical and conceptual framework for the study of relationships within AFN from a marketing perspective needs to incorporate a rather robust space for the ‘civic’ elements as defined by Renting et al. (2012) or Jaklin et al. (2014). The framework used to analyze the two cases will hence be grounded in relationship marketing theory, while including the Civic Food Networks perspective. The connection between relationship marketing and CFNs is further reinforced by the proximity of concepts of ‘co-creation’ (Gummesson, 2008) and ‘citizen-consumer’ or ‘pro-sumer’ (Renting et al., 2012), reflecting the emphasis on collaboration between consumer/distributor and producer found in both CFN and RM.

Although a relationship is two sided and the two parties typically share the benefits of the relationship, some outcomes and prerequisites might have different effects depending on the side the party is on. In the cases analyzed in this paper, the focal firm is the food hub/food cooperative that directs marketing efforts on its supplier in order to create and maintain a relationship. The strategy of the food hub will be understood in respect to two of its suppliers in order to provide an overview of possible variations rather than a generalization. Therefore, we will assess the relationship building strategy as implemented by the food hub, the accounts of which will be corroborated by the suppliers’ view. Borrowing from Morgan & Hunt’s (1994) typology, the ‘Goods Supplier’ relationship will be studied. The peculiarity of our case is due to the food hubs’ modus operandi, as they are not re-selling the goods, rather they are facilitating and channeling the contact between the ultimate consumer and the seller, aggregating the demand into a more practical package. Additionally, neither of the two hubs
generates income depending on the sales; rather, it is funded via membership fees. At the same time, there is a varying level of overlap between the final consumer and the Hub. Ultimat is originally a group of self-organized consumers, which has developed a more remote structure and whereas all members participate in major decisions, the day-to-day operations are in the realm of the steering committee. Bygdens Saluhall started as an attempt to create an online platform to facilitate contact between farmers and consumers, by setting up ad-hoc ‘farmers’ markets’ where preordered products were purchased. Depending on the founders’ motivations when starting up the hubs, it is imaginable to perceive the relationship with the farmer as a service provider, where the hub provides the farmer with access to the final consumer while at the same time adding substance to the service they provide to the consumer.

Given the relatively limited time the hubs have been operating, analyzing the dynamics of the relationship’s creation, existence and dissolution might provide rather shallow conclusions. Rather the analysis will focus on the early stage of the relationship, the motivations, facilitators and properties of the early relationship. The linkages between the supplier and the hub will be studied borrowing from Buttle (1996), who argued that a successful supplier relationship requires in-depth connections between the two organizations, on commercial, interpersonal and informational level. Reflecting on the special character of AFNs as possibly political entities, we will incorporate another, civic linkage into the analytical framework. The civic linkage will mirror the newest theoretical re-imagination and sub-category of AFNs and reflect the (possible) CFN character of the relationship between the hub and the supplier – that is, the relationship being a means for the civil society to express itself and to influence market and state mechanisms in order to achieve political goals (Jaklin et al., 2012). It can be argued that Gumnesson’s mega-relationships might cover the political aspects of the AFNs; however, in that case the relationship between the network and the above-market entity ought to be studied. Albeit the ‘civic’ aspects of the relationship could have been analyzed as ‘shared values’, linking the conceptual framework with CFNs provide more robustness and re-situates the studied phenomena it is natural environment. Stripping the relationship of the possibility to be seen as an expression of a larger political movement risks limiting the insights in regards to the practical application of the study.

**Figure 3.** Linkages in the relationship between the Producer and the Hub

Commercial linkages will study the transactions between the Producer and the Hub; relative dependency of the parties and the role transactions play in creating and maintaining the relationship.
Interpersonal linkages will assess the personal ties between the hub and the producer – the extent to which the hub or the producer has been ‘unified’ with their owners/representatives and the role personal relationship plays in the economic relationship. Trust and commitment are also included in interpersonal linkages.

Informational linkages represent communications between the parties both within and outside the economic relationship and the quality of the exchanged information.

Lastly, civic linkages will assert the values and motivations of the hub and the producer, their alignment and the role they play in the relationship.

The outcome of the analysis will be a model of relationship creation and provide understanding of the role and weight different linkages have in the relationship during its different stages – courtship, marriage and eventual dissolution. The ‘maturity’ of the relationship will be assessed, utilizing Christopher et al. (1990) ‘ladder of customer loyalty’, albeit reframed for the supplier relationship.
3 Method

Given the low level of maturity of Swedish AFNs and limited studies that investigate relationships between actors within said networks, this multiple case study uses an explorative approach. Such an approach is well suited when the goal is to understand the problem (relationship creation and maintenance) and its components (facilitators, motivations) (Saunders et al., 2009). The unit of analysis is the relationship between the food hub and its supplying farmers in two separate cases.

3.1 Choice of Study Subjects

The chosen cases represent samples of convenience stemming from the author’s previous knowledge of said hubs and pre-established communication due to other contexts. The first case study is Ultimat, a student food cooperative based at SLU in Uppsala. The second case focuses on former Bygdens Saluhall (BS) – currently named Local Food Nodes in Röstånga, Skåne. While Bygdens Saluhall is not a food cooperative, it acts in a similar manner by aggregating the purchases of a pool of consumers and connecting them to a pool of farmers, and coordinating the exchange of goods to a set time and location. The subtle differences between the two cases as well as different nature of their founders (students/working persons) will be further developed in Chapter 4. Several other food hubs were considered but eventually rejected as study subjects due to either buying from wholesalers rather than farmers or being too close both geographically and organizationally to Ultimat. Arguably, choosing organizationally diverse hubs resonates well with the explorative approach utilized in this study as it provides more outlets for future research.

In Ultimat’s case, the author was familiar with the farmers and producers the hub is supplying from. During personal conversations, several producers were asked to participate in the study to which all responded positively. Ultimately, two suppliers were chosen – a well-established farmer active in agricultural politics and research in Upland, and an economic association that uses permaculture food growing practices as a method to re-introduce people into work force and which sells its produce mainly through food hubs in Uppsala. The preference for variety stems again from the explorative approach of the study. In the case of Bygdens Saluhall the author asked the hub founder to help identify farmers willing to be interviewed. The two farmers that BS proposed agreed and no further search was conducted. Therefore it is possible that the selected farmers were those who were more invested in the food hub, an element to be taken into account during the analysis.

3.2 Choice of Method

The author conducted semi-structured interviews face-to-face over the course of two months. The interviews with the Skåne-based hub and farmers were conducted in Skåne during two days and the author was accommodated in the house of one of the founders. As the relationship between the two entities is studied from the perspective of the interviewee there were two versions of the same interview questions, one for the supplier and one for the hub. In addition, there were minor differences between the questions in the two cases, due to the different levels of engagement the relationship offered to the farmers. The interviews however followed the same red thread: at the beginning the author presented briefly the topic of her thesis and the structure of the interview. The first part focused on general questions about the supplier’s/hub’s structure, function, activity and history. The second part was divided into three parts: courtship, marriage and divorce, inquiring about the chronology of the relationship. Each part then contained questions about concepts such as power, trust, dependence and transaction as well as motivations of the actors to work with the food hub.

2 ‘Farmers’, ‘suppliers’ and ‘producers’ are terms used interchangeably
Albeit the interview questions varied as adaptations were made ‘on the go’, the interviewees’ responses were comparable and allowed for coded analysis. The transcripts were done by the author and by a trusted third person and were sent to the interviewees for approval mid-May 2017. Two interviewees made corrections and sent back the amended versions while the remaining four acknowledged the contact made and approved without changes to the original.

