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**Quality Food Production, Diversity and Sustainability:
opportunities for small towns.**

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Tasmania is in the midst of an explosion of rediscovery, reinvention and reconnections; and for the small towns and communities that comprise Tasmania, new horizons are being fashioned. Perhaps best known for its astounding natural beauty, it is now Tasmania's people that are forging new stories and identities. It is a place of difference: a place where the blending of the old and new is encouraged. Apart from its natural beauty, distinctive climate, unique wildlife and cultural heritage, it is the "resourcefulness, innovation and creativity of its people" (Brand Tasmania, 2005, website) that is driving this change. It is a place that cultivates imagination and is home to a diverse and celebrated community of artists. Tasmania, "the intelligent island" (Tasmania online 2005), is the epitome of Richard Florida's *Creative Class*.

One area where these elements converge is in the artisanal food industry. The eclectic mix of distinctive climates, raw agricultural produce, and the values, creativity and innovativeness of Tasmania's people make for unique tasting and touring experiences. From the production and processing of truffles, saffron, sheep-milk cheese, tayberry liqueur and inimitable wines, to the farm gates, cellar doors and agri-food tourist trails, Tasmania is unlike any other region of Australia.

Once notorious for mediocre economic performance and out-migration (Eslake, 2004), Tasmania is now gaining an admirable reputation for incredible richness and diversity. There has been an economic turnaround, and Tasmania now experiences net in-migration (Eslake, 2004). For the small towns and communities that dot Tasmania's landscape, these changes have, in part, contributed to a repopulation and rejuvenation in towns that were previously at a standstill or, even worse, dying. This renewed confidence, activities and stories have created a newfound 'sense of place' and optimism amongst Tasmanians. This attachment to place and sense of pride can provide that much needed foundation for healthy, happy and sustainable small towns.

This chapter presents one exciting development that draws upon the innovativeness and resourcefulness of Tasmania's people; that is, quality food production. The chapter is intended to demonstrate that any small town across Australia that produces raw agricultural produce can potentially use the notion of 'quality' as a development tool. Further, this form of development can be sustainable. The chapter is based on research undertaken for a PhD that explored artisanal food production in Tasmanian agriculture; specifically, the benefits

associated with this type of production; the factors that have assisted and inhibited the industry's success; the importance of artisanal and/or cottage industry identity; and the social construction of food quality. This chapter concentrates on this last aspect of the research, as it is this dimension that has applicability to stimulating the development of small towns across Australia.

Using case studies from the artisanal food industry in Tasmania, this chapter demonstrates that a specific form of agri-food development based on the production of *quality* food can promote diversity (social and biological) and richness; thus resisting the homogenising effects of globalisation and aligning with a form of development that is more synonymous with sustainability. This offers opportunities for the long-term survival and health of small towns across Australia.

Quality

The negative impacts associated with large-scale food production and related practices, such as food scares, eco-social degradation and the unknown long-term risks of biotechnologies, have encouraged a turn to 'quality' food production and consumption. This has produced certain quality characteristics that the large-scale producer cannot compete with. Coupled with an increasing population in Tasmania of people who appreciate amenity landscapes and amenity lifestyles, there is a ready demand for the products from amenity livelihoods, including quality food. The migrants to Tasmania tend to have disposable income (or retirement wealth) and social values that support artisanal production in all its forms, and they expect a certain degree of quality.

'*Quality*' is a word that is both meaningless, and full of meaning. It can be used ambiguously, or can be associated with a myriad of specific characteristics. It is both tangible and intangible; measurable and indeterminable; able to be standardised and incapable of standardisation. Rather than being measured in terms of the most for one's dollar, quality can be linked with a diversity of characteristics. These characteristics can be drawn upon by small towns and communities to promote and support models of development that they consider appropriate. Quality is socially constructed and contested, meaning different things to different people. For the purposes of this chapter, a precise definition of quality is irrelevant. Quality will simply be referred to as any attribute that value-adds to raw agricultural produce. Five characteristics of quality will be examined: technical; environmental; socio-cultural; production-related; and place-based.

The *technical* characteristics of quality are those tangibles most often associated with food products, such as taste, texture, and aroma. These characteristics are a large part of what makes a quality food item, including the food products produced by the enterprises considered in the research reported here. However, it is the other components of quality that offer greater opportunities to the small-scale food producer and to small towns, especially in terms of competing with the mass-production and technical quality standardisation of conventional food production.

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The **environmental** characteristics of quality relate to all ecological dimensions and activities associated with the product and its raw ingredients, and what might be considered to come under green-labelling schemes or environmental management system accreditation programs. Characteristics implied include: minimal use of chemicals; short distances between producer and consumer (low food miles); and on-farm biodiversity preservation.

