







## Business to business distribution model supporting local food sector in Baltic Sea region rural areas

-  Ministry of Rural Affairs of the Republic of Estonia
-  Latvian Country Tourism Association
-  Mecklenburg-Vorpommern Tourist Board
-  Culinary Heritage Europe (Ystad Municipality)
-  Latvian Agricultural Organization Cooperation Council
-  Business Region Esbjerg
-  HANEN – Norwegian Rural Tourism and Local Food ass.
-  NGO Estonian Rural Tourism
-  The Estonian Chamber of Agriculture and Commerce
-  State Budgetary V&E Institution of the Pskov Region
-  State Committee of the Pskov Region
-  Lahti University of Applied Sciences Ltd.
-  Lithuanian Countryside Tourism Association
-  Polish Nature Foundation (Fundacja Natura Polska)













































































*Vitt vin*      *Rött vin*  
Estola Verdejo 65:-      Castillo de Benizar  
Petit Chablis 75:-      Tempranillo 65:-  
Côte-du-Rhône 75:-  
bubbel  
Lavit Brut Nature 65:-  
Philipponat royale reserve 115:-  
Champaigne  
Öl Cruzcampo 49:-      Wisby klosteröl 55:-  
Wisby pils 49:-      Wisby weiss 85:-















# Handbook

HOW TO DISTRIBUTE LOCAL FOOD –  
BUSINESS-TO-BUSINESS –  
A SHORT GUIDE FOR START-UPS  
AND NETWORKS

 **Interreg**  
Baltic Sea Region

Baltic Sea Food



EUROPEAN UNION  
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REGIONAL  
DEVELOPMENT  
FUND



# Sustainable local-food distribution network and business models

The Baltic Sea region (BSR) has increasing **local food production** due to an increasing interest from customers for these products. Local food businesses offering small scale, both traditional and innovative use of healthy, premium quality and often handcrafted local food products, can develop attractiveness for their own region and business through different customer groups, including locals and visitors.

Local **food producers and farmers** are mainly small family businesses, who prefer to organize their sales through face-to-face contact and by phone. They are often not able to sell their products to large wholesale companies or supermarket chains because of limited production volumes and higher prices compared to large producers. Therefore, their access to catering, food processing and the retail sector is somewhat complicated.

**Local food networks** are established in many regions to cooperate for the purpose of marketing

and information exchange. A local food network involves relationships among food producers, distributors, potential retailers and customers in a place where they work together to increase the availability of local food and increase the value for the producer as well as ensuring sustainability. Most of the local food networks and distributors sell their products business-to-consumer (B2C).

A **sustainable network** is a business or organization that actively manages logistics, distribution and marketing of source-identified food products. Primarily local and regional producers collaborate in such a network to strengthen their business through an ability to satisfy customer needs and demands, i.e. on a business-to-business (B2B) level. The main target group for the B2B is HoReCa (hotel/restaurant/café) - hotel and catering industry.

The **business model** for B2B distribution developed by the BSF project is applicable for local food networks established by local

food producers and providers in BSR rural areas. It enables them to establish smooth, short supply chains at local and regional le-

vels thus offering opportunities for growth and improved business performance for SMEs in the local food sector in rural areas.

Best practise case



## Development of sustainable B2B model

"**Bondens Skaffereri**" (Farmer's Pantry) in **Sweden** started up on a very small scale in 2008 by two former restaurant chefs who wanted to make it easier for restaurants to find locally produced food. The company has now grown into a specialized local food company with EUR 7 million annual turnover. Bondens Skaffereri collects products from 150 farmers & producers and delivers to 200 restaurants in the region of Skåne in Sweden.

CUSTOMER VALUE PROPOSITIONS | CHAPTER 3

## TOP 5 questions to answer:



- 1 What products are available in your operational area (categorization of farmers/producers per size and product groups such as vegetables, meat, milk, fish, cereals, fruits, berries, soft drinks, alcohol, seasonings/spices etc)?
- 2 What product groups do you need to have in your portfolio to offer value to your clients?
- 3 What kind of value do you need to offer to each of your target group in your operational area?
- 4 What kind of value do you need to offer to farmers and producers in your operational area (try to identify each size category or product category)?
- 5 Do you have a preliminary list of farmers and/or producers you can cooperate with?

www.bondenskaffereri.se

## CHANNELS TO REACH THE CUSTOMERS (CHAPTER 4)

It is important to identify proper **communication and marketing channels** for achieving sales, and to choose the correct ones according to your customer segments to ensure you reach your target customers efficiently. It is also important to identify the channel strengths and weaknesses and to adopt the most efficient ones for your purposes or situation. The channels may also include systems for traceability and order handling, increasing overall logistics in terms of efficiency and reliability, adding yet further value to the customer.

Channels for communication and marketing can be divided into traditional and digital channels. Use of different customer segments, areas, level of employment and education. **Traditional channels** are suggested to change more towards digital solutions for traceability, communication and shorter supply lines for handling everything from order to invoice.



