Competitive Productivism and Australia's Emerging 'Alternative' Agri-Food Networks: Producing for Farmers' Markets in Victoria and Beyond

Abstract

This paper advances the theoretical argument for moving beyond the conventional/alternative divide in the analysis of emerging 'alternative' agri-food networks (AAFNs). In order to understand how 'place', 'nature' and 'quality'-based food networks emerge and develop, we argue that careful attention needs to be paid to the way that specific political-economic environments shape the options available to farmers and consumers. Australia's 'competitive productivism' is the outcome of an export-oriented economy and a neoliberal political orientation, and this environment affects the development of AAFNs in various ways. Most notably, a case study of farmers that sell at farmers' markets in the state of Victoria shows that the competitive-productivist policies pursued by Australian governments entice some farmers who participate in AAFNs to develop their ideas into higher output businesses tailored to compete in emerging export markets. Other farmers deliberately choose to keep marketing through alternative channels *despite* competitive-productivist pressures to expand. These findings demonstrate the centrality to the experience of AAFN participants of *negotiating* productivist pressures, adding nuances to the story of the complex relations between AAFNs and conventional supply chains.

Introduction

In the past decade an important focus of agri-food research has been the emergence of new forms of food production and supply, variously termed alternative agri-food networks (AAFNs), alternative agri-food initiatives (Goodman 2003), short food supply chains (Renting et al. 2003), or alternative food supply chains (Ilbery & Maye 2005). AAFNs such as farmers' markets and organic supply chains are distinguished from conventional supply chains by their turn away from standardised and industrial systems of food provisioning towards an emphasis on 'quality', 'place' and 'nature' (Goodman 2003, 2004). Van der Ploeg (2007) encourages analysts to see AAFNs among a wide variety of forms of active *resistance* to the dominant market logic on the part of farmers and consumers. Notably, this definition of resistance foregrounds the construction of more *autonomous* production, processing and distribution mechanisms rather than overt struggles or covert sabotage:

> Resistance resides in the fields, in the ways in which 'good manure' is made, 'noble cows' are bred, 'beautiful farms' are constructed, and 'fresh milk' is delivered. As ancient and irrelevant as such practices may seem when considered in isolation, in the current context they are increasingly vehicles through which resistance is expressed and organized (p. 3).

For Van der Ploeg, this resistance results in farming practices that are often, though not necessarily, more *sustainable* in the way they use resources, impact on local environments, and remunerate farmers.

Whether or not AAFNs actually represent a more sustainable model cannot be determined a priori (Andrée 2006). Making such an assessment is complicated by the fact that the boundaries between alternative and conventional food networks are not always clear cut (Ilbery & Maye 2005). Indeed, some of the wide variety of forms adopted by AAFNs appear to have more characteristics in common with conventional supply chains: the oft-cited example is the global supply chain for Parmigiano Reggiano. Advocates of the 'conventionalisation thesis' argue that alternative agricultural initiatives such as organic farming can be expected to develop the characteristics of conventional commodity production as a result of competitive pressures (Buck *et al.* 1997; Guthman 2004a). For Watts *et al.* (2005, p. 22), these dynamics beg the question: 'What is alternative about the alternative food economy?' This question is important because much is riding on how AAFNs develop. As Marsden and Sonnino (2005, p. 50) point out, rural space is 'a "battlefield" of knowledge, authority and regulation fought around different definitions of agri-food. The outcome of this battle will shape not only the "quality" of food, but also the rural space itself – its resource potentialities, its governing and its sustainability.'

To date, research on AAFNs has been concentrated within Europe (e.g. Holloway & Kneafsey 2000; Marsden & Sonnino 2005; Sonnino 2007) and North America (e.g., Allen *et al.* 2003; Hinrichs 2000; Guthman 2004b), with few attempts to consider perspectives drawn from other parts of the globe (although Maye *et al.* 2007 is a notable exception). In this paper, we argue that Australia constitutes a useful comparative case. While AAFNs in this country have much in common with those identified elsewhere, Australia's export-oriented government policy and supply chains actively encourage AAFNs to take 'hybrid' forms (Ilbery & Maye 2005, p. 842) in order to conform to broader 'competitive-productivist' goals.

