

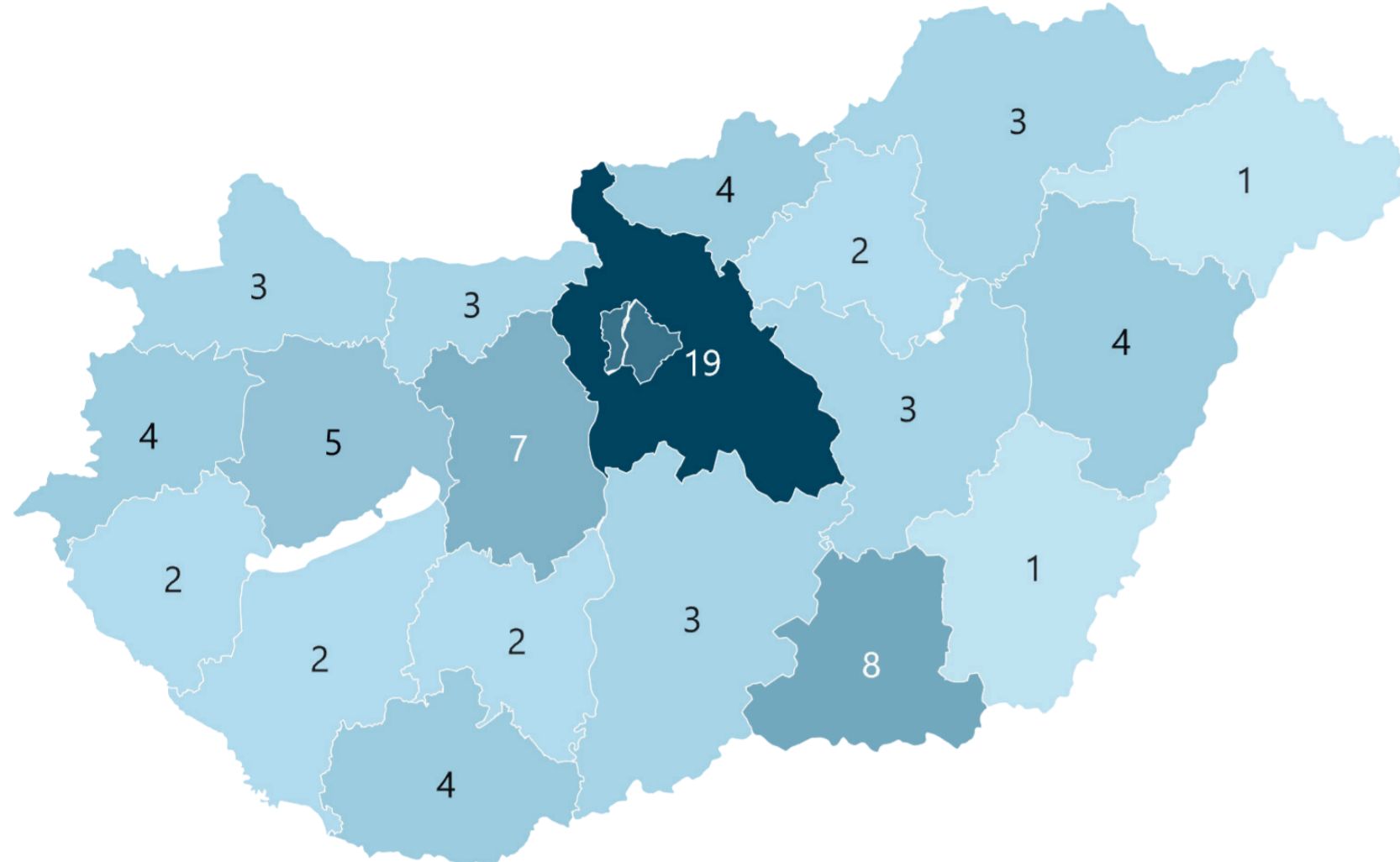
ALTERNATIVE FOOD NETWORKS IN HUNGARY



Regional partner involvement



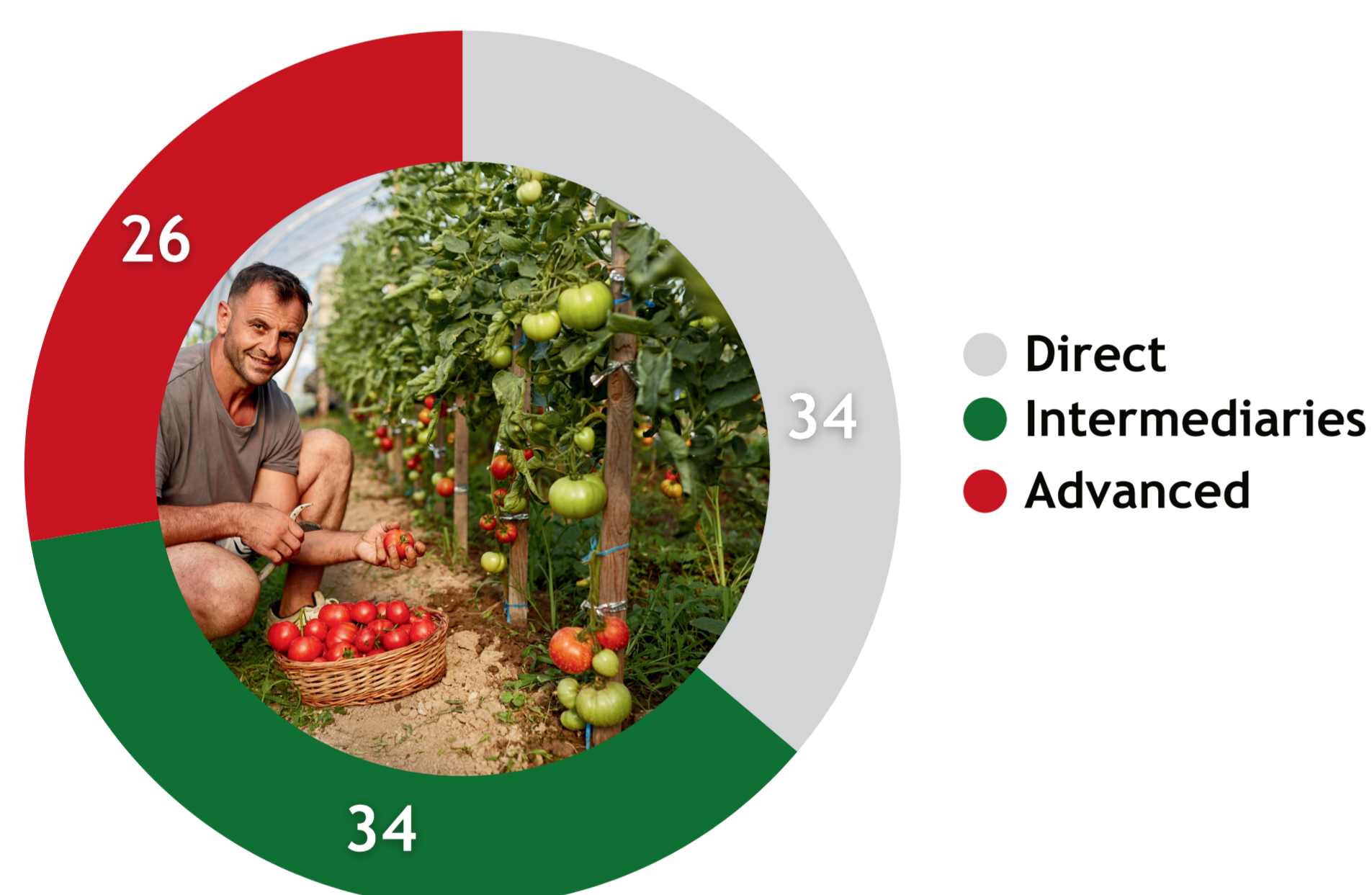
Geographical location