Thematic coding was used to carry out content analysis of the transcribed interviews (Robson, 2011), meaning it is the content of transcribed interviews that serves as the raw material of the analysis. In each case, the hub is the focal firm using relationship marketing in order to gain and keep the producer as a supplier; supplier’s insight then represent the reaction to the hub’s marketing efforts. The data was grouped following the four-linkages structure used as the basic analytical framework and further organized by themes (Power, Dependency, Trust, Values…). Additionally, the two cases were compared in order to identify similarities and discrepancies and their causes (Saunders et al., 2009). The conducted interviews are summarized in Table 1.

### Table 4. Overview of conducted interviews

<table>
<thead>
<tr>
<th>Entity</th>
<th>Interviewee</th>
<th>Length</th>
<th>Date</th>
</tr>
</thead>
<tbody>
<tr>
<td>1 Bygdens Saluhall/Local Food Nodes</td>
<td>Founders</td>
<td>90 min</td>
<td>15/3/2017</td>
</tr>
<tr>
<td>2 Supplier A</td>
<td>Owner</td>
<td>90 min</td>
<td>15/3/2017</td>
</tr>
<tr>
<td>3 Supplier B</td>
<td>Owner</td>
<td>45 min</td>
<td>16/3/2017</td>
</tr>
<tr>
<td>4 UltiMat</td>
<td>President and Responsible for supplier contact</td>
<td>80 min</td>
<td>10/4/2017</td>
</tr>
<tr>
<td>5 Supplier C</td>
<td>Employee</td>
<td>80 min</td>
<td>12/4/2017</td>
</tr>
<tr>
<td>6 Supplier D</td>
<td>Owner</td>
<td>75 min</td>
<td>11/5/2017</td>
</tr>
</tbody>
</table>

### 3.3 Literature Review and Secondary Data

The literature review was conducted along axes of Alternative Food Networks, relationship marketing and AFNs in Sweden. Whereas AFN literature and RM literature is abundant in the form of both academic articles and larger textbooks, the literature on Swedish AFN is more scarce. Due to the author’s limited fluency in Swedish, student theses on the topic of CSA or local food were consulted first in order to identify available Swedish literature and progress from there. As it turned out, policy documents and reports from authorities and associations working with food and farmers were the most abundant. However, they did not cover the small- and micro-scale farmers nor did they address the combination of local and organic food, which is present in AFNs. They nevertheless provided valuable empiric background information. Literature from the current millennium was prioritized, with exception given to works on theory.

### 3.4 Validity, Reliability, Generalizability

Validity is understood as accuracy or truthfulness of the research. The validity of qualitative research can be threatened on description, interpretation and theory levels (Robson, 2011). Methods used in this thesis to ensure validity include accurately and completely recording and transcribing the data. Furthermore, the transcripts were sent to the interviewees for approval. Theory triangulation (Robson, 2011) – combining RM and CFN frameworks and data collection from both sides of the relationship further supports validity of the study.

Reliability refers to the concern whether the standardized research tool produces consistent results. In qualitative research however, research instruments are non-standardized and thus their reliability cannot be tested. Rather, as Robson (2011:159) contends, researchers
using flexible design (such as case studies) ought to concern themselves with “the reliability of their methods and research practices”. For that purpose Robson (2011) recommends keeping an audit trail, full record of all activities, recordings, transcripts, details of the analysis carried out during the study. In order to assure reliability of this study’s results, all of the interviews were recorded on two separate devices and transcripts were carried out. The primary thematic coding of the interviews is also archived.

Finally in regards to generalizability, flexible designs need to satisfy conditions of internal generalizability, meaning the conclusions ought to be generalizable within the setting studied. A threat to this might be biased selection of interviewees – and given that supplier interviewees of the Bygdens Saluhall case were chosen by the hub and not by the author, there is a risk for limited internal generalizability. Regarding external generalizability, that is the possibility to generalize the conclusions beyond the case study setting, a theoretical or analytical generalizability is still achievable. In that case, the result is a set of mechanisms that is applicable – generalizable – across other AFNs (Robson, 2011).

3.5 Ethical considerations
The researcher was open about the purpose of the research and general approach to the topic in order to avoid any deception and to establish informed consent. Anonymity was offered to the interviewees and will be maintained for the supplier interviews. Due to the particular nature of the hubs and the need to describe their environment and functioning, it was impossible to ensure anonymity in their case. The researcher was however given consent to use their name when using the data. In the case of BS, supplier anonymity in regards to the hub they cooperate with will be difficult to ensure, as it was the hub that facilitated the interviews.
4 Empirical Background

In the following part we will assess the state of AFNs in Sweden from the perspective of the two main constituents of the network, producers and distributors/connecting entities. These entities – food hubs – come in different forms with varying levels of consumer engagement. Academic literature on food hubs in Sweden is limited and consists mostly of student theses and policy reports. Inclusion of literature in Swedish is limited due to the author’s suboptimal language skills.

4.1 Farmers and food market in Sweden

After World War II, the Swedish agricultural sector went through the process of rationalization, not unlike other European countries. The goal of this policy was to modernize the agricultural production in order to reach self-sufficiency of Swedish food production. Farms were professionalized, mechanized and slowly grew bigger as former farmers moved to the cities for work. After a short period of deregularization, Sweden entered the EU and began operating under the Common Agricultural Policy framework, which continues today. Under this policy, farmers are subsidized as ‘stewards of the land’ and additional subsidies are awarded for organic modes of production. However, these subsidies are available only for professional farmers, who run their farms full time and therefore attain a certain level of turnover (Interview D; Myrdal, 2011).

Traditionally, Swedish farmers formed cooperatives in order to approach distributors and retailers while holding more bargaining power, eventually integrating food processing into their activities as well (case in point: Arla). At the same time, cooperatives provided an assured outlet for production with stable prices, regardless of the current level of demand. Cooperatives thus represented the main distribution outlets for small-scale farmers (Myrdal, 2011; Nilsson, 2010). However, the conditions that existing cooperatives offer their constituents have been perceived as deteriorating and farmers are abandoning them (Farmer D; Johansson, 2016; Rundgren, 2013). Small-scale producers perceive a lack of ‘sales organization’ that would market them to the distributors (Björklund, 2008:32) or that would establish sale outlets outside of the main retailers and distributors, to which small farms do not have access. In response, farmer-led efforts have popped up with emphasis on ‘local’ – CSA schemes and self-organized farmers markets such as Bondens Egen Marknad or Produkt Gotland (Nilsson, 2009) are examples of such alternatives initialized by farmers themselves. Even though these channels allow farmers to sell for the prices they decide, they fall short to provide the convenience of distribution and marketing assistance that farmers’ cooperatives had offered.

The organic, responsible-production aspect of AFNs is challenged by ‘supermarket organic’ and the dominance of main food retailers and distributors in Sweden. Overall, only 10% of food consumption (organic and conventional) consists of fresh produce, eggs, meat and fish, which is internationally a very low figure. At the same time, the market is very developed without much growth expected. Organic food is then the most dynamic trend, which increased its share of the total food market from 7.7% in 2015 to 8.7% in 2016. On the online market, organic food sales accounted for 25% of all sales (organic-market.info, accessed 15/5/2017). These statistics refer to KRAV certified products only, out of which 45% is produced in Sweden (Krav Market Report, 2016). Swedish food retail sector (distribution to the final consumer) is highly concentrated and the large players handle their own supply channels as well. Combined, ICA, Coop, Axfood and Bergendahls Food capture 94.5% of the total food retail market (Chamber Trade Sweden, 2016). According to Ekoweb’s Ekologisk Livsmedelsmarknad report (2017), 5% of the organic food sales are generated through ‘other’ channels, which include different forms of CSA, farmers’ markets, ecological stores or sales directly on the farm. It is uncertain whether food hubs’ sales are included as a category apart, as some food hubs are not registered or rather; those sales are reported as ‘gårdbutik’ sales directly to the consumer. Additionally a certain part of the organic produce on AFNs markets
is uncertified. Quantifying the size of AFNs is therefore a Sisyphean task, due to both fuzzy definition of the concept and lacking data from such a small, partly informal and underdeveloped market.