The European literature tends to equate productivism with state-supported (and often heavily subsidised) production (see e.g. Lowe *et al.* 1993) – even in countries such as the United Kingdom (UK) which have espoused neoliberal modes of governance. However, the outcome of the liberalisation of Australian agriculture has been a form of 'competitive productivism' (Dibden & Cocklin 2005). Because around two-thirds of all food produced in Australia is exported (DFAT 2008), this competitive-productivist orientation has placed enormous pressure both on farmers and on the environment. Farmers have had to increase efficiencies in order to survive in the context of a global 'food regime' distorted by subsidies and tariff barriers and characterised by unstable and generally low commodity prices (McMichael 2009). Those farmers who market their product domestically face additional pressures due to limited tariff protection or financial support, and progressively more concentrated domestic food processing, distribution and retail sectors (Dibden & Cocklin 2010; Pritchard & Burch 2003). In terms of environmental sustainability, productivist agricultural practices in Australia, as in Europe and North America, tend to be intensive, input-dependent, often mono-cultural, aimed at maximising production and gaining economies of scale through farm consolidation – i.e., they involve a range of practices widely recognised as environmentally damaging and probably unsustainable in the long term (Dibden & Cocklin 2005, 2009).

The recent emergence in the Australian context of AAFNs, raises several questions: How does Australia's competitive-productivist policy affect the way that AAFNs develop? What does this mean for analysts who look towards AAFNs to help define more sustainable food system possibilities? Specifically, what are the relationships between farmer resistance to 'conventional' forms of production and distribution within this policy environment and the heterogeneity of AAFNs, especially the overlaps between alternative and conventional supply chains? In addressing these questions in relation to one specific form of AAFN, farmers' markets, this paper aims to further the theoretical argument for moving beyond the conventional/alternative divide in the analysis of emerging food networks. It shows that the way that farmers *negotiate* prevailing state priorities must be examined in order to make sense of the emerging morphology of AAFNs.

The remainder of this paper is structured as follows: We first set the context for our research through a review of the literature on AAFNs, looking in particular at how scholars attempt to theorise agri-food networks beyond the conventional/alternative dichotomy. We then describe our research methods, followed by a review of our results on producers who sell at farmers' markets. We conclude by clarifying the key issues that this case brings to the fore concerning Australian AAFNs in general.

Theorizing AAFNs

In case studies from Europe and North America, AAFNs are typically defined in opposition to conventional supply chains using contrasting sets of terms such as 'traditional' compared to 'rationalised', 'quality' to 'quantity', 'extensive' to 'intensive', 'biodiversity' to 'monoculture', etc. (Ilbery & Maye 2005, p. 824). Most attention in the AAFN literature is focused on the 're-localisation' of food, exploring the political and social relations that serve to re-embed market relationships through community supported agriculture (CSA), farm shops, farmers' markets, and other forms of face-to-face or spatially proximate sales (e.g., DuPuis & Goodman 2005; Hinrichs 2000; Holloway & Kneafsey 2000; Kirwan 2004, 2006; Sage 2003; Sonnino & Marsden 2006a).

Spatially extended alternative food supply chains, such as global fair trade networks and supply chains for 'locality foods' (foods prepared in a specific region for sale around the world), are also designed to provide consumers with value-laden information aimed at re-socialising and re-spatialising market relations (Renting *et al.* 2003).

Despite an initial focus on the oppositional relationships between AAFNs and conventional supply chains, it has gradually become clear that this conceptual divide breaks down at the empirical level. For example, Ilbery and Maye (2005) and Watts et al. (2005) show that producers who participate in 'alternative' agri-food networks may still dip in and out of conventional systems, in terms of input types or where their product is processed and sold. These examples support Sonnino and Marsden's (2006b, p. 306) suggestion that alternative and conventional food networks are not separate spheres, but 'highly competitive and relational to one another in and through space'. They argue for a careful examination of the embeddedness of emerging food networks, both in terms of the horizontal dimensions of embeddedness – the immediate conditions, relationships and strategies which enable their development (whether alternative or not), and the vertical dimensions – the multi-level governance system in which supply chains are linked to the broader society, economy and polity (Sonnino and Marsden 2006a,b).