The **place** characteristic refers to the place of origin of a product and its raw materials, invoking the power associated with the meanings people attach to those places (Gieryn, 2000). These meanings are created both by local people in their building a 'sense of place', as well as by non-local people, such as consumers, who may have romanticised views about a place and products that come from there. The stories that are told about a place are important in constructing these images of place. Where communities actively construct positive identities, take pride in these identities and representations, and feel a sense of belonging and ownership, and propagate this identity, place becomes a powerful signifier, especially when non-locals accept those stories and images. Tasmania is such a place that inspires interest. With tourism booming and the media actively promoting Tasmania as Australia's natural state, 'Tasmania' has become a powerful marketing icon. In fact, there is even a government-supported body to promote the place-identity of Tasmania, called Brand Tasmania (website: <http://www.brandtasmania.com>). In its promotion of Tasmania's food products, Brand Tasmania utilises these place-based characteristics to demonstrate quality.

Tasmania: Australia's natural state

(Source: <http://www.brandtasmania.com/home.htm>)

Tasmania, the island state of Australia, is located 40 degrees south of the equator and is an archipelago of more than 300 islands - a land of dramatic coastlines, rugged mountains, spectacular wilderness and sparkling highland lakes.

Tasmanians breathe some of the world's cleanest air, drink pure water and grow mouth-watering produce from rich, fertile soils.

Tasmania is an island of difference. Its people are resourceful, applying their creativity and design skills to artistic endeavours, scientific research and production.

Tasmania's competitive edge is its ability to produce some of the world's finest foods, superb wines, and many other premium products from one of the unique natural environments in the world. Quality is the key.

It is the innovation and resourcefulness of Tasmanians that make Tasmania a place beyond imagination.

Socio-cultural characteristics include attributes such as local ownership, the use of local employees, ethical dealings with employees, use of traditional knowledge and production techniques, face-to-face relationships with customers, and the preservation of food culture.

Finally, **production-related** characteristics refer to the *hows* of processing. The potential components of this characteristic include the level of human input involved in producing the product, the level of care, limited production, and the use of local agricultural produce.

These are just some of the different characteristics that a consumer may potentially consider when deciding if the product is of quality and, thus, desirable. Other quality attributes include animal ethics (non-use of animals for testing, free-range animals, non use of growth hormones etc) and health attributes (anti-cholesterol, anti-oxidants, vitamin-rich etc). Each region, small town and community not only has their own distinctive quality characteristics and place-based identity that can be drawn upon, but also have the opportunity to adapt these characteristics to their own advantage. Because of the expanding concept of quality, and the increasing demand for quality products, diversity is also expanding.

Diversity

'Diversity' encapsulates a broad range of ideas. For the purposes of this chapter, diversity refers to the variation within and amongst the artisanal food industry, the people who make up the industry, and the environmental outcomes of these activities. Thus, there will be a consideration of the triple dimensions of economic, social and ecological diversity.

Economic diversity refers to the variation of business structures and operational strategies that has occurred within and amongst each enterprise and the artisanal food industry as a whole. There is not one development model that fits all industries, all small towns and communities, rather each has to find the model which best fits their distinctiveness. Social diversity refers to the differences that exist between the owner-operators in terms of their demographic and personal characteristics (such as their backgrounds, education and experience), whilst ecological diversity is associated with the range of agricultural activities and systems in place (such as integrated pest management, certified organic, non-monoculture).

For the small town, diversity in all these forms offers a reprieve from the eco-social degradation associated with the economies of scale of intensive farming; the negative impacts of globalisation; and, the 'dynamics of decline' (Vanclay and Lawrence, 1993, 1995; Vanclay 2003). Diversity is more conducive to a sustainable outcome; sheltering small towns from economic impacts; enticing new settlers; and retaining the natural base upon which all life depends. Newcomers bring fresh ideas, knowledge, skills and capital, and can rejuvenate weary communities.

What was particularly interesting to note was that of the case studies featured in this chapter (below), three of the six couples interviewed had come from other states of Australia to establish their businesses in Tasmania. Furthermore, the principals (i.e. the owner/operators of these small businesses) possessed a diverse range of career backgrounds, experience, education and philosophies. The lack of previous experience with their new enterprise has posed problems for some, but at the same time, the movement from other localities and disciplines has been responsible for much innovation.