4.2 Food hubs in Sweden
Developed regional hubs that would not only aggregate the offer of the farmers but also organize the marketing and logistics to the final consumer are rare in Sweden. The term is not used in any Swedish-related context, in neither its English nor Swedish (mathub) variant. However this does not mean that there are no entities that could be categorized as food hubs in Sweden, even if performing limited array of activities compared to the fully-pledged, US based food hubs (as seen in Cantrell & Heuer, 2014). To a certain extent, farmers’ cooperatives execute some of food hubs’ responsibilities, such as aggregation of demand and marketing to distributors, retailers or bigger end-customers. Nevertheless, farmers’ cooperatives are deeply ingrained in the conventional food system in Sweden and therefore ought not be considered as food hubs in the AFN framework.

Historically common food hubs in Sweden were buying clubs and food cooperatives, however information about defunct food coops is scarce and exists mostly in oral tradition, often due to informality of such cooperatives (Farmer D). Nowadays, new food hubs are benefitting from the digital revolution, simplifying ordering and aggregating of sales. Min Farm (minfarm.se) represents one of the possible new food hub configurations, aggregating the offer by local farmers and allowing consumers to order and pay online and then pick up the products at a special location during a rather short period of time. However the contact with the farmer is limited as an employee of Min Farm mans the actual hub location and the company has no other documented activities (such as community building or organic requirements). Minfarm.se charges mark-up on top of the farmers’ asking price and operates as a classic for-profit company. Reko rings, a concept coming originally from Finland – uses Facebook as a medium to aggregate demand and organize distribution in an informal way. Australian based Open Food Network (https://www.openfoodnetwork.no) is building stepping stones to enter Swedish market with its open-source online platform for managing commercial relationships between farmers and their larger-than-single-consumer customers. However, OFN is an empty tool without food hubs to organize the demand side of the equation. Local Food Nodes – which will be analyzed in the following chapter – is the most organized, Swedish-based attempt at systematic food hub building. Their cooperation with SLU Alnarp and Hela Sverige Ska Leva grants them the publicity and credit they seek; however, Bygdens Saluhall in Röstånga remains a single child (Interview BS). Food cooperatives are the easiest to set up and according to oral tradition (Interview D) the history of AFN in Sweden is littered with short-lived food cooperatives. Currently, Uppsala only has three food cooperatives3 sourcing directly from an array of farmers. Stockholm sports only one food cooperative – Ekokooperationen för 17! (Facebook group), which however sources its food from a biodynamic wholesaler. Even though information about any other food hubs or food cooperatives was unavailable, additional food hubs might exist under the (author’s) radar around Sweden.

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3 Flogsta Matkooperativ, UltiMat, Väktargatan Food Hub (facebook.com)
5 Results
In the following chapter, the data from the two cases will be presented and analyzed using the conceptual framework presented in Chapter 2. The cases will be analyzed separately and their comparison will be included in the discussion chapter.

5.1 Case 1: Bygdens Saluhall
The project of Bygdens Saluhall—a local food hub in Röstånga, Skåne, began as a personal quest by one of the founders to find a digital way to market his lamb production. Since the launch in the summer of 2016, the founders changed the name to ‘Local Food Nodes’, to provide a general platform for new food hubs to operate on. The commercial term ‘local food node’ is unique and not used in any literature so far. Its activities are however those of a food hub. The following analysis will first focus on the functioning of Byggdens Saluhall’s food hub, then the linkages between the supplier and the hub will be assessed from the perspectives of both actors, and lastly, we will analyze the development of the relationship and assess the level the relationship between the hub and the farmer has reached.

5.1.1 Overview
Bygdens Saluhall is the former name for the first of Local Food Nodes established in Skåne, Röstånga. Viktor and Albin, Röstånga locals and part time farmers founded the project in order to create a platform where local producers and consumers could meet. They developed an online prototype where farmers marketed their products, members of the node would order them and producers would then deliver them to the node – a physical space in Röstånga. The delivery would take the form of an ad-hoc farmers’ market with only pre-ordered products brought by the farmers. The payment gateway was not included in the solution, as many of the small-scale farmers need to sell directly to the consumer. The platform would aggregate the ordered goods for the farmer and payments were done directly person-to-person during the delivery. Local Food Nodes is an economic association (ekonomisk förening) with Albin, Viktor and an IT developer as members of the association. LFN’s business model is based on membership fees of voluntary amounts paid by the consumers and envisions a multitude of nodes to be opened and managed locally. Farmers can use the platform free of charge, however in the first version used by Byggdens Saluhall, Albin and Viktor had to upload products and information manually. The newer version allows farmers to manage their accounts. Currently anybody can set up a node, meaning a physical space available during a precise time for the farmers to deliver the pre-ordered products. The farmers then decide to which nodes and when they want to deliver their products. There are so far no other local food nodes other than the original one in Röstånga, which is managed by Albin and Viktor and it is its first year of activity that was studied.

The project started as a personal solution for Albin, who was looking for a digital way to market his production of meat. In the process of doing so he realized that “they [consumers] want to buy local food and producers want to connect directly with the consumer”, but the issue was “how do we create a digital and a physical solution at once” (Interview BS). The term ‘node’ was used “because we have a physical place where you go to collect your food, the key for us is there can be no intermediaries, so the food has to be picked up directly from the producer” (Ibid.). Figure 4 below schematizes the relationships and the flow of money, goods and services between the actors in the BS food hub.
As illustrated above, there is no money flowing through the hub, which then acts as the facilitator of connection between the farmer and the end consumer, marketer and aggregator of both demand and supply. The hub’s business model stands on membership fees consumers pay to access the content and ordering possibility on the platform. Such direct contact between the consumer and the producer is required in some cases of micro-producers, due to the regulations they fall under.

5.1.2 Linkages between the hub and its suppliers

The four kinds of linkages that exist between the hub and its suppliers – commercial, interpersonal, informational and civic – will be presented in the following sub-chapter.

Regarding commercial linkages, there is no direct transaction between the farmer and the hub, rather the hub offers a platform for the farmers to meet and market to consumers. Albin emphasized that in his opinion, “local small producers are not looking for another middle man in a digital shape, they want to build real relationships with the consumers” and that the hub’s role is then to “create dialogue between producers and consumers.” Both farmers perceive this as a major positive: “We are a small farm, we want the connection with the customers, and this is a way to get closer to them” (Supplier B).

The farms that are on-boarded are small and relatively new – Supplier A counts her animals in dozens and started commercial production some 3 years ago and Supplier B can ramp up her vegetable production to the maximum of 120 CSA customers, having started in 2016 only. In spite of their small size, the dependency of the hub on its supplying farmers is palpable and admitted by both the farmers and the hub. The hub currently considers the farmers as the cornerstone of the operation as they provide content to the site. Additionally, it was advancement of farmers’ agenda that fueled the development of the hub. Thus, in the case of a dissatisfied farmer, the hub would perceive it as them “failing to fulfill [farmers’] needs, because they don’t feel like they are getting value out of the relationship and the site.” The hub would try to understand “what do [farmers] need from us to make [them] stay.” This is also due to practical issue of limited pool of farmers in the area: “There are not so many producers to go around either so we really want to have good relationship with them, especially the good ones around” (Interview BS). In Viktor’s view, farmers “understand I think that they are very important for this node to be anything at all. They really understand that if they are not there that there is nothing.”