Questioning the divide between conventional and alternative supply chains has been extended beyond networks/supply chains to the forms of production. Notable examples of this approach are found in the growing literatures on the mainstreaming of organics and on buyer-imposed social and environmental standards in conventional supply chains (e.g., Campbell *et al.* 2006). In California's large-scale organic farming industry, for example, there appears to be a fusing of productivist and alternative values and practices (Guthman 2004b) in what has been termed the 'conventionalization' of organics (Best 2008; Buck *et al.* 1997). Evans *et al.* (2002, p. 322) have labelled both organic farming and Integrated Farming Systems 'neo-productivism', because they emphasise food production yet, at the same time, give priority to both quality and environmental concerns and hence represent a ‘radical break with conventional systems at all levels, from the changes in thinking and practice demanded of the individual farmer to the policy and market structures required to support their development’. All of this evidence begs further conceptualisation of new quality-, place-, and nature-based agri-food networks beyond a simple dichotomy. Such conceptualisations become particularly important, it appears, when examining AAFNs in regions that are strongly productivist and export-oriented, such as California, the Netherlands or, in our case, the state of Victoria in Australia.

In their analysis of the blurred boundaries between alternative and conventional supply chains, Ilbery and Maye (2005, p. 842) conclude that some alternative meat supply chains in the Scottish-English borderlands are best characterised as ‘hybrid spaces’ which remain dependent on some conventional links in the food chain, such as abattoirs, wholesalers and commercial customers, in order to survive as businesses. With Watts, they characterise such hybrids along a continuum, as ‘weaker’ or ‘stronger’ alternatives, depending on the degree to which networks challenge the underlying tenets of a neoliberal food system (Watts *et al.* 2005). Weaker alternatives tend to be focused on product characteristics (such as ‘quality’ or ‘organic’), and are easily incorporated and subordinated by the more powerful actors that dominate agri-food supply chains, notably multinational food processors and supermarket chains. Stronger AAFNs (with the emphasis placed on *networks*), such as farmers’ markets, box schemes and CSAs, by contrast involve supply chain links outside of the conventional system. One question raised by this framing is: What happens in these spaces when the policy environment and market competition strongly encourage farmers and other food network participants – even those opting for ‘alternative’ products and practices – to expand production, lower costs, and seek global markets? This question directs scholarly attention to government policy.

Despite the rich body of literature on food regimes, with its focus on the relationships between the state and markets in the development of global supply chains (e.g. McMichael 2009; Friedmann 2005), AAFN scholarship has tended to downplay the role of government policy domestically, or take it for granted as a backdrop to the formation and growth of networks. Only a limited body of research has examined the impacts of public policy and governing institutions on AAFNs (Maye *et al.* 2007). The emergence of AAFNs is most often characterised as ‘a consequence of consumer reactions to a range of environmental, ethical, and health concerns … associated with “conventional” food supply systems that have become increasingly industrialized and global in reach’ (Ilbery & Maye 2005: 823). However, consumer demand is not necessarily sufficient to promote alternative forms of production and supply. As a result, some scholars have pointed to the importance of a favourable policy environment in encouraging the development of AAFNs (Buller & Morris 2004; Higgins *et al.* 2007, 2008a, 2008b; Sonnino & Marsden 2006a, b).

What is less well documented is the impact of *unfavourable* policy environments – such as the predominance of a competitive-productivist approach in Australian agriculture – on the development of both alternative and more overtly political ‘oppositional’ food initiatives (Allen *et al.* 2003). In addition, it is unclear how these environments shape farmer engagement with conventional nodes, and their decisions to develop ‘weaker’ or ‘stronger’ alternatives. Rather than being *forced* by necessity to utilise various nodes in conventional supply chains (see Ilbery & Maye 2005), it is possible that farmers operating in a competitive-productivist regulatory environment may utilise these nodes strategically as a way of building broader markets for their commodities, which allows them to meet both societal expectations for ‘good’ (environmentally beneficial) farming practices and the need for farm financial viability (see Higgins *et al.* 2007, 2008a, 2008b). In contrast, it is equally possible that farmers may choose to build ‘stronger’ alternatives outside of the conventional system in order to establish greater autonomy in the face of these same competitive-productivist pressures, as the advocates of the conventionalisation thesis suggest through the notion of ‘bifurcation’ (Buck *et al.* 1997). In the following section we examine these possibilities by focusing on farmers involved in farmers’ markets in the state of Victoria.