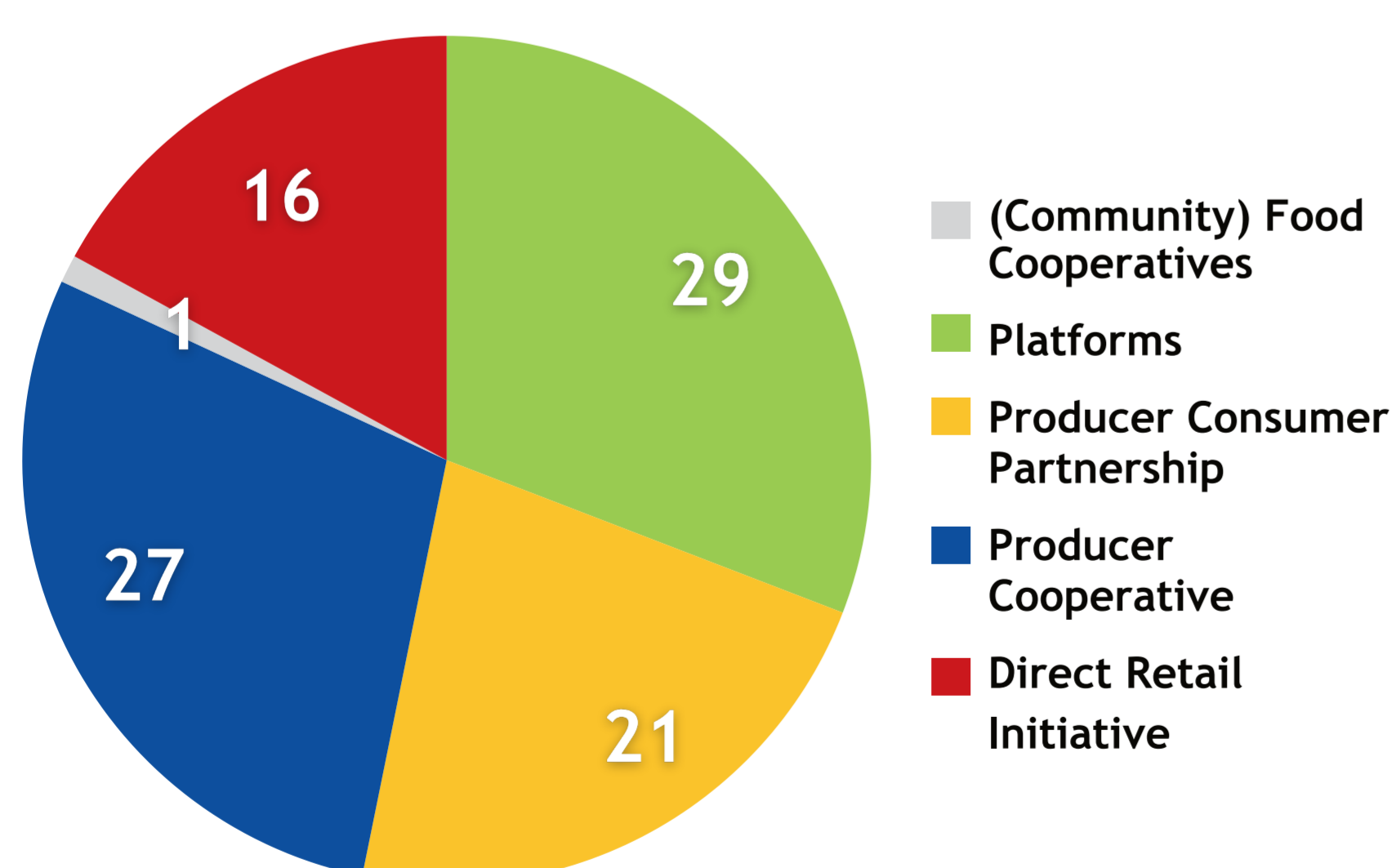
Most AFNs can be accounted in the **Közép-Magyarország (Central Hungary) region (33)**. This region includes the capital, **Budapest (14)** and **Pest county (19)**. The **Közép-Dunántúl (Central Transdanubian) region** accounts for 15 and the **Dél-Alföld (Southern Great Plain) region** 12 AFNs. The majority of advanced AFNs are located in and around Budapest.

