CURRENT SITUATION AND STRATEGIES FOR DEVELOPING ALTERNATIVE LOCAL FOOD SYSTEM IN TAIWAN

Jong-Wen Wann
Professor, Department of Applied Economics, National Chung-Hsing University, Taiwan, R.O.C.

ABSTRACT

Sustainable agriculture is the ultimate goal that all of us must pursue. However, continuously increasing costs of agricultural products and negative impacts of global food distribution networks have placed distortions on deploying agricultural resources and threats to human health. Lately, people are paying more attention to exploring the fundamental values of local food supply from multiple dimensions, including social, economic, health, as well as environment. A common thought is that the producers should begin with “local food supply system”. Many governments have set policy measures to construct an Alternative Agro-Food Networks (AAFNs) or Short Food Supply Chains (SFSCs) in order to promote re-localization of agriculture under the mainstream of globalization. This resource paper provides related information of Taiwan via four approaches: (1) to present an overview of key issues and problems currently confronted by the agricultural sector; (2) to investigate the value creation process of building local food supply chains based on the theory of “Culture Economy” by Ray (1998); (3) to discuss the strategies and initiative projects for fostering AAFNs by the government; (4) to introduce successful models of local food system development under different spatial levels.

Keywords: Agricultural localization; Local food systems; Farmers’ markets

INTRODUCTION

The Taiwan agriculture sector is facing a series of challenges today from both internal and external environments: the WTO Doha negotiations aim to open the market further; the Kyoto Protocol and the 2009 Copenhagen climate conference demanded continuing reductions in carbon emissions; climate change, high energy prices have straitened the global supply; consumers demand stricter food safety standards; and 2010 ECFA with mainland China.

Agriculture is an essential industry which plays a vital role in population, ecology, conservation, livelihood, and culture. Thus, sustainable agriculture is thus the ultimate goal we must pursue. In 2009, The Council of Agriculture (COA) officially set up “Healthful, Efficient and Sustainable Agriculture for All the People” as the national policy guideline with five objectives:

1. Profits, efficiency and welfare for farmers;
2. Quality and safe food for consumers/citizens;
3. Conservation, energy-saving and sustainability for the environment;
4. A clean environment, markets and high technology for the future generations;
5. Harmony with nature and high green energy for the world.

In the midst of the knowledge era and the pressure of global competition after entering the World Trade Organization (WTO), Taiwan's agriculture industry must undergo a structural transformation; from the conventional “enhance productivity,” to “enhance competitiveness”. Realizing that the consequence of globalization results in highly integration of resources and markets, it also departs from the physical production and distribution of foods. Currently, people consume foods mainly from industrialized food supply system both timely and spatially. The food safety issues associated with variety, processing and chemicals used have become common daily concerns of consumers worldwide.

Some governments have begun to call on the importance of preserving culture identities and...
strengthening the safety attributes of food eaten by citizens. Thus, the thought of “localization” has been proposed and dispersed nowadays. In addition, advocating for agricultural localization is not just to improve income of local residents but also to enhance the degree of local consensus. It is regarded as an alternative for guaranteeing national food security by giving more support to small farmers and local agriculture, i.e., a sufficient condition for self-sustained food system.

The context of re-localization

Hinrichs (2003) provided an overview of food system localization and emphasized the social construction must be imbedded into the spatial content of “local”. Then the practice and politics of food system localization efforts in Iowa, USA was analyzed as a typical case. According to his discussion, a food system localization should be regarded as an organic growth process, which can be approached defensively, emphasizing the boundaries and distinctions between a culturally and socially homogeneous locality needing protection from non-local “others”. But through the experiences of new social and gustatory exchanges, localization can also promote increased receptivity to difference and diversity. Through the experience of promoting the “Iowa-grown banquet meal” and the shifting meaning of “local Iowa food”, the conflicts between defensiveness and diversity in food system localization should be compromised to each other approaching to “glocalization” (Hinrichs, 2003).