Scope and Methods

This paper is based on field research in Victoria. We identified over a dozen *kinds* of AAFNs established within the last decade – including local food trails, regional brands, farmers' markets, CSAs, eco-labelled meat networks, an indigenous bush food network, and more. The focus here on only farmers' markets allows us to show in detail the effects of participation in this type of food network as well as its heterogeneity when it comes to conventional and alternative forms of production and marketing.

Following Holloway and Kneafsey (2000, p. 286), we define farmers' markets as 'specialist markets trading in "locally produced" products, focussing largely on food . . . which is either locally grown or incorporates locally grown ingredients'. Because, as Chalmers et al. (2009, pp. 320-1) note, farmers' markets are 'arguably the most visible and intuitively obvious staging ground for trade in differentiated food products of local provenance', they provide a useful site for examining the degree of 'alterity' of these AAFNs to conventional food networks (Kirwan 2004). Furthermore, there is a clear connection between the rise of farmers' markets and the erosion of other opportunities for farmers to make a living in conventional food supply chains, as discussed below. In Australia, corporate concentration in the supermarket industry, dairy deregulation, and related factors have meant that, on average, farm share of the retail price of food has dropped from about 30% in the 1980s to 15-20% in 2003 for farmers who market through conventional channels (George et al. 2005).[1]

While there are advantages to focusing on just one type of AAFN, this approach also has limits when it comes to drawing wider conclusions. As a result, our discussion and conclusions are informed by broader trends observed across the full set of interviews undertaken with producers who participate in the AAFNs identified above, as well as our previous studies on related topics (e.g. three references suppressed).

[1] In 2003, pea producers received only 12% of the price paid for frozen peas in grocery stores, and this was down from 16% ten years earlier. In dairy, price declines have even more dramatic due to industry deregulation: From 1997 to 2003 the percentage of retail price received by farmers dropped from 40% to 25% (DAFF 2005).

Between September and December of 2006, the first author undertook 37 semi-structured interviews, averaging about one hour in length, with farmers participating in various AAFNs in Victoria, including 21 interviews with producer-vendors (12 individuals and nine couples/business partners) whose farms participate each month in between one and 12 (mostly monthly) farmers' markets. Five additional interviews were carried out with non-farmer participants in AAFNs (a cheese-maker, a butcher, a greengrocer, and two government representatives). These interviews were supplemented with participant observation at farmers' markets and at meetings and regional forums for participants in organic food production and environmental management systems.

Results

The first farmers' market in Victoria (in recent memory) began in 1999 in Koonwarra, South Gippsland, south-eastern Victoria (AM26-m).[1] This and a host of markets that emerged subsequently across Australia were inspired by Jane Adams, an activist who secured an international fellowship to study the US farmers' market movement (Erlich *et al.* 2005). In 2004, it was estimated that 70 farmers' markets across Australia generated AUS$40 million for vendors (Coster & Kennon 2005). At the time of this research, there were 40 markets established throughout Victoria, most of them operating on a monthly basis. Presently, there are approximately 75 in Victoria (White Hat 2010).

While the rapid rise in farm market size and number is linked to increasing consumer interest in 'local' and 'natural' foods, they must also be understood as emerging within the context of a competitive-productivist agricultural economy. These markets provided economic options for farmers precisely at a point when competitive-productivism was forcing them to find new directions or get out of farming altogether. Two specific dynamics deserve mention here. The first was the neoliberal restructuring of agriculture from the 1990s that led to deregulation of the dairy industry, resulting in reduced prices, increased price instability and the exit of many farmers (Cocklin & Dibden 2002; Dibden & Cocklin 2005, 2010). Several of the producers who now sell in farmers markets were previously dairy farmers selling into conventional markets (AM15-m; AM21-m; AM25-m; AM36-f).[2] Second, the 1990s saw the consolidated supermarket chains of Australia move towards direct contracts with fewer large producers of fruits and vegetables (AM-1f). Previously, many small and mid-scale farmers were able to grow and sell their product to larger volume buyers at wholesale markets; by the late 1990s, those wholesale markets tended to cater only to small stores and many of these growers were forced to look elsewhere for markets, find ways to add value to their product, or simply get out of the business (AM-1f; AM20-m; AM13-m; AM-18m). Farmers' markets provided some of these small and mid-sized producers with new direct sales options.