AFNs' level of complexity

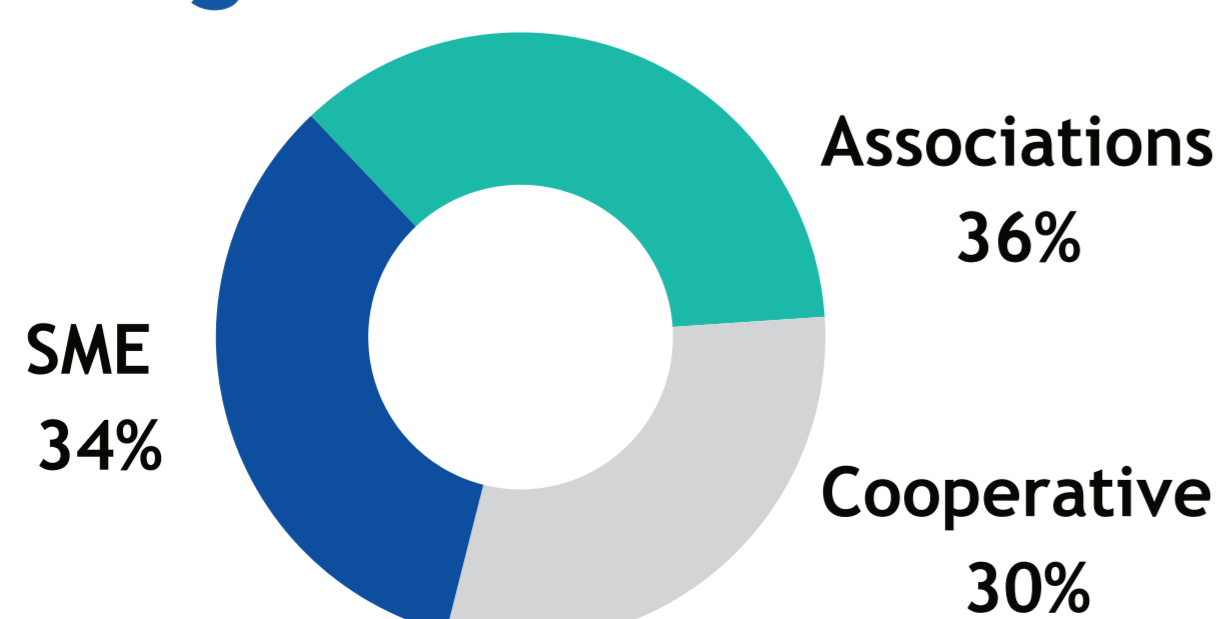
In the research **94 AFNs have been identified across Hungary**. Among these, **18 were identified as potential best practices**. 36% of AFNs were categorised as direct, 36% as intermediaries and 28% as advanced.