According to a study on developed countries’ agricultural localization, Ilbery and Maye (2005) concluded that the current various agricultural developments are “localization” and “globalization” coexistent, the agriculture localization should be combined with geography, history, and cultural identities.

In order to compete more effectively in the global economy mediated through a soft form of local protectionism to control the impacts—economical, social, cultural and environmental—on the locality. Many of the manifestations of the lagging economy have a sense of reconstructing the state economy model at the local or regional level.

In spite of the conflicts between globalization and localization, a common aim of these two is to give rationales of changing ways of using resources in order to drive economic activities for higher added values. In general, an ‘economy’ means an exchange system of producers and consumers and reflects how to deal with the relationships between resources, production and consumption. More and more people believe that the relationships between human being and environments as well as the ways of using lands need to be reconsidered seriously. More territorial elements should be included and the process of providing food from producer to consumer should have more social value that needs to be counted. On the other hand, to convey the multifunctional values of agriculture, one cannot just count the nominal value of final farm products, more adaptation of cultural markers as resources and value creation activities associated with processes of farming and rural living should be included. The range of culture markers includes traditional foods, regional languages, crafts, folklore, historical and prehistoric sites, landscape systems, etc.

Framework of agriculture localization

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By observing the phenomenon of European rural regions coping with impacts resulted from globalization, Ray (1998) argued that the idea of
culture economy comes from three sources: the changing nature of post-industrial, consumer capitalism (the postmodernist perspective); the trajectory of EU’s rural development policy which shifts from a sectoral (‘horizontal’) towards a territorial (‘vertical’) approach; and the growth of regionalism as a global phenomenon. Then he argued that a region may seek to reverse its socio-economic peripheralization through strategies to re-integrate the area into the wider regional and global economy while on the other hand, the strategic views inwards into the local cultural system in order to redefine the meaning of development according to values within the local resources. Ray treated the latter as signals of the radical potential of developing culture economy within spatial constructs. In other words, the local cultural resources become an instrument to fuel trade in the global economy.

Preliminary conceptualization of the culture economy

According to the above sources of changing, a preliminary conceptualization of the so-called culture economy through four operational ‘modes’ was proposed by Ray in 1998. These are by no means mutually exclusive but, rather, they represent the range of strategic emphasis that may be employed by territorial initiatives in the pursuit of rural development. Along with the development of agriculture based on local culture economy, a solid local food system will be generated and embedded into its geographical scope. Fig. 1 shows the four possible processes toward a culture economy.

Mode I emphasizes the encapsulation of territory/culture within products. It refers to the creation and valorization of resources that have a place identity and that can be marketed directly or used in the marketing of the territory.

Mode II occurs as the construction and projection of a (new) territorial identity to the ‘outside,’ i.e., the emphasis here is on the incorporation of cultural resources into a territorial identity in order to promote the territory. This relates to new territorial development initiatives in which, either using an existing organization (local authorities, development agencies, etc.) or through a new co-operative structure, a territorial initiative seeks to establish and promote its identity.

Mode III also emphasizes on territorial strategies, but its new territorial initiative is engaged in selling itself to itself, i.e., the communities, businesses, groups and official bodies of the local area. From this raising of consciousness, some new economic opportunities, innovation and a socio-

![Fig. 1. Typology of the culture economy, Ray (1998).](image-url)
cultural vibrancy emerging that counter economic vulnerability and traditional forces for emigration. Advantage of this selling internally at first is more possible to reconstructed local resources as a coherent entity and driven local co-operative actions.

Emphasizing the normative capacity of the culture economy, Mode IV suggests that a local economy may choose to pursue ‘alternative’ development paths, i.e., stress local self-reliance in the use of physical resources, a land utilizing ethic, or the cherishing of close community. Thus, Mode IV can operate within each of the other three Modes and through an ethnic rhetoric as when a region’s socio-economic vitality is sought through the recovery of the value system of the pre-dated culture.