For some producers, the new markets have led to better financial outcomes. One orchardist (AM20-m), with 16 hectares of stone fruit, shifted from selling his entire crop through wholesale channels in 2003 to selling 30% through six farmers' markets in 2006. He noted that, despite experiencing weather problems in the 2006 season, 'we actually [still] made more money than we've made any other season for the last 20 years … Since we started [direct sales] we can actually afford to live decently.' This producer's goal is now to scale down and diversify his operation to completely eliminate wholesaling.

Another couple (AM24-m) produced specialty cheeses on their dairy farm from the early 1990s and sold them into the wholesale market until pushed out by new entrants with greater capacity. Now, by selling at farmers' markets, 'we are only making about 15% of the volume of cheese we used to make, but the bottom line is we are getting half of the returns that we used to get, the actual profit.' This income is coupled with off-farm income to balance the family's books. While they believe that they could now make a living from cheese-making once again, this would involve frequent early morning trips to Melbourne markets, over two hours away, which is a lifestyle compromise these producers are not prepared to accept: 'We would both prefer to make … [a living] entirely from the

[2] Interviews are denoted by the code AM (for alternative marketers) and numbered from AM01 to AM37. The gender of the informants is signified by an 'm' (male) or 'f'' (female) following the code (e. g., AM01-m).

goat and cheese business, but it is our own personal choice. We prefer only to market our product locally.' This couple's experience exemplifies two dynamics of note: (1) the entrance of larger companies into AAFNs (such as specialty cheeses) tends to push AAFN pioneers to the margins over time, as advocates of conventionalization would suggest; but also (2) farmers make personal choices in the context of economic pressures and opportunities, weighing the benefits and costs of the different options available to them, whether through AAFNs or outside of them.

Despite some of these positive experiences, financial success as a result of participation in farmers' markets has not been universal. The direct marketing route is especially challenging for meat producers in Australia, who face significant costs for slaughtering, butchering and refrigeration; they then need strategies in place for selling entire carcasses, and not just prime cuts (AM29-f). These realities have led some meat producers to abandon farmers' markets (AM34-m), while others turn to joint-marketing initiatives of the type described by Higgins *et al.* (2007, 2008a, 2008b) in a study of certified 'environmentally-friendly' beef producer networks in Gippsland, south-eastern Victoria.

For many of the producers who sell at farmers' markets, the move to direct marketing can be seen as an act of resistance against productivism. This approach allows them to remain (or return to) financial viability in the context of a wider political-economic environment that had made the scale of their operations uneconomic. For a minority of informants, this approach is also part of a conscious desire to reduce the ecological footprint of the food networks they participate in, by marketing as locally as possible or using less intensive production methods, which can also be understood as a form of resistance against the environmental impacts of the conventional supply chains (AM14-f; AM01-f; AM33-m; AM35-f). The participation of both producers and consumers in farmers' markets could also be seen as an act of resistance against conventional standards of food quality. As one producer states, this is their way of attempting to regain grower control over production – an issue returned to in the discussion below – and to 'get supermarkets out of the loop … This business about the supermarkets saying [fruit] has to look really pretty and every one [of them]'s got to look exactly the same … people don't care about that. What they want is something that actually tastes good' (AM20-m). Another way to describe this resistance is to say that direct contact between consumers and the farmers allows for a market relationship horizontally embedded in a shared norm of quality – a norm focused more on taste and less on appearance, in comparison to the qualities of longevity, durability, size and colour espoused in conventional channels.

What are the wider structures that make these acts of resistance possible in Victoria? In terms of vertical embeddedness, some state intervention does play a role here. For example, the land of the orchardist quoted above, which is on the outskirts of Melbourne, could have been razed for suburban development long ago had it not been protected as farmland through state legislation in the early 1970s (Harris 2005). The recent arrival of farmers' markets simply added the missing piece of the puzzle by providing a relatively small farm with a market that could generate a reasonable income.

Despite this example, in general competitive-productivist norms have meant that there has been very little support for farmers markets from the federal or state governments. To date, farmers' markets have usually been organised by farmers themselves through local non-profit organisations and with the support of local governments, while higher levels of government have had limited direct involvement. In 2004, Victoria's Department of Primary Industries (DPI) even terminated its 'future family farms' program that focused on small farm viability (AM32-m). However, in a sign that the success of farmers' markets may be turning this tide and as part of increased investment in 'provincial Victoria', the state Labor government, upon its re-election in 2006, promised AUS$2 million to support the development of more farmers' market opportunities (Bracks *et al.* 2006; AM29-f). A further grant of $8,000 was made to the Victorian Farmers' Markets Association in 2008 for five information workshops aimed at encouraging local government to initiate markets in their regions; these were seen as providing 'producers in a region with an opportunity to work together in identifying new business prospects, particularly in relation to supply chains' and 'as economically sustainable community events that bring clean, green, local produce direct from farmer to consumer' (Allen 2008).

