

# The canteens of South Tyrol - Alto Adige: A market for organically farmed local produce

Summery

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Bolzano-Bozen, march 2004

financing		client	Research institute
<p>Autonome Provinz Bozen - Südtirol</p>  <p>Provincia Autonoma di Bolzano - Alto Adige</p>	<p>EUROPÄISCHE UNION Europäischer Sozialfonds</p>  <p>UNIONE EUROPEA Fondo sociale europeo</p>	<p><b>BVG</b></p>	<p>Sozialforschung und Demoskopie</p>  <p>Ricerche Sociali e Demoscopia</p>
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Cit.: Pörnbacher, Helmuth, Thomas Benedikter (2004): The canteens of South Tyrol- Alto Adige: A market for organically farmed local produce. Summery, apollis, Bolzano-Bozen.

Project number: 231/232

Coordination: Helmuth Pörnbacher

Bolzano-Bozen, 2004

## **The canteens of South Tyrol - Alto Adige: A market for organically farmed local produce**

In 2001 BVG, an organic fruit marketing co-operative with premises in Postal, presented the European Social Fund with a project in several stages with the title "Organic produce of South Tyrol- Alto Adige for public canteens: a new potential for the local labour market and a new market for the organic producers of South Tyrol- Alto Adige". The aim of this project is to start a new market opportunity for the organic produce of South Tyrol- Alto Adige.

In the course of this project, apollis was asked to carry out market research in South Tyrol- Alto Adige into the public canteens and into those (co)-financed by public bodies.

The research was sub-divided into two forms.

The first [1] describes the canteen market of South Tyrol- Alto Adige based on quantitative data and to do so, methodologically, a sample survey was chosen interviewing the people involved in running public canteens (managers and cooks).

It gives a general outline of six structures (crèches, nursery schools, elementary schools, hospitals, rest and nursing homes) pointing out the most important characteristics for the market, for example the number, geographical distribution, and the quantity of meals, the method of buying and the attitude of the managers towards organic produce.

In the second form [2] apollis conducted an investigation with a qualitative approach, with regard to the organisation of the public canteens, and in particular the method of supplying. This part of the investigation was conducted on eleven case studies, by means of thirty personal qualitative interviews.

Finally, the results of a sample survey of organic farmers of South Tyrol- Alto Adige were considered, to verify how it is possible to meet the needs of the canteen market with the supply of produce by the organic farmers of South Tyrol- Alto Adige with a view to reciprocal collaboration.

The public canteens of South Tyrol- Alto Adige represent a considerable market for foodstuff. Relative to the number of structures, the nursery schools are the most numerous, while if one considers not only the number but rather the quality of meals produced, two fundamental factors become evident:

- the fluctuation in the quantity of meals provided with reference to different times of the day, days of the week and periods of the year, and
- the size of the structure.

So, for example, the school and nursery canteens are naturally closed during the weekend and at holiday times and, moreover, they don't produce evening meals; also in the hospitals there are considerable variations between the number of meals for lunch and for dinner, and between working days and holidays.

In addition strong differences emerge in relation to the size of the structures. In this respect the hospital canteens constitute a group apart that reunite large and very large structures, while nursery schools are, as a rule, small but many and spread throughout the area. If one takes into consideration these two aspects and applies them to the data obtained from the group samples relative to the quantity of meals in all of South Tyrol- Alto Adige, in the rest and nursing homes of South Tyrol- Alto Adige approximately 4.3 million main meals are administered to the staff and guests and another 3.4 million smaller meals (breakfast and snacks). To these, according to information provided by the Provincial Information Service (Servizio Informativo Provinciale (SIPSA)), can be added another 280,000 "meals on wheels", that have not been considered in this research. Therefore the canteens for old people prove to be in first place as regards the volume of business.

Even if the meals administered to young children are exclusively at lunch time, the number of meals consumed in the nursery-schools and crèches is considerable, since it is estimated that this reaches 3 million main meals, to which another 1.8 million smaller meals can be added.