Based on the initiatives of “Culture Economy” proposed by Ray in 1998, Wann et al (2009) constructed an agricultural localization feasibility model of Taiwan with both unique cultural characteristics and historical background.

**Strategies and initiative projects for fostering AAFNs by the government**

Under the COA “Healthful, Efficient and Sustainable Agriculture for All the People” national policy guideline, the midterm strategies of enhancing domestic farm sector toward sustaining agriculture focus on fostering an overall quality agro-food system, are composed of three dimensions; health; technology; and leisure. Three sets of measures coping with the quality agro-food system development have been enacted and budgeted by the government.

Lately, unstable fluctuation of international prices of food commodity and increasing payments to set aside program of arable lands are gaining more public concerns, as high attention has been paid to enhance Taiwan’s food security. Early this year, the COA set a new policy goal of raising the ratio of food self-sufficiency to 40 % as well as to revitalize 140,000 hectares of arable lands in 2020. The corresponding policy measures, thus comply with the process of re-localization of agriculture which gives incentives to establishing AAFNs in remote areas.

Among the three policy dimensions, enhancing food safety throughout the supply chain can be handled more effectively by internal adjustments of farming practices and additional control schemes imposed onto local food supply system. However, sustainable farming and food strategy espouses an ‘instrumentalist’ approach that seeks to achieve ‘mutually reinforcing benefits’ for local economy. For many small-scale, ‘alternative’ producers, economic necessity may encourage a mixing of alternative (short) and conventional (long) chains, characterized by complex combinations of upstream and downstream elements.

These collective developments signify the emergence of glocalization and present types of sustainable local food system elsewhere in Taiwan. Basically, almost all the current developments fit into the modes of strategic agricultural localization based on Fig. 2 (Wann et al., 2009).

Presently, under the strategy of “local grow, local consume”, a number of projects for promoting national rice consumption and social-cultural values of rice production are held by the central and local governments. It is estimated that increasing one kilogram per capita annual consumption of rice will retrieve 5,600 hectares of idled farm lands, which is equivalent to the rise of food sufficiency ratio by 0.24% and value creation by nearly 3.3 million USD. Many new segments of rice markets, e.g. gifts for engagement or business events, are under developing and alternative marketing practices tightly close to emerging local farming.

In terms of SFSCs, usually initiated by local farmers’ organizations and receiving subsidies from government agency to facilitate mainly direct selling supply chains. Such SFSCs include farmers’ market (FM), exhibition center for local specialties, box scheme, pick-your-own, promotion point in consumption area. Based on observations by the academics, points of promotion are the closest channel for local food connecting to consumers but the degree of communication between producers and consumers are still low. On the other hand, FM offers face-to-face interaction between producers and consumers in a fixed site and period for agro-food products and information exchanging, is getting popular elsewhere in Taiwan.

**Success SFSC- farmers’ market**

Among direct marketing, FM is a rather easy channel for local growers to initiate and participate. It follows the Mode I process shown in figure 2, which links regional specific agro-food products to consumers either locals or extra-locals. Through setting rules for collective business operation and consistently face-to-face communication with curious consumers, FM may drive more local resources put into agro-food system.

In Taiwan, FMs mainly sell rice, fresh fruits
and vegetables, tea, eggs, bakery and drinks, preserves, and sometimes crafts. Wann et al. (2009) surveyed nine regular FMs as shown in Table 1. Most of them are organized by local authority or residents; located in place near high density population; utilizing public space or idled space; sellers are under strict rules of operation and punishment; opening during the weekend. As a result, these direct selling markets keep attracting urban customers return on a regular basis. Two things worth to be mentioned here: one is the initiators are often an ally of growers and consumers with common sense of protecting environment and producing food with safety promises; the other is the innovative operational model which is created and more viable than those conventional marketplaces just gathering farmers for rents. These features of organizing FMs may become the foundation for enduring local food marketing channel. Presently, over 20 new FMs have been established and operated regularly in urban/rural areas of Taiwan.