Some aspects of Victorian farmers' markets clearly fit with Watts *et al.*'s (2005) theorisation of 'stronger' AAFNs. They are established by local networks with local infrastructure and oriented towards local markets beyond the purview of major domestic or multinational corporations. One horticulturalist is trying to develop an even stronger network, by using farmers' markets as a venue for developing her farm's brand and as the entry point to more direct engagement with consumers through community-supported agriculture (AM14-f). The interviews also revealed the continuum between conventional and alternative approaches to both production and marketing. For example, farmers' markets are generally only one part of the marketing mix. This may be because there is a limit to what producers can sell locally (AM24-m), or because they are keen not to become overly reliant on specific outlets (AM33-m). In other cases it is simply because direct marketing takes so much time that the remainder of the product needs to move through wholesale channels (AM12-m). At the extreme, one farmer who sells rabbit products at farmers' markets has longer term goals which have little to do with local marketing. He currently uses local markets to generate cash flow and to 'move' the small quantities of product (250 rabbits/week) from his farm and abattoir, but his medium-term goals are to expand production to 1,500 rabbits/week and to develop export markets in Thailand, Vietnam, Dubai and China (AM21-m). Should these plans come to fruition, a large part of the credit would be attributable to relationships with state and federal institutions that have distinctly productivist objectives. These institutions strongly encourage farmers to look towards exports:

> Austrade [Australian Trade Commission], DPI [Victorian Department of Primary Industries], Taste of Victoria [a state program that encourages niche food exports], they would like to promote it more. We've done promotions over in Thailand… The state government [of Victoria] wants to get involved, Austrade want to because of export, balance of trade and all that. It's out there for you if you want it (AM21-m).

This producer feels he could eventually develop a strong enough market within Australia itself. However, given that the opportunity for government funding for expansion appears to be tied to export opportunities, he will probably move in that direction, and farmers' markets will have simply been a useful stepping stone along the way. Other farmers had already made the transition from direct sales to international markets through the encouragement of similar government programs (AM18-m; AM19-m), were being courted by the DPI to do so (AM-10f), or were seeking out international markets of their own accord because those markets were expected to pay handsomely for the uniquely Australian products they could provide (AM-6m). Representative of this trend, in 2007 the Victorian government, in cooperation with the Australian Federation of Agriculture, released its first directory of certified organic producers, processors and distributors in the state. This document was released with a flurry at Melbourne's 'Slow Food' farmers' market at the Collingwood Children's Farm, a venue noted for its orientation towards fresh, local and mostly organic foods. The directory itself is designed, however, to 'give the sector a strong export promotion tool for use at overseas trade fairs and missions' (p.1). Over 100 of the 350 businesses in the directory are tagged with the phrase "export ready".

These examples demonstrate that while farmers' markets do serve as important sites of resistance to productivist pressures for some Victorian farmers, for others they provide a testing ground for new productivist ventures. Given that farmers markets are recognised as business incubators (Guthrie *et al.* 2006), this is not an altogether surprising revelation. However, it is the step from local to international markets which appears to be particularly encouraged in Australia as a result of Australia's competitive-productivist orientation. Another lesson to draw from this evidence is that analysts cannot necessarily ascertain the extent to which productivism is being contested at farmers' markets simply from the rapid rise in their number, or from the number of farmers who sell through them.