By producing quality food emphasising the components of quality described above, enterprises are able to attain reasonable profit with limited production. Other strategies that have led to diversity within and amongst the artisanal food industry are vertical integration, diversification and 'economies of scope'. Vertical integration refers to the taking over of additional business activities in the food supply chain (e.g. production, processing, distribution or sales). For example, moving to established tourist trails for enhanced farmgate sales or cellar door sales. Diversification here refers to the branching out into other distinct

business activities beyond those engaged in initially. Diversification into agri-food tourism is common in the artisanal food industry. Economies of scope refers to the use of existing resources (e.g. equipment, knowledge, raw product) to create different types of food products (Ventura and Milone, 2000). These strategies have produced significant diversity within and amongst this industry and, as a result, have, in effect, produced a safety net by spreading risk throughout the business. They have also minimised costs by using existing resources (e.g. knowledge, equipment, raw product) and selling all or part of their product at the farm-gate/cellar-door (i.e. no/low distribution costs).

Case Studies of Artisanal Food Production

This research is part of wider research for a PhD looking at the diversity of small-scale food producers in Tasmania, and the implications of that diversity for policy. The thesis is sociological, with theoretical and applied dimensions. The theoretical questions relate to the meanings associated with the concepts of artisanality and cottage industry. The applied questions relate to how to stimulate an increase in the numbers of small-scale food producers and what are the limiting and inhibiting factors to their expansion in number and size. The thesis intends to provide policy recommendations to government, as well as information to new and existing small-scale food producers.

One issue that has been of considerable importance is how small-scale producers negotiate the process of growth and the extent to which growth affects the values that were the basis of their enterprise. For this reason, the case study research examined a number of enterprises that were small (SFPs) as well as a number that began as small enterprises but had subsequently expanded (ESFPs). In both categories (SFP and ESFP), three indepth case studies were conducted, one from each of three major industries that Tasmania is becoming famous for: artisanal cheese, cottage jams and other berry products, and boutique place-of-origin (vineyard) wine production.

Small-scale Food Producers



The Grandvewe Cheese SFP is an organically certified sheep-milk cheesery owned and operated by a husband and wife team. The couple bought the 16.2 hectare property in 2001. Located on one of the main Tasmanian tourist trails, the farm runs approximately 80 head of sheep and produces a range of cheeses and yoghurt. The cheesery serves as a tourist facility with a viewing gallery to watch the sheep being milked and the cheese being made, and for the transaction of sales. For half of the week, the factory is used by another couple who produce cow-milk cheese, also with a very distinctive, place-based identity. Cheese production at Grandvewe is low volume, at only about one and a half tonnes of sheep cheese annually distributed across a range of cheese types including a hard cheese ('Ewephoria'), a blue cheese ('Blue by Ewe'), a white mould cheese ('Camembaa'), a fresh unripened cheese ('Sheepurb Fresh') and several other styles. Recently the couple diversified and planted an organic vineyard (1.2 hectares) on their property and purchased another small (1.0 ha) vineyard nearby. Some of the quality characteristics associated with this enterprise include: organic certification (environmental quality); limited production (production-related); farm-gate sales (business configuration); responsibility for the entire food chain (place-based and transparent); and face-to-face customer-producer interaction (socio-cultural).

The Berry SFP, who chose to be anonymous, produces distinctive fruit and jams in a unique location, growing blueberries, raspberries, blackberries, loganberries, redcurrants and jostaberries. The husband and wife team produce over ten different types of berry jam. They only use on-farm fruit. The couple moved from the Australian mainland and purchased this small property (one hectare of berries) in the mid-1980s. Jam making was an afterthought, realising that this was the best way to promote the different and unusual types of berries they grew. The farm is geographically isolated which means that farm-gate sales are not possible. They process all jam in an on-farm building. The distinctive/unusual types of fruits used in their jams; limited production (i.e. production-related); the distinctive location of production (i.e. place-based and environmental); and the link to farm/place (environmental), all offer potential meanings of quality to the customer.



The Wine SFP that was chosen for the study on the basis of the image they present was Stefano Lubiana wines. Steve and Monique moved from a major grape growing area on the mainland

where they were producers of bulk wine. They bought their property as a market garden in 1990 and planted their first vineyard in 1991. The farm is on one of Tasmania's tourist trails, and they offer cellar-door sales. They now have 19 hectares of vineyard planted and an on-farm winery. Production will be capped at 200 tonnes so that the farm does not need to employ an additional winemaker. At this size, it is perhaps larger than what most people may consider to be a small-scale producer, nevertheless this is an important part of their identity, and significantly smaller than their previous production on the mainland. Potential characteristics of quality for this enterprise and their food product include the interactions between the consumer-producer via their cellar-door outlet (i.e. socio-cultural); the capping of production (i.e. production-related); the on-site processing or link to farm/place (i.e. environmental); and their location in the beautiful Derwent Valley (place-based).