Forms of identified AFNs



Type of organisations



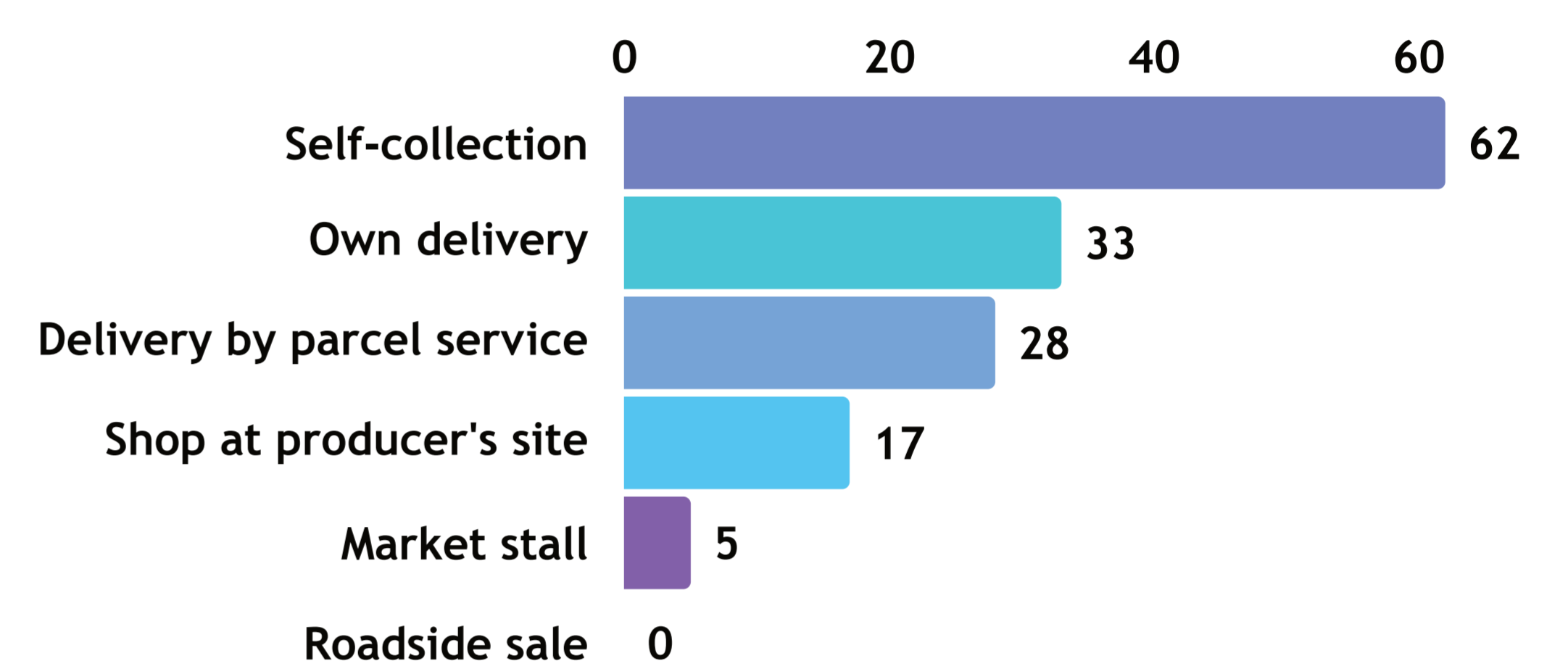
Overview

In Hungary, short supply chains are becoming increasingly popular and in recent years, more and more consumers are relying on local producers. The development and formation of AFNs in the country has been influenced by many factors, including the availability of local products and the existence of a group of farmers capable of producing traditional and region-specific foods for the local market. Promoting local production and marketing offers a win-win solution, as it creates an economically beneficial environment for farmers and consumers, while supporting environmentally friendly practices and promoting social equality. Unfortunately, however, most people still prefer the traditional supply chain because it is easier, more convenient, requires less planning and is, in many cases, cheaper for consumers. Moreover, many AFNs still face difficulties in terms of delivery, IT platforms, warehousing, logistics, and even financially it is difficult to start and grow such a business.