In order to keep the farmers in the hub, Viktor and Albin were open to adapting the operations to the needs of the most crucial farmers – vegetable and egg and meat producers. “We knew that we have nothing without the producers, our needs, our setup needed to fit the needs of the producers. So for instance one of the vegetable producers already had their
delivery routes on Tuesday so we said, okay delivery times on Tuesday.” The farmers expressed the same understanding and awareness of their crucial role in the hub: “We said we can come once a month and it has to be after pay date. We will not come on the 24th on a Tuesday” (Supplier A). “Then they asked the others to come the same day as us, it was once a month that it was a big order. We also set a minimum, you couldn’t order less than 24 eggs, otherwise we wouldn’t come” emphasized Supplier A, identified as one of the crucial producers in the hub. Furthermore, in Supplier A’s opinion, the founders “had troubles finding producers that wanted to join.” Supplier B corroborates producers’ perceived importance. When asked who is the cornerstone on which hub’s success lays, she said: “maybe it's more the farmers, because the delivery of the produce, it has to work for the farmers in order to happen.”

Even though both farmers appreciate the contact they have with their customers, Supplier A sees the limits of her engagement in the hub through financial terms – she is not selling much, and were she to ramp up the costs, she would have to leave. Additionally, her ideal distribution is not through the hub but through her own channels. In terms of competition, the Hub is open to all interested farmers and does not curate the selection of products in the node. The more the merrier, as it attracts the consumer.

However for some farmers, competition issues can arise. Supplier A expressed her worries when a different farm came to the node, offering the same variety of cocks but for a slightly cheaper price. In that case, she says, “I need to go where I get my business. And no serious competition.” Such a radical stance comes from the perceived lack of power over competition issues; to the question ”Do you feel like you have any other power over whether there is another producer doing the same things as you?” Supplier A replied “No I don’t think so.” For Supplier B however, small-scale farmers ought to stick together and she does not perceive competition as an issue: “I don't really think of competition like that, I don't think like, that all small farmers should see us like, companions.” In her opinion, small farmers are connected on the same side as “I think Sweden need all small farmers. So I don’t think about that.” So while the farmers are aware of their power and influence, they do not feel that they have complete control over the whole hub. The freedom to eventually move to new hubs is then seen as a positive, solving the issue of competition as well as providing an opportunity to increase financial returns.

Interpersonal linkages - personal relationship between the farmer and the founders - were facilitated by the onboarding onto the platform. The hub founders approached farmers they knew first: “we approached producers that we liked“ (Interview BS) I was called by Albin and he asked to come and talk about it, and see if we were interested.” Supplier B did not know Albin, however with Viktor “We're friends too. [He] is a customer of mine as well.” Supplier A was “approached by Albin, we are friends with Albin from before and he asked if we’d like to be part of this pilot project.” Familiarity with the hub’s founders played a significant role in the onboarding of the farmers: “I don’t know if it would have been the same if we didn’t know Albin from before” (Supplier A). The hub didn’t engage in any pro-active relationship-building strategies outside of the regular communication, as “We already had informal relations with most of them” (Interview BS).

This interpersonal aspect transcends the onboarding of the farmers and influenced the hub’s success as well: “I don’t think I had anyone buying from me who wasn’t his personal friend on FB. So it was his connections” (Supplier A). However, Suppliers A and B admitted that they would have join even if they didn’t know the founders, “as there was really nothing to it, I didn’t have to do anything, it didn’t cost me anything” (Supplier A). At the same time though, she would not have joined if she weren’t approached personally.

Informational linkages took form of continuous communication between the farmers and the hub, mostly because the platform was not yet fully operational. The hub founders managed the node and the products available through a constant back-and-forth of updates. The quality of the communication depended on “digital skills” of farmers and the level of their engagement with the hub. Both Suppliers A and B were active communicators; whereas farmers with more
established production and diversified distribution channels represented a more hard-to-reach partner to the hub.

Concerning civic linkages, main motivations on the part of the farmers were little-to-no costs of participating and the visibility they gained, even though the sales were rather modest. Supplier B confirms: “Yeah, the whole idea, I think, was that it’s not costing us anything to use.” Additionally, BS provided crucial marketing services “We just needed a way to get out there. Marketing is really hard; you don’t want to pay anything for it even on facebook it gets expensive” (Supplier A). The ‘buzz’ created around BS led to increased followership on social media – “it’s also been a very good way to be seen, we have more followers, even if we didn’t sell as much every time” (Supplier A), and have the possibility of connecting with the customer outside of the hub’s platform, if need be. Additionally, the social contact was a major positive that motivated the farmers to stay even if the sales were less than optimal: “I think it’s fun, the small events on the nodes in Röstänga, that I could meet some other farmers, and that’s fun, to get together” (Supplier B).

The hub founders argue that they are not “looking for another business model”, rather they are motivated by the search for “societal improvement” (Interview BS), which refers to connecting farmers and consumers directly, without taking a cut. This position is aligned with farmers’ ideals, as taking a cut “would be a problem for me... I see it like, all these small farms is the way to go in Sweden, to bring back all small farmers, and for us to manage the farm and go round [turn a profit] it’s gonna be a direct contact, it’s not gonna be someone in the middle to make a profit of what I sell, it’s gotta be directly, I should have all the profits and the customer should know what they pay for” (Supplier B). Supplier A shares this view, however for slightly more practical reasons, as adding a new layer to the price would increase the prices too much, as “the prices are already sky high compared to the store prices. And we still don’t make money out of it.” Taking a cut would feel “corporate” (Supplier A) and “like a business” (Supplier B) which is what the farmers as well as the hub want to avoid as they appreciate “the charm, that everything is small and unbusiness like” (Supplier A). However, both farmers were open to sell to ICA for example, if the regulation they fall under would allow that.

Both the hub founders and the two farmers perceived that they are sharing the same values, (Supplier A) and that “it’s a big deal” (Supplier B), valuing small, local and responsible producers. The hub founders as well as the farmers expressed interest in “good farming practices” (Interview BS, Suppliers A and B), the importance of organic production (Interview BS, Supplier B) and good treatment of animals (Interview BS, Supplier A). Additionally, sharing the passion strengthened the connection between the hub and the farmer: “A case of being passionate about it, about small farms and small farming, and the local, to be available locally” (Supplier B). In spite of the shared values, all also refused to carry the responsibility of deciding who abides by their values and agreed to keep the hub open: “I don’t think we have a common set of values for the node; we’d like to keep the nodes as open as possible. Our foremost goal is to change the behaviors to buy locally, and if somebody is okay with them using chemical fertilizers, we don’t want to be the people that make the rules” (Interview BS). The hubs and the farmers agree that it is the consumer that needs to “take the responsibility for what they are buying by themselves” (Interview BS). According to Supplier B, “the farmer is the judge of what he can possibly do [in terms of sustainable production] but it’s not my place to say whether or not you should be part of the node.”

5.1.3 Development and maturity of the relationship

The hub ‘courted’ the farmers they were familiar with and through personal meetings they succeeded to convince thirteen farmers. Prior personal and commercial contacts between the farmers and the hub facilitated creation of the supplier relationship with the hub within a rather short period of time – “it took usually one visit to the farmer to get them on board” (Interview BS). During the ‘marriage’ phase of the relationship, that is the collaboration in the food hub, the founders perceived qualitative differences in how engaged the farmers were,
some “really have pushed us, as a platform, they were sharing in their networks, they really understand, and because they are so small scale, and they are starting up, it’s so easy for them to see the value of having a solid place to go to that markets their stuff for them, for their price” (Interview BS). Both Supplier A and B has gotten deeply involved in the food hub’s activities: “We got really personally involved. It didn’t feel like selling to a store, it was more like, meeting halfway towards the same goal. It was minimum effort, and a lot of fun to go there, everyone was very positive. We actually talked to the consumer” (Supplier A). Farmers were participating in the hub’s marketing efforts towards both the consumers and other suppliers. Supplier A contacted farmers she knew of in the area, Supplier B placed information about her new distribution channel on the flyers she distributed around. On the social media, farmers were “sharing, when we were sharing what they were posting and they were sharing what we were posting. So that kind of dynamic is working”.

