

Local Food Logistics

Berend Lunenburg en Matthias Olthaar, PhD

'Locality' is an increasingly appealing credence attribute in modern consumption. The same holds true for food served by restaurants. Being able to serve local food contributes to consumers' perceptions that the food served is special, the source is known, the supply chain transparent, and the ecological footprint is minimized. What is served goes beyond the mere product. Instead an experience is served in which the product and service are combined with a story. Nonetheless, though intuitively perhaps contradictory, sourcing food locally appears highly complex. The global food industry and market are efficiency-driven. Throughout the supply chain economies of scale are created. This holds true not only for economies of scale in distribution, warehousing and food processing and conservation, but also for certifying food (e.g. organic certifications). Economies of scale are compromised when food is sourced locally through higher per-unit costs for certification, storage, transport modalities, drivers, and fuel. In our study we found that the cost savings that come with short distances when sourcing locally do not compensate the additional costs as a consequence of losing economies of scale, *unless* 'local' is defined in a very narrow way (less than 10 kilometers, preferably 5). A very narrow definition of defining local creates new opportunities for distribution logistics yet comes with the risks of food production in a small geographic area. A cultivation plan designed in close collaboration between suppliers and restaurants can be used to manage supply of the desired quantity, quality, and diversity of food. However, the risks of sourcing from a very small geographic area are exposure to risks associated with limited variety in weather conditions, limited genetic variety of species, and limited variety in soil quality and texture. In addition an advanced ordering system is required to minimize transaction costs.