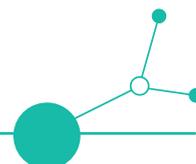
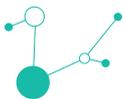


BEST PRACTICES AND LOGISTICS SOLUTIONS OF AFNs IN POLAND

Short report summary





Food4CE

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1. Executive summary

This report analyses **eight best practice cases** and **logistics solutions** within Alternative Food Networks (AFNs) in Poland, with a focus on key aspects such as **sustainability**, **digitalization**, **transparency**, **local focus**, and **advanced logistics**. The analysis was carried out with the help of an Excel tool that was also developed as part of the Food4CE project.

Alternative Food Networks (AFNs) play a crucial role in connecting local food producers, consumers, and key stakeholders, such as resellers and logistics providers, serving as driving forces behind Short Food Supply Chains (SFSCs). Among these, certain **best practice** cases stand out in terms of their innovative approaches and significant impact. These pioneering AFNs set new standards and have often developed exemplary logistics solutions—encompassing processes, technologies, use cases, and business models—that can be adopted by other AFNs, either directly or in an adapted form. These solutions focus on **critical areas**, such as **warehousing**, **transportation**, **logistics processes**, and **IT applications in logistics**. By sharing and disseminating these best practices, pioneering AFNs inspire others to explore new or alternative approaches, while helping them develop tailored solutions to their specific logistics challenges.

Conducted analysis shows that **Polish AFNs are characterised by poor use of modern logistics systems and low sophistication in terms of digitalisation**, which may be due, on the one hand, to the **relatively small scale of operation of Polish AFNs**, as well as to the emphasis placed by a large proportion of AFNs on the real sphere of doing business, to the exclusion of online trading (online existence is limited to having a simple website and Facebook profile). There is therefore considerable room for improvement in this area.

AFNs in Poland are performing much better in terms of **transparency**, **sustainability** and **local focus**. AFNs distinguished themselves from the Polish food market by their concern for the environment and for quality, which were found to be key for AFNs, and their emphasis on direct relationships between producers and customers.

In conclusion, the analysed AFNs are moderately developed, and their efforts should be directed towards the development of logistic processes and digitalisation without neglecting their localness, sustainability and transparency.

About the Food4CE project

Food4CE is a European project funded by the INTERREG Central Europe Programme, aimed at supporting Alternative Food Networks (AFNs) in their efforts to create sustainable and resilient food supply systems. Within Food4CE, 5 local and 1 Transnational Innovation Hub (IH) will be established and will focus on advancing AFNs logistics efficiency through the development of innovative tools and solutions. Two innovative tools, the Knowledge Transfer Platform (KTP) and the Matchmaking Platform (MP) will be developed within the project. The former is intended for sharing logistics best practices and solutions, while the latter is intended for creating new B2B logistics solutions and services. These tools will facilitate knowledge exchange across regions, creating a strong support network for AFNs in Central Europe.

Food4CE will also provide jointly developed regional action plans for each participating region and transnational (CE) policy guidelines for AFN support. The project aims to establish a sustainable and lasting AFN support mechanism, which will continue working even after the project end. By integrating local and transnational Innovation Hubs with cutting-edge tools and strategies, the project seeks to establish a long-term support framework that will continue to drive collaboration and innovation beyond its completion.



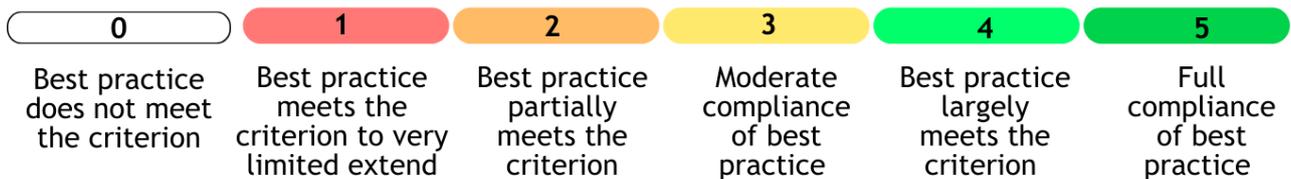
2. Tool for best practice assessment

The best practice assessment was carried out using a **specialized tool for mapping best practices and logistics solutions** developed within the project. This tool can also serve as a self-assessment resource for AFNs and other stakeholders.