In terms of qualifying the role they play in the hub, Supplier B would describe herself as “something like a partner? But maybe because it's still so new, I don't know how I feel, but I think it's worked fine this previous year.” Supplier A is considering opening her own hub on the LFN platform, closer to her farm and Supplier B will probably take over managerial responsibility for the first hub in Röstånga: “I’m going to be involved some more in the node of Röstånga.” In this way, the hub is a common project between the platform founders and the farmers who feel like they “own” the hub to a certain extent. Still, this kind of ownership is not guaranteed: “some of them feel like they have no ownership. Vegetable producers are doing their thing, so it’s just another CSA drop point for them” (Interview BS).

The maturity of the relationship can also be assessed through the hypothetical inquiry of the reasons for eventual de-commitment from the hub. The founders believe that the farmers “would be reluctant [to leave], they know we worked for a year without any reimbursement and we’ve put down a lot of time, some of them might be inclined to help us even though they might feel this is more work than it’s worth.” The farmers confirmed the sentiment of personal attachment but rather for personal reasons: “I would miss it, it’s been a very nice social experience, it’s not that we sell so much that we can see the dollar signs, it’s just a really fun thing to do” (Supplier A). The main nudge to leave would come if the hub changed or betrayed its proclaimed values, currently shared with the farmers: “I would leave if it lost its small farm [focus], like caring for your products” (Supplier B). Supplier A confirmed the importance of the small-scale farm focus but she would also leave if it becomes too commercially untenable or if other –preferable scenario of her own distribution – becomes plausible.

Albeit appreciative of the opportunities Bygdens Saluhall offered them, Supplier A and B would not like to in a situation when the nodes are crucial to their sales. Supplier A would like to in the long run “buy a farm where I could have my own slaughtering and then I could sell to everyone, a store, a restaurant.” For her, Röstånga’s food hub offered cheap and practical marketing outlets, but she is “not tied to Röstånga and I know those consumers already. They can always email me if they want something so in that way I don’t feel like I am losing them [If I were to leave the hub].” As for Supplier B, she is keen to grow her CSA outlet.

5.2 Case 2: Ultimat
Ultimat is a food cooperative hailing from SLU’s campus at Ultuna, Uppsala. The interview was conducted with the current chairperson of the organization, Kristina, and the person responsible for contact with farmers, Hannes. Two of their suppliers – a local farmer (Supplier D) and an employee of a permaculture association (Supplier C) – were interviewed as well. The analysis will follow the same structure as in the previous case: first an overview of Ultimat’s activities will be provided, followed by assessment of the linkages between the hub and its suppliers. Lastly, we will assess the development of the relationship and the level of ‘closeness’ the relationship has reached.
5.2.1 Overview
Ultimat was founded as a food cooperative some two years ago by a group of students from SLU Uppsala. Their goal was on one hand to procure local products for themselves as well as to support local farmers and local agriculture. After a few informal order cycles, Ultimat registered as an ‘idéeell förening’, a non-for-profit association. Only members are allowed to purchase through Ultimat, however there are no other requirements other than payment of the semester fee of 25 SEK\(^4\), which is also the only funding the association has. Members vote a steering committee into office every year, which organizes Ultimat’s work, including the encouragement of help and assistance from other members during deliveries or work trips to the suppliers’ farms. In addition, the association occasionally organizes community-building activities, such as aforementioned trips to the farms or pub nights. Orders take place every month during the academic year and farmers deliver to SLU’s Student Union building shortly before the arrival of the members. Ultimat uses Google Spreadsheets to aggregate the orders. Members pay via Swish or bank transfer to Ultimat who then pays the suppliers. During last year (2016/2017), the amount of suppliers fluctuated around seven.

![Diagram](image)

\textbf{Figure 5} Connections between Ultimat, its producers and suppliers

Figure 5 above represent the schematics of the relationships between Ultimat and its consumers and suppliers. The connection between the producer and the end consumer is facilitated but not given, as Ultimat handles both payments and deliveries. At the same time, it is consumers that are constituents of Ultimat, self-organizing their interests – the question is to what extent has Ultimat’s steering committee become a body independent from the interests of its members.

5.2.2 Linkages between the hub and its suppliers
The four kinds of linkages that exist between the hub and its suppliers – commercial, interpersonal, informational and civic – will be presented in the following sub-chapter.

Regarding commercial linkages, as the goal is to simplify access of several dozen coop’s members to the supplying farms, Ultimat works as a payment gate between the final consumer and the farmer. Kristina and Hannes perceive the coop as a middleman between the two, but they refuse the idea of any other middleman: “we want to create a direct and closer contact with the farmer” (Interview Ultimat). Ultimat works with seven small producers, farmers as well as food processors (for example tempeh). Farmer of thirty years, Supplier D is focused on primary production and food made ready for selling at market is on a secondary track. Contrary to the popular opinion, Supplier D argues, food production is not a natural step for a farmer, although it provides a lot of positives in terms of consumer contact, it is

\(^4\) After the last general meeting, the semester member fee increased to 50 SEK.
extremely taxing and many farmers do not last long. He further argues that his main interest is in making sure his primary production (wood, wheat, live animals) is sustainable, meaning it has a positive net effect on the eco-system: “we think we should give priority to giving the primary production, the farm production, more sustainable.” Supplier D’s food production is then relatively small and he is in the process of scaling down as the farm is not reaching “small-scale efficiencies”, especially in the dry goods (flour, oats) production. His food production, he argues, falls short of reaching financial profitability or even covering its costs. However he continues to supply two of Uppsala’s food coops, including Ultimat, as he wishes to honor the agreement reached several years ago. Nevertheless, he ‘dropped’ other stores and distribution channels. As he puts it: “I was motivated to become a farmer by my love of multifunctionality as well as environmental concerns.” He adds: “I see that we have just one planet, and farming has a huge impact on the planet” (Supplier D). As a farmer then, he feels that “I should not be part of the problem. I should be both producing all that we need, and at the same time I should repair the life support systems that will be a guarantee for food production in the future.” Supplier C also does not depend on the food coop for its sales; furthermore, its primary income is that from Arbetsförmedlingen, as “we work with ‘arbetstränande’, rehabilitation for people who have been out of work for a number of different reasons, depression, burn out, lots of different reasons. We work with them through gardening rehabilitation.” Food production is then a natural consequence of gardening therapy. The produce is sold mainly through the food coops but also during regular markets at the Supplier C’s production site. Supplier C gains “little bit of money through the food co-ops through the products that we sell, but it's very little, it's not our main source of income.”

Thus, neither of the two suppliers interviewed perceive their collaboration with Ultimat as economically motivated or profitable. Ultimat on its part perceives the farmer as both the corner stone of the collaboration and the actor they want to help the most. When inquired about which actor’s wellbeing they were concerned about most, Kristina replied: “It's definitely the producers. We wouldn't have anything to distribute if we didn't have any producers.” Due to this dependence, Ultimat is “quite keen on adapting to their needs” as it is “important for us that the producers (really) want to sell to us.” This perception however ought to be nuanced by the suppliers’ account of the power dynamic within the relationship with Ultimat. Supplier C argues that their relationship is more symbiotic: “I think it's equal. We would continue to exist even if they didn't exist. But we wouldn't sell as much food. And they would continue to exist even if we didn't, but they wouldn't have as much food to sell. I think it's symbiotic... And that's how it should be.” As for the prices, Ultimat is focused on the product and the price is secondary, hence they would never negotiate the price – this commitment is understood by the farmer as an expression of Ultimat’s more in-depth knowledge of the farming process: “They have a bit more of an understanding of this process you know...” Supplier C on the other hand underlines that “our prices are, I think very low and very reasonable.”

Rather than the financial benefits then, Suppliers C and D are motivated to be collaborating with Ultimat due to other reasons: connection to the consumer, to the SLU and a desire to “get people back into work, but also to be one of the main players in the local food network in Uppsala” (Supplier C). Supplier D emphasizes that: “We meet people. And we are happy to deliver good food for the people.” However, even if the commercial benefits seem to be relegated to the very back room, administrative costs can still be a limiting factor to the engagement of a supplier. For instance, if Ultimat wants to have the products delivered to SLU, Supplier C set the minimum order size to 500 SEK due to administration and delivery costs.