The comparative advantages of FM in Taiwan are analyzed as following:

1. FMs are often associated with organic or toxic chemical free food made recognizable differentials to the conventional mass channels.
2. Local grown and shipped freshly, no extra handling or packaging is needed.
3. Using more environmentally friendly packaging methods and materials which attract people's consciousness regarding environmental conservation.
4. Local produce which are sold in season and mainly picked with ripeness condition provides consumer better flavor and/or taste of produce. Industrial supply chains usually require early harvest for long distance shipping so that natural flavor is diminishing as a compromise.
5. Customers’ questions or requirements on products sold in FMs can receive feedback directly and promptly, which helps building mutual trust between buyer and seller and even turning them into friends. The conversation content may be full with knowledge exchange.
6. Lower initial marketing cost and higher profit for farmers, these are the economic incentives for farmers to enter the FM.

Given the above reasons, Taiwan government is establishing and facilitating/subsidizing a new program for promoting local organic FM. Under which, the criteria of local specialty products, place, infrastructures, sustainable business plan, operational team are all included for farmers who are seeking alternative marketing channels.

Success case of localizing agro-food system: The Sunshin area

Giving the emergent, fluid and inclusive notions of the “local”, many would challenge the outcome of maintaining distinctive food identities for local places. It is easier if those complex themes within localizing process are explored through a case study of food system localization efforts and activities. The case of Sunshin is chosen for this purpose.

Located in Yilan County, northeast of Taiwan, the Sunshin area has been a stronghold of conventional agriculture. It is often admired by outsiders for the abundant and diversified natural landscapes and ecology. The total farming acreage is more than 5000 hectares and most residents live on farming. The great environment contributes to the unique and specialty agricultural products: green onion, garlic, Cat-tail willow, Admiral Pear, organic rice, tea, cut-leaf flowers, and citruses.

The farmers’ association of Sunshin area plays a key role for vitalizing the local economy for years. Currently, the number of members/supported members in serving is near 5,500. Over half of the member farmers exceed the age of 60. In order to make gathering feedback to rural villages be possible through practical management for promoting sustainable management and diversification of farming industry, the FA of Sunshin has set up a rural agricultural promotion fund supported by governments and allocation of annual surplus of farmer’s association.

Table 1. Profiles of farmers’ markets in Taiwan

<table>
<thead>
<tr>
<th>Region</th>
<th>Farmers’ market</th>
<th>Source of customers</th>
<th>Organizer</th>
<th>Day &amp; frequency</th>
<th>Location</th>
</tr>
</thead>
<tbody>
<tr>
<td>Taipei City (North)</td>
<td>The Hope Market place</td>
<td>Local residents</td>
<td>Central Government</td>
<td>Sat. &amp; Sun.</td>
<td>Central city</td>
</tr>
<tr>
<td></td>
<td>248</td>
<td>Local residents</td>
<td>Local organization</td>
<td>Sat. &amp; Sun.</td>
<td>Central city</td>
</tr>
<tr>
<td>Hsinchu Province (North)</td>
<td>New FM of Chu-pei City</td>
<td>Local residents</td>
<td>Local authority</td>
<td>Daily</td>
<td>Central town</td>
</tr>
<tr>
<td></td>
<td>New FM of Hsin-Pu Township</td>
<td>Local residents</td>
<td>Local authority</td>
<td>Daily</td>
<td>Edge of town</td>
</tr>
<tr>
<td></td>
<td>New FM of Guan-Shi Township</td>
<td>Tourists</td>
<td>Local authority</td>
<td>Daily</td>
<td>Edge of town</td>
</tr>
<tr>
<td>Hsinchu City (North)</td>
<td>NTHU’s Green Market</td>
<td>Local residents</td>
<td>Locals</td>
<td>The 2nd Sat. of the month</td>
<td>University</td>
</tr>
<tr>
<td>Taichung City (Central)</td>
<td>HouPu Market</td>
<td>Local residents</td>
<td>Locals</td>
<td>The 2nd Sat. of the month</td>
<td>Edge of city</td>
</tr>
<tr>
<td>Taichung City (Central)</td>
<td>NCHU’s Organic FM</td>
<td>Local residents</td>
<td>Professor</td>
<td>Saturday</td>
<td>University</td>
</tr>
<tr>
<td>Fongshan City (South)</td>
<td>Breeze FM</td>
<td>Local residents</td>
<td>Local authority</td>
<td>Saturday</td>
<td>Central city</td>
</tr>
</tbody>
</table>