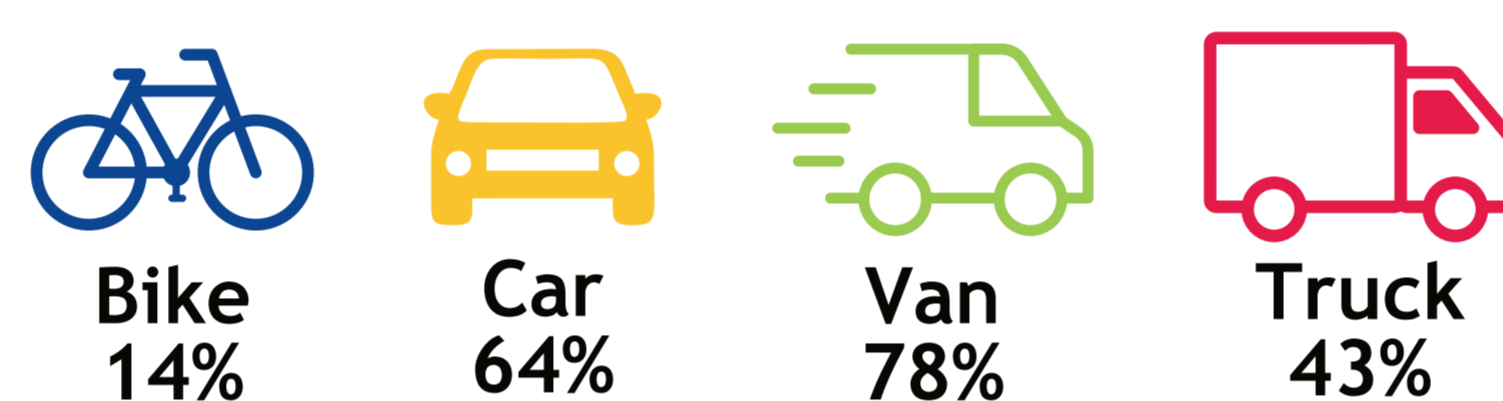
Transport & Logistics

The most prevalent distribution channel among identified AFNs is **self-collection (62)**, followed by **own delivery (33)**. 28 AFNs use **parcel service for distribution**. Shops at producer's site are utilized by 17 AFNs, and **market stalls** are the least utilized modes of distribution of product assortment with only 5 AFNs using them. Notably, no AFN utilizes **roadside sale**.