Expanded Small-scale Food Producers



The Cheese ESFP, Westhaven Dairy, which is owned and operated by a husband and wife team, produces a range of goat and cow-milk products. They started out with two goats 30 years ago. In 1994 the couple leased a factory and gradually expanded operations. In 2004 they sold their 160 hectare property and now produce 26 tonnes of goat cheese per year and a range of other products, sourcing all milk locally. The factory, still small by industry standards, employs five full-time staff swelling to eleven during busy periods.

Many potential quality characteristics for the expanded enterprises remain, even after growth. The linking of production to place remains, despite having sold their farm and no longer producing the raw milk.

Sorell Fruit Farm

NOW OPEN. Come pick your own berries and fruits . . . and taste our wines

The Berry ESFP is a pick-your-own (PYO) business, owned and operated by a husband and wife team. As well as displaying their own

products (such as jams, pickles, vinegars, chutneys, wines and liqueurs), the on-farm fruit centre displays local Tasmanian product and houses a small tearoom. The business started in 1989 as a bare paddock and they now produce “the widest variety of temperate fruits available in any ‘Pick Your Own’ in Tasmania”, including strawberries, raspberries, loganberries, boysenberries, tayberries, silvanberries, blackcurrant, cherries, apricots, nectarines, peaches and apples. The business sources fruit from seven other farms in Tasmania and distributes their fruit wines and liqueurs to fourteen retail outlets around Tasmania. They employ one full-time and six part-time seasonal workers and a contract wine maker. Sorell Fruit Farm is a prime example of an economies of scope enterprise. This enterprise uses existing resources (e.g. the raw agricultural product) in a variety of ways, such as in the PYO, the food product and in the tearoom. The farm also limits the amount of raw agricultural product grown, instead choosing to source from other farmers within Tasmania. The link to place/farm is a potential quality characteristic and, although relying on off-farm produce, the raw agricultural product is entirely Tasmania. The farm-gate sales, the fruit centre located next to the PYO, and the on-site processing kitchen (except for the liqueurs and wines) signify environmental, socio-cultural and production-related characteristics of quality to the customer. Face-to-face interactions with those who process the product, and seeing first hand where the food item is produced and processed, present quality meanings not available to other businesses.

M E A D O W B A N K



The Wine ESFP is the second business for this husband and wife team. The couple purchased their first grazing property in 1976. Over the years, the property has also produced essential oils, small seed production, timber, wool and beef. Originally containing half a hectare of grapes, in 1987 they increased this to two hectares. Throughout the 1990s, the original vineyard was expanded to the 11 hectares it is today. In 1999, a second site was leased on a local tourist trail. This new site houses the cellar door, a restaurant, function centre and art centre, and has become the primary location for the wine business. The two sites together now contain over 30 hectares of grapevines. They employ a contract winemaker situated beside the second site, and employ a total of 18 full-time staff and over 100 casuals. The wine ESFP became more diverse when they expanded their distribution and sales roles (i.e. vertical integration) via the cellar door, restaurant and function centre, and diversified into wine and tourism. For those customers who visit the now primary site, the quality of the wine is signalled as they watch the tractor working in the vineyard outside the restaurant. They know that the contract winemaker is processing the wine in a facility literally metres away. The link to place and the ability of customers to construct their own knowledge about the product are important food quality characteristics.

Other case studies

A range of other food producers were also interviewed at the outset of the study to identify key issues, people and research topics. These included a diverse range of enterprises which offered a variety of business activities and methods of selling, such as only cellar-door, Bed and Breakfast (B&B) operations, a restaurant/B&B, local markets, and international distribution.

Sustainability

Development may be endogenous or exogenous. Endogenous development is based on “locally available resources, such as the potentialities of the local ecology, labour force, knowledge and local patterns for linking production to consumption” (van der Ploeg and Long, 1994, p.1). Exogenous development is the opposite of endogenous development and is essentially based on external resources (e.g. overseas raw product, employment of non-locals, use of external knowledge) and interests (e.g. non-local ownership). This form of development and its implications for small towns are evident in those non-locally owned businesses that follow opportunities, such as moving from region to region where there are lower labour costs, less strict environmental regulations, or the provision of government incentives. It is far from sustainable and has both direct and indirect impacts for the small country town.