Primary achievements of Sunshin FA’s promotion on food supply system & culture marketing

1. Offering guidance to vegetable and fruit production and marketing groups, which enables 576 people to obtain CAS/GMP certificate, 210 people to obtain traceability certificate of production and marketing, and 28 people to obtain organic certificate.
2. Establishing new marketing channels:
   (1) Building and operating the Agricultural Marketing and Service Center in Sunshin area.
   (2) Establishing Green Onion Cultural Museum, Agricultural Product Hall, and local Gourmet Restaurant.
3. Developing leisure agriculture and establishing two leisure agricultural areas with the area of 590 hectares:
   (1) Promoting rural and ecological tourism and marketing leisure spots.
   (2) Integrating leisure agriculture and designing package tours.
   (3) Developing activities for experiencing agriculture.
4. Developing processed commercial products using local grown raw materials.
5. Offering guidance in five local specialty restaurants and creating working opportunities for 50 rural women.
6. Holding and activating rural teen organizations and activities to cultivate rural teenagers.
7. Organizing large-scale industrial and cultural activities periodically, ex. the Green Onion & Garlic Festival, the Admiral Pear Festival, and the Yinliu Specialty Festival to promote regional agro-food identity and natural resources.
8. Devoting to the establishment of agricultural product brands in Sunshin area.
9. Renovating the building of the Green Onion Cultural Museum from an old granary in the 1950-60s, which preserves the unique cultural building style of early Taiwanese.

Building of alternative local agro-food marketing network system

Through the strategic planning and multiple efforts by the FA, the image of Sunshin area...
products becomes more and more significant to externals. It has attracted immigrants from urban as well as gaining a numerous opportunities of new marketing channels. Fig. 3 shows the current agro-food marketing system of Sunshin area. The lower bottom of the diagram presents the so called alternative local agro-food supply chains which have expanded dramatically.

Referring to Figure 2, the developing process of Sunshin’s economy can be conceptualized as starting from the Mode I, then integrating with Mode III, and toward Mode IV. The localized food supply system of Sunshin is continuously growing which meets the notion of hybrid local food production/consumption network by Ilbery and Maye (2005).

CONCLUSION

The purpose of this paper is to provide a brief introduction of the situation of developing self-sustained local food system for Taiwan’s sustainable agriculture. Treating agricultural localization as a comprehensive strategy, rational thoughts of granting the processes of revitalizing local economy via broad territory related resources have been examined first. Primary policies and strategies for sustaining agriculture sector in Taiwan have been discussed under the rationales of multiple values associated with food security, territory and social-culture identity.

Under the impacts of globalization, a common thought is that local foods offer an important opportunity for farmers to add and retain value to produce, so that producers should begin with short food supply chains (SFSCs) to secure the “local food supply system”. On the other hand, governments may promote alternative agro-food networks (AAFNs) via measures fostering innovative direct marketing practices within the local farmers’ society. Successful practices of Taiwan agriculture localization were provided in previous sessions.

Following the strategic development modes proposed in Fig. 2 by Wann et al. (2009), we may expect that more and more cases of alternative agro-food supply system formations are currently happening in Taiwan in order to revitalize the local economy.

REFERENCES