Using this tool, each potential best practice AFN was evaluated based on the extent to which it fulfils key criteria, including **advanced logistics, digitalization, local focus, sustainability, and transparency**. Each of these criteria encompasses multiple aspects:

- **Advanced logistics** refers to the efficiency and organization of logistics operations within AFNs, such as offering multiple delivery options for customers.
- **Digitalization** focuses on comprehensive information flow along the supply chain, including user-friendly shopping experiences.
- **Local focus** reflects an organization’s commitment to its regional identity, demonstrated through strong ties with local institutions and stakeholders.
- **Sustainability** addresses environmental, economic, and social aspects, such as a focus on organic farming, carbon footprint reduction, and fair-trade practices.
- **Transparency** ensures trust through clear and verifiable measures, such as food certifications and quality seals.

Each AFN was evaluated using this criterion using a **0 to 5 rating scale**, where **0** indicates the best practice does not meet the criterion, **1** means it meets the criterion to a very limited extend, **2** means it partially meets the criterion, **3** signifies moderate compliance, **4** indicates that it largely meets the criterion, and **5** represents full compliance.



To provide a simplified comparison, an **average score** for each AFN was calculated and plotted as a line on the graph, showing overall performance across the different criteria. Only AFNs with an average score **higher than 3** (above the average) **qualify as best practice AFNs**.

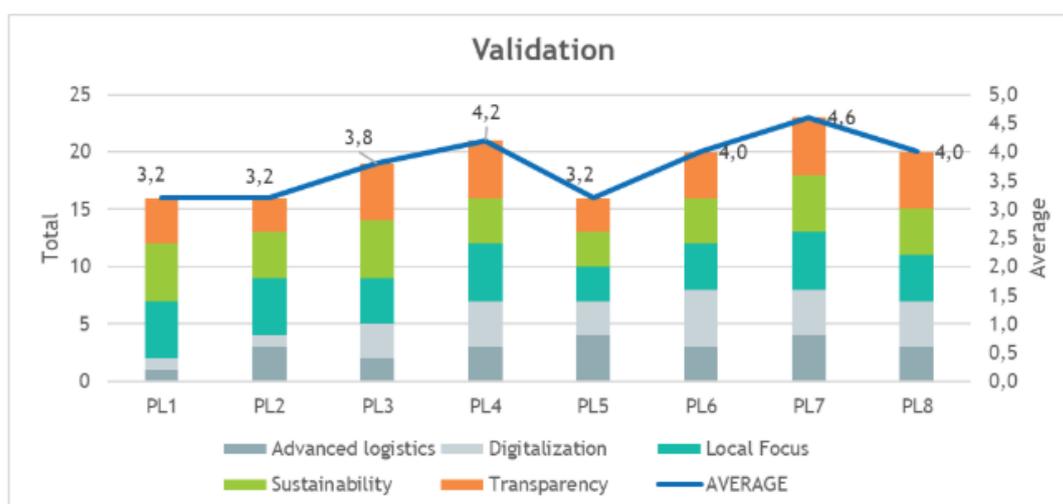


3. Best practices and logistics solutions

The **eight analysed AFNs best cases in Poland (PL1-PL8)** exhibit a relatively **low level of digitalisation and limited use of advanced logistics solutions**. In the first case, this is partly related to the selection of best practices, as the authors were keen to show a broad spectrum of development opportunities, and this was due to the variety of operational strategies adopted, which have proven to be successful and can be assessed as good practice. Several of the AFNs do not place much emphasis on digitalisation, as they have adopted a **business model based on physical contact between the producer and the customer**, and **online activities are based on a simple website and a presence on social networks**, mainly Facebook, where producers present themselves and key information, and upcoming events are given.