Albeit Ultimat is willing – and wishing - to adapt to the needs of the producers, such adaptation goes both ways and criteria for choosing farmers exist. These criteria can also provide basis for ending the relationship. The criteria run along three axes and the decision process is reinforced by a “blurry gut feeling” Ultimat representatives get about a farmer. Firstly, food should be produced “within the borders of Sweden - because of environmental and climate reasons, good environmental relations for agriculture.” Secondly, Ultimat wished to “support Swedish agriculture and to be sure about the origin of the food.” And finally,
environmental care and animal welfare plays a role, as Ultimat “strive[s] for good production which consists of less toxins, biological diversity and a good animal welfare.” However they do not require organic production from their farmers; one supplier “isn’t organic, but they have like, a good animal welfare - and that makes up for it.” Thus, despite Ultimat’s perspective that the farmer is calling the shots, the food coop is also curating its suppliers. In addition to the sustainability criteria for selection, they also wish to “support a small producer who hasn't got no resources to do marketing by themselves” and would be uncertain about a supplier who “maybe is not really that interested in Ultimat, and the food co-op thing. It feels better when it's a two way agreement, entirely.”

Competition is a non-issue for suppliers and Ultimat alike. Strategically, they “prefer to offer more products from a producer that “we already have a relationship with, it's easier for us and gives the farmer a more reliable income” but they have no opinion on price competition or any other competition, leaving it to the farmers’ and the consumers’ choice: “it's not priority for us to offer cheap products, we are more concerned with the quality. It's not about the price, it's about the product.” On the suppliers’ side, Supplier D adds: “It's not a thing that we've ever discussed. I don't see [competition] as a problem at all, I think it's good that we're doing local food.” He further passes the ball onto the consumer’s half, asking: “Like, what do [consumers] really want? Do they just want nice food, or do they want to be involved in something more? If it's just the food, then I think there should not be any ‘exclusivity’. But if they are adding other qualities, like if they say for example that 'this farm is worse to support, because it is good for us in some other manner as well', then I can imagine that the consumers say ‘we buy from them, we support them, because they want them to build up a manufacturing system for example, we want them because we are seeing that they want to create new products that we want, maybe we can go there with our children, maybe our children can have a training place there fifteen years from now.” Overall, he is “not against that we should have more farmers in Sweden that have food level. That would be good.”

Interpersonal linkages took form of establishing a relationship between Ultimat’s steering committee as representative of the food coop and the farmers, which was facilitated to a large extent by the coop’s anchorage at SLU, giving them credit in the eyes of the farmers as responsible people who understand the difficulties small-scale farmers are currently facing in Sweden. Hannes, who is at the forefront of communication with farmers, would say, that “I’m a friend of four of the producers at the moment.” This personal connection and professional sympathy further means that with Ultimat “[we] rely on what they tell us about themselves. We trust them.” Supplier D equally expressed that he finds Ultimat “trustworthy, they are nice people.” The food coop further reinforces trust and commitment through visits as “because in some of the cases, it's not obvious that they should produce food for a cooperative. So in my opinion, that's why [we visit]. To show them that we care.”

Information exchange and communication between the food coop and farmers was regular on account of the regular orders but the chairperson makes sure to communicate in depth on other occasions as well. Extra contact is established through visits to the farm by the steering committee, possibly accompanied by ordinary members. The information exchanged then covers operational aspects of farming “they have seen my power point on the farm, and we have discussed problems and questions around small scale production” and exchanged opinions on a more expert level. Farmers perceive this communication as relationship building: “It was a wonderful talk, I really felt I was being understood.” (Supplier D). Work visits by larger groups of food coop’s members are also welcomed by the suppliers, however they are more difficult to organize and can be seen as a “hit or a miss” due to the “nature of students – sometimes they promise they’ll come, we prepare half a day of program and then a few people shows up.” Supplier C furthermore argues that the coop needs to do “more to market these to its members and act as an intermediary, as I don’t want to deal with every member in particular – I don’t have time.”
Furthermore, Ultimat tries to act as a ‘telephone central’ between the final consumer and the supplier, passing on the feedback from the consumers, negative as well as positive: “I also think that it's important to at least sometimes give them positive feedback. So that the producers know we really like them.” However, having to give negative feedback “does not feel good.” Communication and informational exchange plays in addition a crucial role in maintaining a healthy relationship. In case of one supplier who had to change his raw material to foreign and conventionally produced as opposed to Swedish and organic, it was his openness that saved him in Ultimat’s eyes: “If he didn’t say it openly I guess it would feel like a betrayal.” On the other hand though, such decision still remains in the consumer’s hands: “As long as the people who are buying his product are okay with it, then we are still supporting a part of Swedish agriculture, and the local economy somewhere” (Interview Ultimat).

In terms of civic linkages, neither of the interviewed suppliers depended financially on supplying to the food coop and according to Ultimat, this is the case for all of their suppliers. The main motivation was to “sell good food to nice people” (Supplier D), which was reinforced by the fact that “Ultimat mostly consists of agronomy students, and [they] are just fantastic people. Young people are the future, you know, they are really interested in what we do.” The producers value the close relationship and informational exchange and Ultimat also wishes to “get closer to the producers, because that is also one of our main goals.”

The alignment of values was perceived as crucial by both interviewed farmers as well as Ultimat and acted as a prerequisite for relationship forming from both sides. As Supplier D argues: “Food co-ops can be a part of the solution to the problem of sustainability.”

Financially, the food coop is a non-profit, but Kristina and Hannes expressed their willingness to grow in terms of sales, in order to increase their impact on the society and “promoting sustainable consumption”. Such growth is however currently limited by their status as a non-for-profit, ideell förening, which limits the turnover the association can have. Additionally, growing administrative costs and time requirements would force Ultimat to incorporate more business-like elements and a different funding structure: “One side of growing is like, more people getting to know, and come in contact with a really good idea, and a more sustainable way of consuming. So in that way I think we want to grow. But in a way it's also hard to grow, because it means more work. And I think we may attract people who don't really want contribute to Ultimat as an organization... Maybe they just want to buy and then we risk loosing some of the values of the organization.” The core values of Ultimat are then sustainability, cooperation and non-for-profit orientation. Such ‘businessification’ would however bear no impact, negative nor positive on the suppliers. Were they to change their cost-covering mechanism from membership fees to a mark-up, Supplier D would continue supplying the hub: “They are welcome to do a little business, that is not a problem.” Supplier C confirms that financial sustainability is crucial for food hubs as well. Ultimat on the other hand enjoys its lack of ‘business-ness’, stressing their non-for-profit persuasion as a main selling point when prospecting new suppliers. Moreover, for the farmers to be overtly business-oriented can be a negative quality which was manifested as Ultimat recalled their latest visit to a new supplier, deemed as interesting at first, but “then we got a completely different feeling when we got there, cause it was so much more like, business... I don't know, it felt like they were expanding too much and not really focusing on the agriculture and wanted ecotourism instead, hotels and such.” The lacking understanding of agricultural issues further deteriorated the impression the food coop got from the farmer in questions: “Her approach to animal welfare was weird...She was like "if I were a cow, what would I like?"” Suppliers, such as Supplier C value the ‘specialist’ understanding of sustainability issues in agriculture by Ultimat’s forefront members. Supplier D argues that there is a lot of “romanticism around local food, but it does not mean it is always sustainable or even good for you. When it is good, it is great but it can also be very bad in terms of quality.” He also emphasized that this ‘romanticism’ makes people believe that small-scale and hand-made is the best way, even though such food production without efficiency is “extremely costly on both the economy and health of the farmer” – and Ultimat understands this.
Supplier C highlighted the crucial role values play in their collaboration with Ultimat: “If their philosophy matches our philosophy then we will work with them, I mean, maybe a food co-op will start up that is just purely profit driven and they don't care about the environment, in which case we won't work with them because we will have different aims. It would be a no go to work with an organization whose values are not the same as, or at least similar to ours.” Supplier C further confirmed her orientation in the large sustainability movements such as transition town and expressed desire to “improve contact between [other] producers through Ultimat, and we consider Ultimat the perfect location for this. I think it would be really good, and really healthy to get together at least once a year on more informal terms, to compare stories and compare experiences.”