The importance of marketing channels. These channels are accessible work to larger markets, more adaptive, and usually mutual opportunities for producers and business. A larger variation of marketing channels, such as videos and photos, can make the business more efficient when promoting rural areas digitalization, make the world and markets closer and more available to suppliers and customers. **Important to find the right channels to reach the target group and meet its needs!**



# BALTIC SEA FOOD

## Biz To Biz Distribution Model

### CHAPTER 9 KEY PARTNERSHIPS

- a. Official
- b. Private



### CHAPTER 8 KEY ACTIVITIES

- a. Logistics
- b. Distribution
- c. Digitalization

### CHAPTER 7 KEY RESOURCES

- a. Required for assets
- b. Management
- c. Risk

### CHAPTER 3 VALUE PROPOSITIONS

- a. Increase product value for customers
- b. Increase service value for customers



### CHAPTER 5 CUSTOMER RELATIONSHIPS

- a. Link between target and network
- b. Service process

### CHAPTER 4 CHANNELS

- a. Marketing
  - traditional
  - digital

### CHAPTER 2 CUSTOMER SEGMENTS

- a. HoReCa market
- b. Events and culinary tourism
- c. Special shops, retail chains
- d. Public catering



### CHAPTER 10

- a. Operating cost: contracts, fixed costs, pricing
- b. Expensive key activities
- c. Maintenance finance models



### CHAPTER 6

- a. Management commissions
- b. Product and marketing fees
- c. Distribution fees

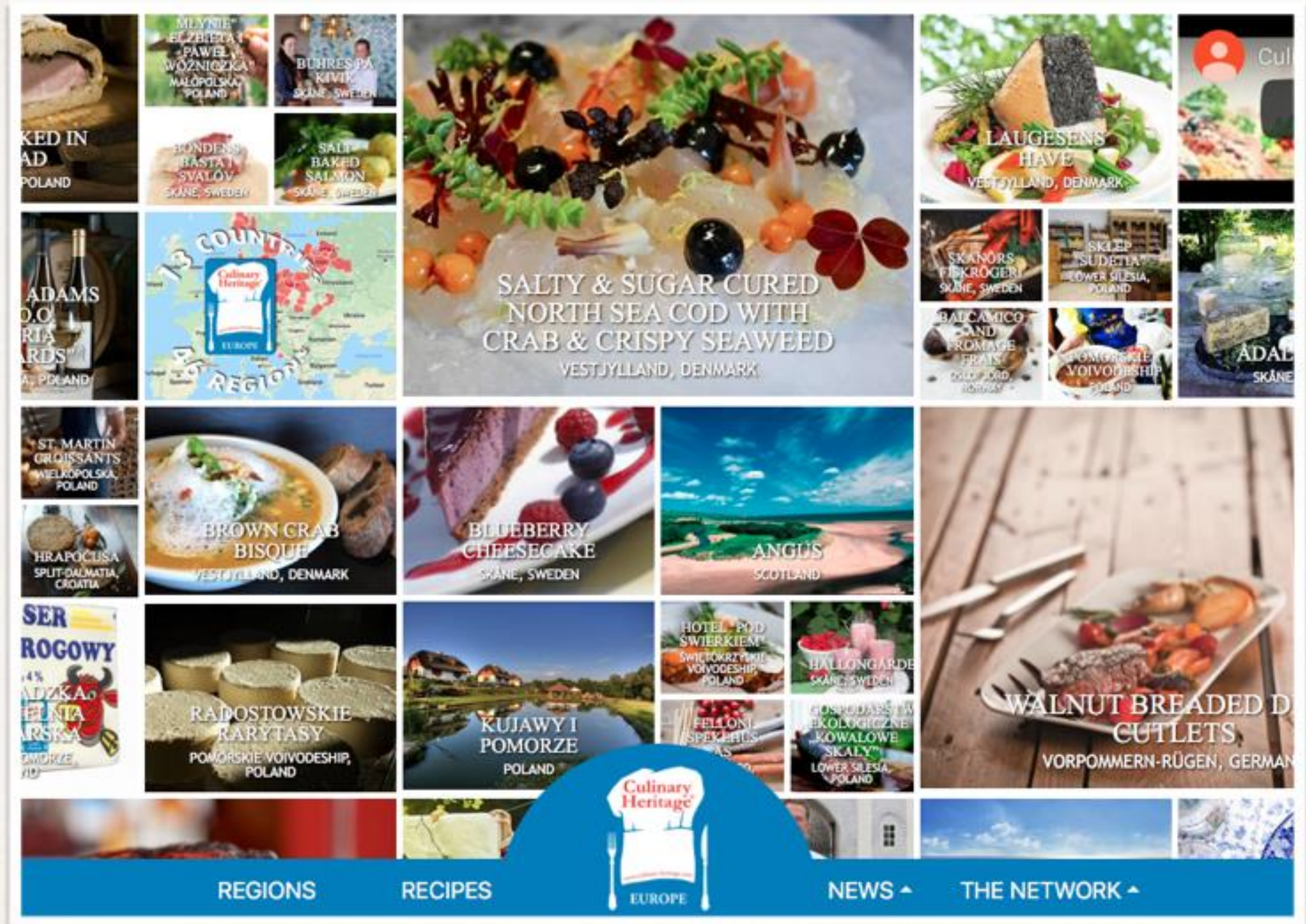








**Thanks for now!**  
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