Slightly different is the **level of sophistication of logistical processes, which is below average and also applies to the collective as a whole**. This is mainly due to the relatively small scale of operation, which does not require advanced logistics processes.

The other criteria are above average. The small scale of operations of Polish AFNs, including those described, favours the localisation of business, which was reflected in the highest score in this respect.



Polish AFNs largely appear to be at a stage of development. First of all, **no box schemes** were found among the analysed AFNs. Furthermore, there is **little choice of delivery options** by customers limited to one or two options. In the case of courier services themselves, there is usually no choice of operator as the AFN only works with one and does not give the option of sending their own courier. For AFN's own deliveries, there is also usually not much choice as they only have one mode of transport due to the small scale of operation.

The **small scale of operation** and the associated **limited number of products and customers** does not require sophisticated logistics systems to guarantee traceability of deliveries and customers and is almost entirely done paperly. Furthermore, **selling only their own products** (no imports) with one or two producers of the same food product makes the need for these systems mostly unnecessary, especially as they are relatively expensive.

Polish AFNs use a wide variety of means of transport, with **cars and vans** being the most popular. They are used primarily by producers and processors, as they use them for the supply processes on their



farm/business and, on occasion, for the logistical processes associated with the operation of the AFN. In the case of consumer AFNs, where consumers are the initiators, most often the producers supply the products at their own expense and the AFN distributes and delivers the orders to the consumers mainly by bicycles and motorbikes.

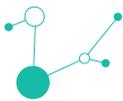
The scale of operation and type of AFN determines the **storage systems** used by AFN. In most cases, these are **simple storage halls owned or rented**, and in the case of farms, their own warehouses or barns, which are used for short-term storage of products and the order picking process. In their case, **most of the work is done manually, sometimes using handcarts and electric carts**, and on farms there are also **trailers and tractors**. In larger companies, warehouse processes are more mechanised and automated. For example, AFNs producing fruit and involved in dairy and meat processing are equipped with specialised cold stores.

Most AFNs aim to minimise their environmental impact in response to customer expectations. This manifests itself, for example, in the **use of reusable packaging and crates, customers' own bags or eco-friendly packaging**. Customers pay less attention to the means of transport used to deliver their orders. However, to minimise costs, they pay great attention to optimising delivery routes. However, it is to be expected that, as in other countries, particularly in Western Europe, consumer awareness and pressure to reduce pollution and CO₂ will increase.

One of the most important factors in the development and success of AFN is the **localisation of the production and sale of the products produced**, which are additionally characterised by their unique quality. This is expressed in the **high proportion of organic food**, produced using integrated methods and processed in a traditional way or using old, sometimes centuries-old recipes. It is also crucial to emphasise **direct contact between the producer and the consumer**, thus increasing trust in producers. The unquestionable advantage for both parties is that the margins of intermediaries are taken over, resulting in sales at higher prices than to the intermediary, but the consumer can count on lower prices than in the case of traditional and modern trade. In addition, customers increasingly appreciate the environmental aspects, which can be verified more easily with AFNs, and the possibility of acquiring unique products and preparations not available in traditional trade.

An important, albeit difficult to measure, aspect is the emerging environment/culture of life for both producers, who are beginning to cooperate with each other and exchange experiences, and consumers, who are seeking alternative ways of living and functioning based on, among other things, care for the climate and the environment. In the emerging symbiosis of producers and consumers, an ever-closer interdependence is being created.

A final important success factor is the way **communication is less based on traditional advertising**. The emphasis is mainly placed on whisper marketing, which, although it requires extraordinary attention to quality and customer relations, is on the other hand the cheapest and most effective channel to attract new and knowledgeable customers. In most small AFNs, information is communicated through social media (mainly Facebook), while official websites either act as information or redirect customers to the online shop.