5.2.3 Development and maturity of the relationship

Originally, it was the hub that contacted farmers, first those they were familiar with thanks to SLU. Striking a deal was a fast thing and Hannes has a 100% success rate. “I just told them about the food co-op, that we are a cooperative, that we are not earning any money.” Additionally, Ultimat used their contact and connection to a more established food coop (Flogsta Matkoooperativ) as a stepping-stone, which arguably made it more difficult for the farmer to say no as “many of the people in Ultimat lived in the same area as Flogsta, and they were friends. And we can deliver on the same day as we deliver to Flogsta, and it felt a bit weird if we would have said no to them, but had continued to deliver to Flogsta” (Supplier D).

On the other hand, as Supplier C is convinced that in order to develop Uppsala’s local food scene, food coops are a crucial and missing component, making Supplier C’s organization very likely to sell to any food coops with values aligned. Supplier C is then proactive, “if any other food co-op set up in Uppsala then we would definitely contact them.” In addition, the onboarding is “quite an easy agreement to come to, you call and ask if they want to join us, and then they send us a sheet of what products they are offering, and then we put that in our spreadsheet” (Interview Ultimat).

During the ‘marriage’, some farmers were more engaged than others, usually stemming from the farmer’s different nature and opinions of food coops as the way to provision food. Some farmers, more business oriented ones, were both easier to work with but also more limited to the transaction. Some were focused on their CSA operations and treated Ultimat correctly, even if with a little less care (Interview Ultimat). Others wanted to be engaged deeply on ‘ideological’ level, in a deep collaboration in the Uppsala’s local food scene (case in point, creating a suppliers’ platform, Supplier C). However, none of the suppliers would characterize their involvement more than that of supplier. They see their responsibility in the hub as: “I should deliver legal and proper products. That is my responsibility. And I should also let them know if I can't deliver.” In spite of this self-characterization though, and in spite of Ultimat’s impression, suppliers do communicate to the third parties about their engagement with the food coop. Supplier D commented on the issue with a stoic “yes we do”, while Supplier C developed the point further: “Maybe they could have a link to us on their website, and we could have a link to them.” Communication towards third parties and end-consumer is seen as a new priority for Ultimat as “we felt like we needed to become better at communication, because it's one of the most important things... Also if more people know about Ultimat and that food cooperatives exist, but also to get the members who are already a part of our organization to really see the nice values in it.” Supplier D’s stoic confirmation of his communication activities is then complemented by specification on the kind of communication he envisions “if this should stay and remain useful for all the parties, then we need to help and hug each other with facts. Then we will succeed in the long term.” The fact being, he says, that the food coops are important for the local food system.

The maturity of the relationship can also be assessed through the hypothetical inquiry of the reasons for eventual de-commitment from the hub. There are not many scenarios under which suppliers would abandon the collaboration with the food hub. Supplier C states that reasons for disengagement would be mostly value-laden: “Maybe if they changed all their
policies, or went bankrupt? But I can't imagine any real reason why we would ever stop working with them. Our visions are aligned. We are both working for the same thing.” Supplier D sees possible disengagement through the prism of his own dilemma as to whether to continue with physically taxing and financially little rewarding food production. The size of the transaction is irrelevant as it is already rather minimal compared to his overall sales. Disengagement would however “be a loss” as he thinks, “the local food community is really important.”
6 Discussion
A comparative take on the results from the two cases analyzed in Chapter 5 will be presented in the following part of the thesis. The comparison between Ultimat and Bygdens Saluhall will take place continuously throughout the chapter, which is organized in two parts: internal relationship and external relationship, in order to connect relationship marketing theory with civic food networks and demonstrate their complementary nature as analytical frameworks.

6.1 Organizing internally…
Bygdens Saluhall is a case of active AFN creation, initiated by a hybrid of consumer-producer motivations. The hub fulfills the definition of a food hub as presented by Cantrell & Heuer (2014), acting as an aggregator for both demand and supply while at the same time facilitating direct contact between the customer and the farmer which is perceived positively by the farmers. Whether these contacts lead to enhanced trust and commitment with consumer as Ilbery & Maye (2005) argue is unclear; however there is a high degree of mutual commitment between the hub founders and some of the producers. This commitment is more pronounced on the side of the hub, since producers have – or wish for - a multitude of distribution outlets. At the same time, the founders having fully engaged with the project to move beyond pilot and into a fully launched and economically sustainable platform, run a higher risk if their producers leave them. Their level of commitment is therefore higher, supporting Gummesson (2008) and Morgan & Hunt (1994); indeed the relationship with suppliers is so important for BS that their well-being is more important than the well-being of the consumer and by adapting their platform continuously to the needs of the suppliers, BS demonstrates their “maximum efforts at maintaining” the relationship. The two parties trust each other thanks to a personal bond that existed prior to their current engagement and which is further reinforced by shared values. Not only do they share similar opinions about importance of small-scale production, sustainable practices and animal rearing (Albin stating good animal husbandry and disdain of industrial meat production as the main reasons for starting his farm, a position shared by both Suppliers A and B), they further agree on how the hub should operationalize these values. This is manifested through their shared reluctance to dictate or decide what constitutes local or sustainable production, accepting conventional farmers on the platform and agreeing that the final responsibility is on the consumer who needs to learn how to consume sustainably.

Ultimat’s model also falls into the food hub category. They aggregate the demand and the supply and act as a ‘telephone central’ in order to facilitate further connections between the final consumer and the producer. However, their model inherently provides fewer opportunities for systematic, direct contacts between the two actors it is connecting; and while they refuse any ‘middlemen’, they themselves act like one. At the same time, their refusal of middlemen is what Farmer D would see as a ‘romanticized’ view of local food, where the farmer ought to manage raw material production as well as food production, motivated by among others increased profits. This fails to be corroborated by the reality as many farmers who attempt to be their own middlemen ultimately fail due to the extreme workload such a model entails. Critique of such ‘romanticizing’ view on AFNs is reflected in academia through Tregear’s (2011) assessment of rural sociologists’ work, who emphasize the local community and hands-on approach, without further scrutiny of the impacts such local and manual approach to production can have on the very actors it is trying to salvage. In general, Ultimat and Bygdens Saluhall share a great deal of ideals and values attached to how agriculture should be organized and operationalized, however there is a higher degree of academic scrutiny involved in Ultimat’s guidelines and operations as well as a more outwards, global understanding of food sustainability. BS was conceptualized as a digital and physical marketing outlet for small-scale farmers and the locality was defined by the farmer’s willingness to travel to the node’s location. Organic on the other hand was not stated as a
condition to join the hub; therefore this AFN is based purely on its ‘locality’. Where BS reflects the fuzzy nature of AFNs definitions (Tregear, 2011; Jaklin et al., 2015), Ultimat is less forgiving and curates its selection of farmers, as to reflect their ideals on locality, support to the community and good production. Such divergence may be linked to the pure non-for-profit character of Ultimat as opposed to ultimately for-profit nature of Bygdens Saluhall, conceived and operated not by students, but rather by family men under the burden of responsibility for their families.