The hospital canteens, less in number but greater in size, are a separate group and are estimated to administer 2.6 million main meals. From the research it is shown that the volume of the canteen market, for the six types of structure that are the object of the enquiry, can be valued at around 13 million main meals a year and another 8 million smaller meals.

The organisation and management of the canteens are decidedly complex.

The canteens of the nursery schools, crèches and primary schools are, as a rule, under the jurisdiction of the town councils, nevertheless the management is entrusted to foundations or to private organisations, usually of public utility.

Only a few of the boarding schools are managed directly by the regional government, most of them depend on religious organisations.

As a rule, meals are prepared at localities by their own staff, while the supply of ready-made meals by catering companies plays a secondary role. Occasionally meals are prepared by an external canteen and then delivered and consumed at another place.

The decisions as to the elaboration of the menu, and therefore also, in part, that of supporting or impeding the introduction of organic food falls under the jurisdiction of professional figures who vary according to the type and size of the structure. Without any doubt, however, is the fact that in these decisions the figure of the cook is central.

This is particularly true with regard to the boarding schools as it is with the rest and nursing homes: here cooks have, quite evidently, the greatest decision-making power.

In some rest and nursing homes cooks are assisted by dieticians; in boarding schools the management of the school itself is occasionally involved, while in the hospitals it is the dietician, together with the cooks, who has a central role in the elaboration of the menu.

Also for purchasing, as in the elaboration of the menu, the cooks have a decisive role. In the rest homes, the nursery schools and in the boarding schools the cooks carry out the orders directly at the suppliers, rarely supported by administrative staff.

In the hospitals, however, it is the supplies office that conveys the orders to the suppliers.

In these cases, the size of the structure is decisive for the procedure regarding purchasing, especially because there exists the obligation of a public proclamation of competition over a certain volume, proclamations that finish with the assignment of long term supply contracts (usually for a duration of 1-2 years). These competitions are called, as a rule, for single groups of products but in some cases also for the complete requirements of the canteens.

As a rule the foodstuffs are delivered to the canteens and the frequency of the deliveries increases with the increase in size of the canteen.

A small but significant number of canteens acquire all or a good part of their foodstuffs directly, usually at the local wholesale trader.

In general the number of canteens that have stipulated contracts with their own suppliers is surprisingly small and at the health authorities it is still the result of a public notice. In the rest homes this method proves to be prevalent, while in the nursery schools, the boarding schools and in the school canteens private negotiations predominate.

Among those canteens that are the subject of the investigation, structures that already utilise produce from organic farming can be found.

The nursery school canteens are those that use, at least occasionally, organic produce the most, followed by the boarding school canteens and those of the schools.

On the whole, the share of organic produce utilised in the canteens is still small because only certain products come from organic farming.

Relatively few structures plan an increase in the use in the future, even if the overall judgement on the quality of organic produce is entirely positive.

A considerably high number of structures have never thought of examining the possibility of introducing organic produce. This demonstrates that in the public canteens there is a notable lack of information on the discussion taking place at legislative level with regard to the introduction of organic produce in public catering.

The reasons for the choice, in the present and in the future, of introducing organic produce into the canteens are attributed principally to the conviction that it has a better quality and is healthier.

The opinion of those interviewed on the price of organic produce is quite evident:  $\frac{3}{4}$  of those interviewed consider that the produce is too expensive and this proportion increases still further if the question of price refers to the supply to the canteens. The interviewees state, moreover, that the demand on the part of the customers should increase and that, with regard to this, something needs to be done. In addition, a considerable number of those in charge declare that the canteens have too limited an economic margin to begin to buy organic produce.

In this regard strong doubts on the feasibility of change were expressed since most of the interviewees could not imagine at all that there existed the possibility of having the canteens supplied and, what's more, at acceptable prices.

Now, if one considers the potential of the production and marketing of the organic produce of South Tyrol - Alto Adige, the results of a sample survey, carried out among the organic farmers of South Tyrol - Alto Adige, appear fundamental; an investigation conducted in the course of the project of which the present research is a part.