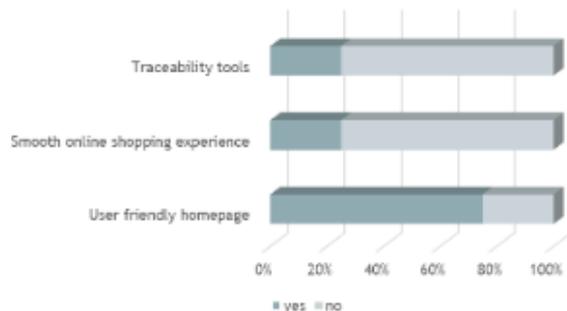


ASSESSMENT OF BEST PRACTICE CRITERIA (in detail)

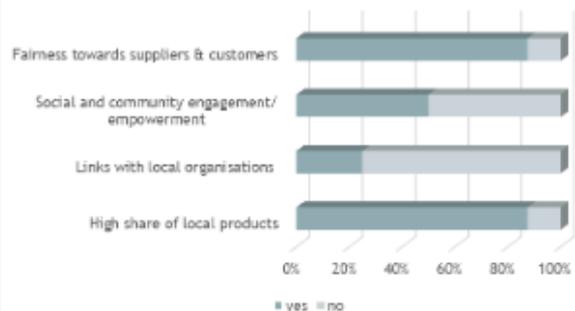
BP AFN Poland - Advanced logistics



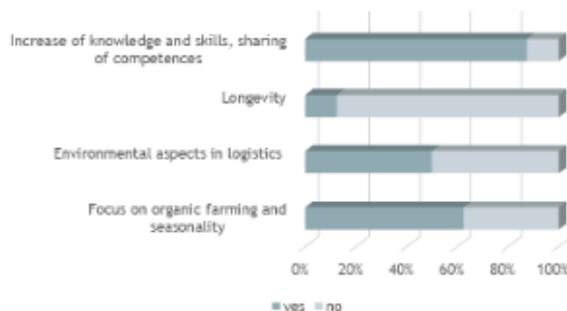
BP AFN Poland - Digitalization



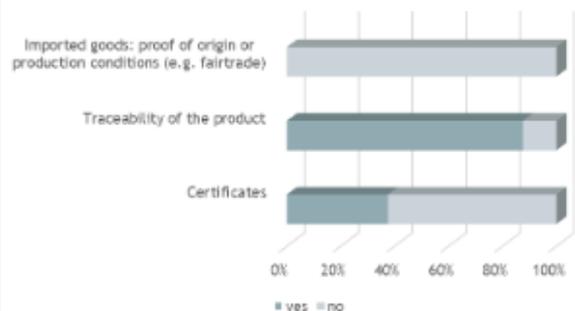
BP AFN Poland - Local focus



BP AFN Poland - Sustainability



BP AFN Poland - Transparency



4. Conclusion

In conclusion, it can be said that the **analysed AFNs are relatively small but quite well developed.**

They base their business model on **locality, self-produced products using organic and traditional methods**, where the emphasis is on **direct contact from the customer to the producer.**

Because of their small scale of operation, they use **low-tech logistical and promotional processes.** Their further development will require capital, which can be generated from the profits made, but should be supported by a long-term and stable policy of financial, organisational support in terms of know-how.



Despite the existence of many long-established and established AFNs, the **high turnover of AFN networks**, i.e. the large number of new as well as closing initiatives, should be of concern. This may be an indication of **market saturation**. So new entrants either need to find a gap in the market for themselves, increase their marketing spending or have enough financial reserves to survive an extended period of underperformance. In the case of larger AFNs, logistics processes will need to be increased and modernised to increase the automation of warehousing, packaging and food chain identification processes.