Endogenous development is sustainable in that it is driven by the local population and is most likely to be relevant locally. Profit is often redistributed locally rather than outside a region, and the sense of ownership felt by local people is often more conducive to responsible and sustainable action, as well as to a sense of satisfaction and wellbeing. The retention of profits locally creates a flow-on effect, with increased spending at local shops and the creation of employment opportunities.

The small-scale food processing industries featured in this chapter are examples of endogenous development. Their links to locality and the fact that the bulk of their business activities take place within a region makes the artisanal food industry more sustainable than large-scale agri-food production. The increased information about a product that derives from the consumer meeting and experiencing the producer face-to-face, or that is contained or signified on the product label – such as where the product came from, who produced it and how it was produced – adds both value and quality to the product. For those enterprises featured and for the small towns that benefit through the employment of locals, value-adding is a way of retaining profits, creating self-employment, and producing multiplier effects within the town through local spending. The link to place/locality is becoming an increasingly important component of quality, signalling trust and confidence in the food product.

Knowledge Seeking and the Creative Class

With varied backgrounds and starting in newly developing industries, access to knowledge is a crucial component of the success of these small industries. For example, the lack of knowledge about sheep-milk and sheep-milk cheese-making made the first year of operation for one of the case studies very difficult. As the female principal explained, it was “a big, big, big learning curve and I think without our own intellectual capacity and our willingness to try new things, we would have sunk.” In addition to creating their own intellectual property learnt through trial and error, they gathered information from their university lecturer, internet chat-groups, the British Sheep Dairy Association, some New Zealand farmers, and a vet that worked with organic producers. The principals of another business had been recipients of a Nuffield scholarship which took them to England. All enterprises were resourceful experimentalists, and wide-ranging in the knowledge-seeking strategies participating in local, state, national and international arenas.

For the Berry SFP, who produces unusual varieties of berries and jams, knowledge was gained through books, the Internet, and trial and error. The majority of the Berry ESFP's knowledge was gained from fruit and grower magazines, technical conferences, and the Tasmanian Institute of Agricultural Research. The wine industry in Tasmania is somewhat established and thus has a significant amount of existing intellectual property. However, for the Wine SFP, the male principal came from a wine producing family and knowledge has also been gained from the completion of a degree in oenology and a study period in France and Italy. The overall message to take away from these scenarios is that many of these producers had to look internationally for knowledge and then apply it, albeit modified, to their own back yard to cater for differences.

An interesting phenomenon among the enterprises featured here was the in-migration of several of the case studies. The principals migrated to Tasmania specifically to establish their businesses. Besides presenting opportunities for the local population, opportunities are presented for new settlers. These new settlers originate from different backgrounds and bring new ideas. This group has been labelled the 'creative class', referring to "people who add economic value through their creativity ... including many knowledge workers, symbolic analysts and professional and technical workers, but emphasises their true role in the economy" (Florida, 2002, p. 68). According to Florida (2002, p.223): "regional economic growth is driven by the location choices of creative people – the holders of creative capital – who prefer places that are diverse, tolerant and open to new ideas".

Florida (2002, p. 218) suggests that this group of people are drawn to "abundant high-quality amenities and experiences, an openness to diversity of all kinds, and above all else the opportunity to validate their identities as creative people." Eslake (2004) suggests that "Tasmania should be seeking to attract more of the so-called 'creative classes'" and that "many of the key ingredients [needed to attract them] are already here." Ultimately, an industry or country town can not develop without the people that drive it. Both locals and new settlers have contributed to the development of the Tasmania's artisanal food industry.

Conclusion

Regional development based on the production of quality food can be attempted by any small town or community that produces agriculture and seeks to value-add to this raw produce. 'Quality' food is socially constructed, comprising many different features including technical, socio-cultural, ecological, production-related and place-based characteristics. Quality food is not solely about the technical characteristics of the raw product but also about the place in which it was produced and the people who produced it. The expanding demand for quality food, both in terms of numbers of consumers but also in terms of the range of products, counters any notion that globalisation is homogenising. This increasing diversity and other characteristics of endogenous development are more compatible with development that is ecologically, socially and economically sustainable (i.e. the triple bottom line). In providing real life case studies, we have demonstrated that a successful agri-food industry can be founded on non-economies of scale, can involve diverse paths of development, and is anything but homogeneous.

What we have tried to impress here is that by developing an agri-food industry based upon quality and adhering to a positive set of characteristics, these actions can contribute to the rejuvenation of small towns and communities, whilst rejecting the ills that are potentially

associated with dependency of exogenous development, the global food system and economies of size operations. The resultant diversity (social, ecological and economic) of the turn to quality food production and consumption and its benefits can offer a foundation for the long-term survival of the small town.

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