The organic businesses of South Tyrol - Alto Adige are characterised by a considerable range of produce, while the quantity produced and the production potential, with the exception of fruit, is limited.

It can be seen, moreover, that the organic producers of South Tyrol - Alto Adige have organised a range of commercial enterprises that bring them satisfactory earnings and great job satisfaction, which is also determined by high personal motivation.

In the case of wanting to promote a marketing enterprise with the organic farmers of South Tyrol- Alto Adige it would be extremely important to keep in consideration the above mentioned aspects.

From what is said, interesting indications from different points of view emerge from the perspective of promoting concrete marketing initiatives of organic produce in the canteens.

The **first area** is legislative.

Different initiatives exist, whether at state level or regional level, which encourage the possibility of supplying public structures with local quality produce.

The current research has nevertheless verified that these legislative initiatives have, in fact, achieved poor results in South Tyrol - Alto Adige, above all because they are unknown to those in charge.

The price is the principle argument that is always referred to as the disadvantage of choosing organic food, which is considered too expensive and therefore the economic margin of supplying it is considered insufficient.

**Secondly**, the demand for organic produce on the part of customers in the canteens is, at the moment, small and this means that even less attention is given to their eventual insertion into the menus of the canteens.

The organic producers' associations should assess which targeted initiatives would be necessary to be taken up in order to highlight the advantages of an organic diet to the customers of the canteens.

This promotion could be successful through initiatives for the education of diet and of health, especially if included in elementary and nursery schools.

The research has furthermore underlined that, in the eyes of those in charge of the canteens, there doesn't exist any doubt as regards the better **quality** of organic produce and therefore one can infer that it is certainly not an image problem that explains why organic produce is so little used in the canteens today.

Considering the canteens as potential customers, it is important to take into consideration their size, which considerably affects both the organisation of the structure as well as the manner in which they are supplied.

Apart from the very big canteens of the hospitals and some of the rest homes, the panorama of the canteens of South Tyrol - Alto Adige is decidedly dominated by those of a small size spread widely throughout the region.

The first group operates with a high specialisation of roles, purchasing by means of tender, requiring consignments adapted to kitchens which produce large quantities of meals, demanding frequent deliveries of foodstuffs and semi-manufactured products, packaging and flexibility of orders.

Whereas in the numerous small canteens the freedom of decision making of those in charge, in collaboration with the kitchen, is decidedly greater, so the possibility that a producer or an association of producers can carry out direct deliveries becomes much more realistic.

Considering these structural differences in the panorama of the canteens of South Tyrol- Alto Adige and the existing production potential of the producers, **two** advantageous opportunities of contact between supply and demand emerge which can be described as follows:

The **(1)** direct delivery to the small canteens on the part of the organic farmers of South Tyrol-Alto Adige, who are able to offer a considerable variety of produce in relatively small quantities.



Through their existing marketing activities the producers have already acquired a certain amount of experience in their relations with clients and this also gives an increase in job satisfaction and consequently in motivation.

The small canteens, particularly those of the nursery schools, are accessible through small marketing initiatives, on condition that:

- a. a local reference is established;
- b. the added value of the content, in addition to the product, is also proposed;
- c. this (the added value of the content) is made visible inside the canteens

For this form of initiative considerable changes in the current set of rules are not necessary.

The second opportunity (2) appears to be for those sectors of agricultural and zootechnical production that can offer large quantities, fundamentally apples and dairy products.

At present the canteen market is already important for these two products, however also in this case it will be useful to propose new marketing initiatives to supply the canteens of South Tyrol - Alto Adige.

It is a question of pressing, with determination, for the adoption of a provincial law to promote the gradual introduction, in the public canteens, of organic produce and backing the introduction of local produce from an economic point of view by means of an adjustment of the settlement of tenders and forming an awareness between customers and those in charge of the canteens.

In this way the organic produce of South Tyrol- Alto Adige would find a preferential position in the canteens through local distributors.

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