

REKO RING / FINLAND

GET INSPIRED!
A ROADMAP TO REPLICATE
KNOWLEDGE AND EXPERIENCE
ABOUT FAIR FOOD SUPPLY CHAINS



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PROBLEM ENCOUNTERED

Small farmers becoming extinct, local food is disappearing!

Thomas Snellman is an organic farmer, living in a small village in Finland. He loves what he does, but admits that it is not easy to be a farmer. Back in 2012, Thomas noticed that in his region every day about 5 small-scale farmers stop their activity as they cannot make their living. Why? Because of the very centralized Finnish food market, with only two large retail chains governing the supply and thus, influencing what Finns were eating. As supermarkets and wholesalers were getting stronger, small farmers could hardly negotiate fair prices for their produce.

Against this background, Thomas also saw that more people in Finland were starting to ask for locally produced, organic food, but could not easily find such. He realized that there is an urgent need for a functioning sales channel for local farmers and for consumers who demand local food.



INNOVATIVE SOLUTION FOUND

Pre-ordered direct sales of local food!

The same year Thomas visited France and learned about a local network where consumers subscribe to buy a certain amount of products from farmers in advance, which in turn provides farmers with regular income and prevents waste of unsold produce. He gets inspired by this experience and decides to make something similar in Finland. Back in his village, Thomas came up with an idea of how to break the large retail chains' dominance, to facilitate consumers to find local products and support small farmers to survive. He created a system for direct sales of local food, which he called the "REKO" ring. The system operates through social media platforms and is based on voluntary participation, where consumers pre-order local products and farmers deliver orders to preliminary agreed pick-up locations.

The word "REKO" comes from Swedish and stands for 'fair consumption'!

FUNDING THE SOLUTION

No big funding needed: Just Facebook!

At the time when the REKO idea was born, Thomas was part of a national project for promoting organic farming in Finland, being responsible for network development. He received a salary from this project while making the REKO structure work. The project also paid some small funding to disseminate the idea. No other financial resources were actually spent. Thomas just used the network he already developed to attract farmers and consumers to support the idea using Facebook as a meeting platform.

ACTORS INVOLVED

Farmers and consumers as market co-creators!

REKO RING is based on the participation of both farmers and consumers. No middlemen are allowed.

HOW THE PRE-ORDER SYSTEM WORKS

Facebook as a market channel!

The REKO RING operates through closed Facebook groups, based on the membership of consumers and producers. The members jointly decide who will take the role of a voluntary administrator of the group. The groups operate as a marketplace where producers post what they are selling, at what price and how they want to be paid. Consumers make orders by making comments directly below the posts. The pre-ordered products are distributed to a specified meeting place, that suits both farmers and consumers, every or every other week, depending on the size of the group. Most delivery times are shorter than an hour. All farmers in the ring congregate at the pick-up places and the consumers can collect their orders from a number of producers at the same time.



BENEFITS FOR FARMERS

Direct access to consumers!



REKO rings provide farmers with a free market channel to directly reach consumers. It gives them the power to overcome middleman and to set up fair prices for their produce. The pre-ordering allows farmers to only transport products that have already been ordered, which saves them costs for advertising. Farmers also have the chance to meet consumers with a specific interest in their products and exchange information on where the products come from, how they are produced, how they can be cooked, etc.

BENEFITS FOR CONSUMERS

Direct access to local products!

REKO RINGS makes organic and locally products more accessible for consumers. As consumers directly communicate with farmers they know exactly where the food comes from, how it is produced and by whom. They can also influence farmers' choices what and how to produce by discussing quality, farming methods, etc. Through the REKO rings consumers can also support small scale farmers paying fair price for what they produce.



The first REKO RING appeared in Finland in 2013 with 7 farmers and 39 consumers involved.

In 2021 there are 600 rings in Scandinavia and beyond in a total of 2 million members in 14 countries!

GOOD PRACTICES THAT BRING BENEFITS

- Resale is forbidden in REKO RING. Farmers can only sell what they have produced or manufactured from their own raw materials.
- In the Facebook groups, producers often share pictures of themselves and of their farms and information about the way the food is produced. This facilitates consumers to make better choices on what to order and from whom.
- Administrators in the Facebook groups are responsible for approving the posts of the producers, for managing new membership proposals and for arranging the pick-up/drop-off place. This provides a structure to the group and saves time and efforts for the other participants.
- Consumers regularly post feedback in the Facebook groups as well as face to face during the pick-ups which in turn helps farmers to get information about consumers' demand.
- All work carried out in REKO-RINGS is voluntary and administrators do not receive any compensation. This increases the sense of community and co-creation of a common market place.

MAIN FACTORS OF SUCCESS

If you want to apply REKO experience in your region, please consider its main factors of success!

- 1 Free of charge participation:** To establish a REKO RING all you need is a Facebook account and only the products have a price.
- 2 REKO allows producers to put new products to the test** and receive immediate feedback from customers. This is a very simple way to find out which products are good and have a market.
- 3 No waste of time and resources:** due to pre-ordering, producers don't have to worry about over harvesting or wasting resources;
- 4 Short pick-up window:** as the pick-up events last within 30 minutes to one hour, farmers can quickly go back to their farms and continue with their activities;
- 5 Empowered producers:** as they can set up their own prices on the produce;
- 6 Empowered consumers:** as they can pay on something that they value and can make choices on what to eat.
- 7 Mutual trust:** that is maintained through honest and factual information from both sides. Consumers trust that the food they get is as sustainable and as locally produced as promised, and producers feel that their work is fairly appreciated.

FINNISH CONTEXT

If you want to apply REKO experience in your region, please consider the following characteristics of the Finnish context that influenced its success!

Public funding for direct sales: Under Finnish National Rural Development Programme farmers can receive funding for developing channel for direct sales of local food. The programme also recognize the creation of REKO RINGS as eligible for funding, especially through a measure for start-up aid for rural businesses. In 2020, around 3,046 farms were engaged in direct sales in Finland.

Recognition from public authorities: experts from the Finnish ministry of agriculture supported REKO RING idea and provided Thomas Snellman with advices on legal and healthy food regulations issues. Local municipalities have provided places for REKO pick-ups. During the covid-pandemic in 2020 Finnish health authorities made special guidelines for REKO circles, that helped REKO activists handle the situation and to continue with the direct sales.

Health and legal regulations: Legal factors, health and tax regulations have to be considered if replicating REKO idea in a certain context. For example, raw milk is not allowed to be sold outside a farm in Finland. Every producer is personally in charge for keeping the Finnish regulations and a REKO RING has no legal responsibility by itself.

Consumers' demand for local food: When the REKO idea was introduced in Finland, there was already an increased demand for local products, which influenced its wide spread throughout the country.

SELF-CHECK

Can you apply REKO experience in your region?

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| YES | NO | Do you want to know what you are eating? |
| YES | NO | Do you want to buy local organic products with a known origin? |
| YES | NO | Are you passionate about food and curious to try new products? |
| YES | NO | Are you a small farmer or food producers whose produce is not suited to major retail chains? |
| YES | NO | Do you want to meet consumers? |
| YES | NO | Do you want to meet farmers? |
| YES | NO | Do you know how to use social media? |
| YES | NO | Do you have a Facebook account? |

REKO RING BUSINESS MODEL AT A GLANCE