Discussion and conclusions

Many of the features of AAFNs identified elsewhere also come to the fore in the case of the Victorian farmers' markets discussed here, including the role of trust in direct marketing, as well as the potential benefits that different types of AAFNs can bring to agricultural operations and rural communities. However, it is also clear that there are limits to the applicability of the European model of AAFNs in the Australian context. The discrepancy between the high subsidies provided to many European farmers[3] and the minimal support for Australian farmers reveals clearly: (1) the cultural and political divide between Australia and the EU in relation to the goal expressed by the European Commission of keeping small and medium-sized producers on the land (Dibden *et al.* 2009); and (2) the pressures facing Australian farmers who choose to adopt alternative production or marketing strategies. On the one hand, they must be able to compete successfully on their own terms – in the case of organic processed foods, even against European imports. On the other hand, the low prices received by Australian farmers, who have increasingly been forced to compete on a far from level (global) playing field against subsidized produce from other countries, could be seen as providing an extra incentive for attempts to opt out of conventional export-oriented food supply chains in recent years. Of those remaining in the farming business, most have responded – and have been encouraged by government and industry policies – to move in the opposite direction, towards intensified production and increasing farm concentration. These cases show that even some of the producers that opt for alternative production and marketing options are encouraged to ramp up production by these same export-oriented policies.

This research confirms, following Ilbery and Maye (2005, p. 841), that the supply chains 'in which these producers are embedded are different to more conventional forms in important ways'. In

[3] This discussion is not intended to suggest that all European agriculture is highly subsidised. Some European countries have a strong export-orientation (e.g. the Netherlands) and certain sectors within EU agriculture have never been subject to price guarantees or market protection.

particular, the alternative production or marketing practices adopted in order to secure a new competitive edge in the marketplace align with other values important to producers, such as independent control over quality or environmental sustainability. It is these values which also influence how farmers navigate among conventional and alternative production and marketing options.

The interviews undertaken in Victoria reveal three main goals for farmer participation in AAFNs in general, all of which relate to a desire to shift away from dependence on conventional supply chains. The most common goal is to capture greater value in the supply chain. For many smaller-scale producers who cannot participate economically in conventional channels, supply chains with fewer or no middle people may represent the only way of making a reasonable income. Mid-sized producers, facing the options of expanding their operations or leaving farming altogether, may be precluded from expanding the farm since they tend to be located in more accessible areas where prices for land have risen well above their value for agricultural purposes due to migration from urban centres (Barr 2005). Under these circumstances, an increasing number of mid-sized farmers are turning to AAFNs, wholly or in part, as a way to increase profits on the same land base. The second main goal for farmer participation in these networks is to be able to make independent decisions around the quality of their produce, rather than follow the dictates of higher links in the chain, particularly the supermarkets. While this dynamic has been noted in studies from elsewhere, it appears to be especially important in Australia, given how concentrated the supermarket sector is in this country. A third goal is to be able to make decisions that protect or enhance the environmental sustainability of the operation in ways that may not be rewarded by conventional markets or other incentive structures. All three of these goals translate into efforts by farmers to take increased *control* through the establishment of greater *autonomy* over one or more aspect of the supply chain(s) in which they participate.

If farmers are involved in AAFNs primarily to take greater control over the production and marketing of their commodities, why then do many continue to navigate between alternative and conventional supply chains? This research suggests that a number of producer-participants in AAFNs who also engage with conventional nodes do so not just out of necessity, as Ilbery and Maye (2005) and proponents of the conventionalisation thesis (Buck *et al.* 1997) state, but also because those nodes are seen as complementing their alternative production and marketing activities: some engagement with conventional channels does not conflict with their values and helps them meet farm business goals.

In addition to personal values and business goals, however, the hybridity of AAFNs in Australia must also be understood in relation to the country's competitive-productivist export orientation. This orientation plays a key role in encouraging participation in (international) conventional supply chains as the most – if not the only – legitimate way of improving farm viability, even for niche producers. This export orientation means that farmers are encouraged constantly to look overseas by state and federal governments, and may receive grants or other support to do so, even if they are actually foremost interested in supplying local markets. The country's export orientation means also that state and federal governments have taken few steps to develop opportunities for farmers to add value in the domestic market (e.g., by switching to organic production) or to capture a higher percentage of the retail value by marketing their own product. In some cases local governments are attentive to the potential benefits of such initiatives, but higher levels of government have only recently provided hesitant indications of an awareness of the potential of both organic and local food production. This situation highlights the applicability of Marsden and Sonnino's (2005) notion of rural areas as competitive space, since the ongoing dominance of the competitive-productivist, agri-industrial approach to agriculture in Australia is clearly important in framing how farmers engage with, and attempt to develop, an alternative food economy. This is true on two levels: competitive productivism is forcing many farmers to find alternatives outside of conventional supply chains, and yet competitive productivism also continues to encourage these farmers – even those who adopt alternatives – to intensify their production and seek international markets.