The selection of suppliers in this study excludes any generalizations, however it is possible to remark on the more thought-through approach to farming Supplier D and Supplier C exhibit, compared to the relatively young and fresh farmers connected to BS. Additionally, while Ultimat’s producers do not depend on the food coop’s sales in any way, the ‘junior’ farmers of the Swedish South are seeking new, reliable and rentable outlets for their production. It could also be noted, that the points of critique raised by Ultimat towards one of their suppliers, characterized as being too for-business and not aware enough of her agricultural practices could be transferred to Supplier A, who bases her animal husbandry principles on the same blurry guidelines, such as “what would the animal like to do?” This is in turn reflection of Ultimat’s attachment to SLU, Supplier D’s attachment to SLU and Supplier C’s attachment to the larger local food movement and prior work with permaculture and transition towns. In addition, Ultimat’s suppliers expressed understanding towards food hubs seeking sustainable business models, even if based on a mark-up. Suppliers A and B do not condone such lenience and feel strongly negatively towards food hub charging a mark-up.

The emphasis on co-operation is highlighted by continuous communication but also in how the food hubs’ structure is trying to deal with the question of competition. Bygdens Saluhall on one hand is not curating the offer at any particular hub, however its further plans are to allow for existence of several nodes in the same area, allowing competitors to spread over the market, while not engaging in any negotiations on price whatsoever. Such collaborative approach to competition is valid for Ultimat and its suppliers as well, as they focus on the product, rather than price and do not perceive competition as detrimental to their own well-being. Rather, competition is encouraged as a sign of healthy local food system and the decision-making process is left to the consumer, who ought to decide based on the price and/or the sustainability of the supplier. Hence, Ultimat’s farmers curating is not absolute and they encourage the informed consumer to be co-creators of a sustainable food system via their shopping habits. The overall emphasis is on the survival and improvement of local Swedish food systems, and any activity aimed at helping the small-scale farmer is welcomed. Power paradigm is then effectively replaced by partnership paradigm (Buttle, 1996), as manifested through the statements of the farmers who see themselves as partners to the hub and even in the statements of those who see themselves as pure suppliers, as partnership is expressed on a different level. Unlike in the traditional interaction between the manufacturer and the retailer – or the producer and the distributor, in the case of BS, the farmer and the hub share several tangent points, to the point that the farmer becomes part of the food hub as a manager and as a vocal advocate for its cause (Gummesson, 2008; Christopher et al., 1991).

The value proposition BS is offering to its supplying partners can be defined as a pure relationship, where transaction is non-existent. This stems from the reluctance of the hub to handle any payments or to link its income to the sales made by the farmer. Arguably, this lacking transactional link facilitates deepening of the relationship between the two entities; however it does not exclude possibility of conflicts or issues arising. Possible issues include desire for as many suppliers as possible for the hub on one hand, and the farmers’ wish for low level of competition on the other hand. This however was the case for only one of the farmers. Ultimat on the other hand offers a value proposition with a transaction at its core, however that is not what attracts its suppliers. Rather, they are drawn in by the opportunity to work closely with SLU and its agronomy students or to forge alliances in the local food system in order to advance its agenda.

To borrow from Renting et al. (2012), it was not only citizens-consumers but also citizens-producers, actors wearing double hats that initiated the Bygdens Saluhall food hub; and whereas the connection between the farmer and the consumer was highlighted by the
farmers as a crucial positive element and motivation to join, it was not the corner stone on which their participation was built. Commercial viability remains the basic condition, which albeit flexible (farmers accepting lower sales volumes and traveling further than they would have liked) is not limitless. And rather than a political statement or activism as argued by the Civic food networks theorists, it is a simple desire for contact with the consumer that drives farmers’ engagement in the relationship with the hub. The hub on the other hand states pure and simple ‘improvement to the marketing’ as its reason to exist. BS’s founders and suppliers do not engage in influencing of public opinion beyond the needs of their project, that is to communicate to target groups in order to scale up; the data show a clear lack of any considerations for global capitalism or globalization. Granted, the author did not inquire directly about the political goals, stances or motivations of the interviewees; however, if such motivations were prominent in the decision-making process of the interviewee, it is likely that they would have been revealed sooner or later. Ultimat on the other hand attracts its (interviewed) suppliers by its values and attachment to a large socio-economic and environmental agenda, which the suppliers wish to advance jointly with the hub.

6.2 … to act externally

Citizens who were simultaneously producers and consumers created BS. Its open structure and emphasis on perceiving the hub as a tool to establish contact with the consumer allows for deeper engagement by the farmers, who wish to create their own nodes, according to their needs and enlarge the network the first hub in Röstånga laid foundations for. The online tool then allows for creation of larger, interconnected networks that can collaborate in order to compete in the national food retail context. Such development reflects Thorelli’s (1986) ‘network paradigm’, where competition is played out between networks of firm – large producers, distributors and retailers on one bank, and interconnected local food nodes on the other. Ultimat on the other hand sports only modest ambitions to grow and creates a network in a different way. Its suppliers expressed a wish to create a platform for farmers to cooperate, share experience and eventually craft plans for further common strategies. In such a way, a civic food network can be created, interlinking sustainable production with academia, kommun and other sustainability-connected concepts such as transition towns or permaculture (as postulated by Renting et al., 2012). Supplier C in particular expressed her desire to build a common front to approach the authorities with and to provide local food system with more weight. Nevertheless, it would be premature to push Ultimat’s network into the position of a pure CFN, as the hub failed to express opinions of political nature, critique towards the large socio-economic systems or other areas of sustainability other than food production. The hub itself then, while self-organized by the consumers as is appreciated by Jaklin et al. (2015) does not manifest any large commitments or activities (or activism) on the side of the consumers, with fluctuating interest in farm visits and only a core of dedicated, elected officials.
7 Conclusions

Alternative Food Networks as well as research on them is in its infancy in Sweden. Small farms are few in numbers, production limited due to Nordic climate and a strong AFN is yet to be established. Simultaneously, the current state of research on AFN abroad omits the business relationships at the heart of almost every such network. It is the opinion of the author that integrating business point of view, in the form of relationship marketing for instance, improves the quality and the depth of conclusions research on AFN can reach. Assuming that AFNs represent a positive impact in terms of sustainability and that food hubs are crucial for scaling of AFNs, studying the crucial relationship between the producer and the food hub could lead to practically usable insights on the nature and workings of said relationship.

This thesis goal was then to on one hand explain how relationships between a supplier and a food hub in Sweden form last and dissolve and on the other hand assess the roles that transactions and values play in this relationship. No generalization can be made from the two cases and two relationships that each of them analyzed. In regards to relationship creation, it appears as the personal connection, likeability and shared positions play an important role in all stages of the relationship as well as its possible dissolution. It is also possible to claim that values play a preponderant role in establishment of trust and commitment between the food hubs and the farmers. The importance transaction plays in this relationship depends on the maturity of the farmer, diversification of his distribution channels and values and motivations that brought him to farming. There seems to be distinction between farmers-entrepreneurs and farmers-peasants, farmers who study their trade in depth as science and farmers that are motivated and operate on more simplistic premises. Additionally there is a noted aversion to ‘business’ among some farmers and one of the hubs, associating the very notion with something that is negative and ought to be weeded out from the AFNs. Curiously, the farmers that expressed their aversion to food hubs ‘making money’ thanks to them also expressed their willingness to supply conventional chains with their products, if only the latter ones would be interested.

As for the directions for future research, the ‘business’ aspect of AFNs in Sweden ought to be studied more in depth as such aversions may reveal deeper concepts that underlie Swedish society. It would also be of interest to return to both Local Food Nodes and Ultimat later in time, as the hitherto experience with food hubs in Sweden is that of ‘live fast, die young’ character. The longevity of the newer food hubs might be influenced by digital solutions that streamline ordering and administrative work, allowing the hubs to focus on network building, deepening of the relationship with the farmer and the consumer alike and to focus, possibly, on activism towards the market and the a state in order to pump up its sustainability impact.
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