Distribution channels

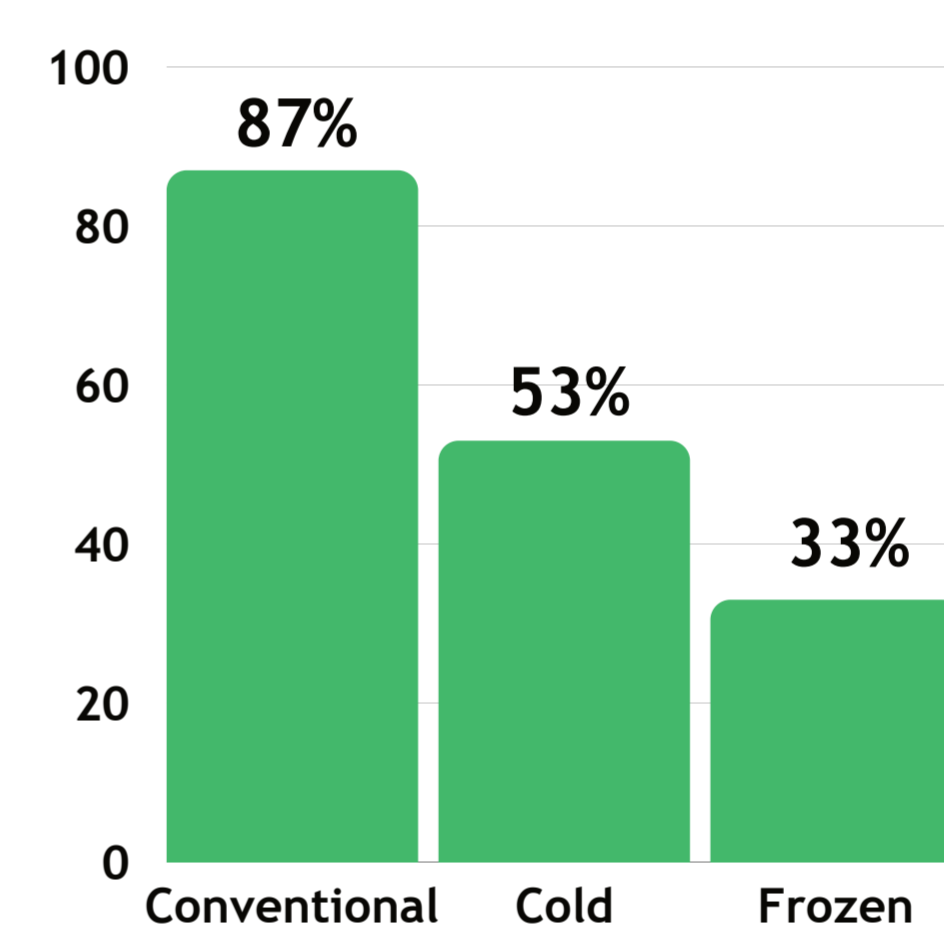


Transportation methods

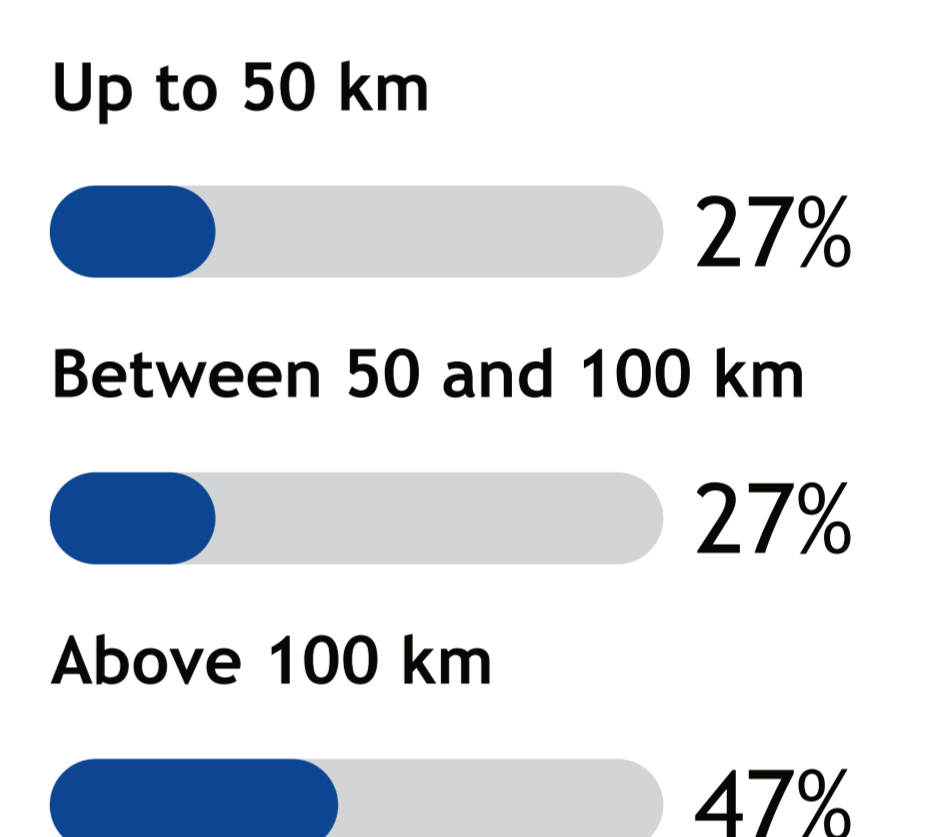


Vans are the predominant mode of transportation for deliveries among AFNs, with 78% of AFNs using them, followed by cars (64%) and trucks (43%). Only 14% of AFNs use bicycles.

Storage facilities



Catchment area



Challenges



Developing partnerships to ensure the dissemination of modern AFNs and their increased sustainability



Strengthening the awareness and recognition of producers by consumers



Fostering generational change in AFNs and the exchange of professional skills among the producers involved through targeted marketing activities



Increasing consumer awareness on the role of AFNs to stimulate demand



Stimulate financial support from the government

Logistics solutions



Daily digital order management: The majority of AFNs receive orders primarily through online platforms and email, facilitating efficient and streamlined order-taking processes. Most AFNs manage up to 100 orders per week, demonstrating their capacity to efficiently process a significant volume of customer requests while maintaining a high level of service.



Warehouse management: Shelf storage is the most common method for warehousing, followed by pallet and floor storage. Carts are predominantly utilized for transporting items within the warehouse. Single order picking is the prevalent method for order fulfillment, allowing workers to focus on individual customer orders. This approach ensures accuracy and personalized service, which is essential for maintaining high customer satisfaction.



Delivery services with own resources: AFNs primarily use their own resources for delivery. Vans are the most common delivery vehicles. 73% of respondents ensure the continuity of the cold chain, highlighting the commitment to maintaining product quality and freshness during transit. By leveraging their own delivery infrastructure, AFNs can better control logistics and provide reliable, timely service to their customers.



Sustainable and environmentally friendly practices: Reverse logistics practices hold moderate importance for AFNs, with the common use of reusable packaging. Sustainability and environmentally friendly practices are top priorities for these AFNs. By focusing on reducing waste and promoting the reuse of materials, AFNs demonstrate their commitment to ecological responsibility and long-term environmental care.