These results show that the extent to which the emergence of AAFNs (and their various hybrids with conventional food networks) translates into effective ‘resistance’ to productivist conventions is highly variable and can only be ascertained provisionally. On the one hand, it appears that many of the farmers in our study have at least partially succeeded in resisting productivist farming practices and the drive towards greater farm concentration by finding ways to make a living from a relatively small farm. Producing specialty products for local consumption gives greater control over the supply chain and contributes to less intensive use of land. On the other hand, this research also shows that AAFNs can develop along other, more productivist, trajectories, and confirms the centrality of the policy environment in shaping outcomes. The resultant forms of niche production for export can be seen to discursively soften the edges and widen the credentials of the neoliberal agricultural project.[4]

This is not to deny the possibility of farmers not only resisting but even subverting government encouragements to expand. Because of the mix of values and goals that farmers bring to their operations, we continue to see examples of what Buck *et al.* (1997) terms ‘bifurcation’. This was evident in the cheese makers who have decided to stay small and only sell at local farmers’ markets, even though they now see new opportunities to expand. Furthermore, even the efforts of alternative farmers who produce for export can go in at least two possible directions – towards more intensive, large-scale production or towards development of an extended AAFN which preserves the quality and many of the *sustainability* attributes of its more localised precursor. The development of this middle-path, that brings together alternative production practices with export markets, deserves examination in future research. Such research should consider how these developments fit within the larger trend

[4] Thanks to an anonymous reviewer for pointing out this discursive effect of the trend discussed here.

that Friedmann (2005), following Burch and Lawrence (2005),[5] identifies as a potential new global corporate-environmental food regime, still primarily rooted in global supply chains and guided by profit, but also designed to meet the environmental and fair trade goals espoused by key social movements.

AAFNs may be seen both as a reaction to the retailer-led dominance of the emerging regime and as an alternative expression of the same socio-environmental movement – the other side of the coin of responses to consumer concerns about deteriorating environmental and social standards for food production. In the case of 'middle-path' AAFNs, controlled by producers' definitions of quality and sustainability and connected to export markets, the demands of *distant* rather than local consumers are clearly most salient. Despite their apparently divergent motivations, both retailer-led and alternative scenarios mean that social movement concerns are addressed through the actions of 'green', 'ethical' or other discerning kinds of consumers linked with innovative producers, rather than through public policy per se.

Often neglected in discussions of the emerging shape of the global agri-food system is the role of governments, both actual and potential. While we are in broad agreement with the view that a retailer-led, corporate-environmental food regime can be seen as emerging, partly in response to movements espousing social and environmental goals, it is important to recognise that governments are also subjected to similar pressures. Retailers and the corporate sector are obliged to respond to the demands of 'green consumers'; governments are increasingly also expected to meet the expectations of 'green citizens'. This trend is important given the findings of this paper about the importance of the policy environment in shaping the morphology of AAFNs in specific contexts. In Europe, government action has supported regional development and local food initiatives. In Australia, by contrast, governments have been largely uninterested in rural development of the kind practised in Europe, but

[5] Friedman extends Burch and Lawrence (2005)'s argument that a retailer-dominated 'third food regime' is emerging by linking this trend to social movements in opposition to the industrialised 'second food regime'.

they have been obliged (if they wish to stay in power) to pay heed to the views of an environmentally aware urban citizenry and disgruntled rural population. One result of such pressure from environmentalists, reinforced by clear indications that the agricultural environmental is deteriorating, is the growth in catchment-based agri-environmental initiatives designed, among other things, to compensate farmers for their 'stewardship' activities and avoid a political backlash in rural areas. Such initiatives potentially form the basis for a more multifunctional rural economy (Dibden & Cocklin 2009; Dibden *et al*. 2009) and we argue that this is an economy in which AAFNs could play a stronger role. What is currently lacking is a clear recognition by Australian governments – federal and state – that a shift away from an almost purely productivist, export-driven farm economy towards a greater emphasis on some types of AAFNs may be warranted. Both those AAFNs with a localized orientation, such as farmers' markets and the 'middle-path' initiatives described above, appear to be well positioned to provide multiple benefits to communities in Victoria and beyond.

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