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Amanda dos Santos Negreti Campos
Gessuir Pigatto

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Chapter 8

Marketing strategies of family farmers operating in short food supply chains: cases in regions of Rio Grande do Sul

Amanda dos Santos Negreti CAMPOS[1]
and *Gessuir PIGATTO*[2]

[1] Graduate Program in Agribusiness and Development (PGAD), Faculty of Science and Engineering, São Paulo State University "Júlio de Mesquita Filho" (UNESP), Tupã, São Paulo, Brazil, e-mail: amanda.negreti@unesp.br.

[2] Department of Management, Development, and Technology, Faculty of Science and Engineering, São Paulo State University "Júlio de Mesquita Filho" (UNESP), Tupã, São Paulo, Brazil, e-mail: gessuir.pigatto@unesp.br.

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Introduction

The commercialization of products and services plays a relevant role in the economy, integrating different social actors by linking the production of goods or services with consumers. The organization of this process allows consumer agents (at different levels of the distribution channel) to receive products and services according to the expected characteristics. According to Mendes and Padilha Junior (2007), understanding the functioning of the supply chain allows for improving the decision-making process by helping to understand the variables that form and affect this chain.

The interaction between relevant social actors (buyers and sellers) involved in the transaction process of some service/product will characterize the formation of a market. According to McMillan (2004), the market can be considered a mechanism used by societies to coordinate the production, distribution, and transactions of all types of products and services. Proudhon, cited by Braudel (1996), stated that working and eating would be the only apparent purposes of man, but between these two universes, "narrow but lively like a river: exchange or, if you prefer, the market economy - imperfect, discontinuous, but already coercive during the centuries and surely revolutionary" (Braudel, 1996, p. 11). Thus, the market can be defined as a meeting point (physical or virtual environment) conducive to the conditions of the exchange of goods (products and services).

Under these conditions, resource allocation occurs in a decentralized manner, through the interaction between economic actors (suppliers, distributors, consumers), each making decisions according to their interests. In the case of food, the way the consumer will have access to it: choice, acquisition, and distribution, has led organizations to review their relationship strategies, including the way food reaches the final consumer.

According to Pigatto and Alcântara (2007), changes observed in consumer behavior and the strategies of other actors (suppliers and distributors) have promoted important changes in the structure of many distribution channels. The development of commercial relationships

between the actors that form and operate in the distribution channels can be described, according to Abosag and Lee (2013), as a process of establishing, creating, developing, and maintaining relationships, where satisfaction, trust, and commitment are important elements for the result of the organizations that operate in the distribution channel.

New distribution channels are created in the face of consumer attitude changes, such as fairer markets, and short circuits, with the approach of consumers and producers, without the intermediation and dependence on programs and government policies (Ueno *et al.*, 2016). In this sense, direct marketing presents itself as an alternative for the distribution of agricultural products, through various channels, providing an improvement in the local economy and generating a relationship of trust between producer and consumer (Huygens *et al.*, 2010).

Local food systems, or short circuits, involving direct sales already existed at the beginning of agriculture, where farmers sold their food to consumers at the production site itself or made exchanges in nearby places. After World War II, these direct sales systems began to disappear with the emergence of mechanization, productive intensification, and the addition of chemical products. From 1950, with the opening of the first self-service stores (supermarkets), food began to be packaged, standardized, labeled, and often processed. Thus, they were sold at low prices and bought from farmers located in remote regions, changing the production methods and sales channels (Kapala, 2022).

From 1990, in the face of questions related to food systems, the reduction in prices of some products, and environmental problems, due to the intensive mode of food production, some farmers opted for alternative modes of production and marketing (Lamine *et al.*, 2012; Renting; Marsden; Banks, 2003). Simultaneously, there was a behavioral change in consumers regarding their eating habits, seeking healthier foods and differentiated qualities (Abatekassa; Peterson, 2011; Ilbery; Maye, 2005).

Thus, Short Food Supply Chains (SFSC) emerged as opposed to the standardized and industrial mode, as well as farmers who wish to meet the demands of new consumption patterns, with the main objectives being

cost reduction and value addition to the product (Belletti; Marescotti, 2020; Renting; Marsden; Banks, 2003).

SFSC or short food chains consist of the approximation between producer and consumer. This approximation can be understood through the reduction of the physical distance between producers and consumers, being geographically close; the reduction of the number of intermediaries connecting producers and consumers; and the reduction of the cultural and social distance between them. For example, even if consumers are geographically distant from farmers, by viewing the labels and information present on the products, they share the same values, associated with the quality of the offered item, with the production methods, or with the territory and people involved (Ilbery; Maye, 2005; Kneafsey *et al.*, 2013). Thus, product differentiation is related to transparency in market relations, where these quality definitions are transmitted among all involved parties and communicated to the consumer, in a way that makes them aware of paying the premium price (Renting; Marsden; Banks, 2003).

In Brazil, there is a highlight for rural producers located in the state of Rio Grande do Sul, in its rural areas, there is an extensive diversity of natural resources, landscapes, and the organization of productive structures (Conterato; Strate, 2019). Of all rural establishments in the state, 80% are family farmers (IBGE, 2017).

These farmers receive government incentives that seek to increase the participation of farmers operating in direct sales, seeking an approach with the consumer, and intending to add value to production (Schneider; Buzatto, 2023). Thus, this chapter presents some marketing strategies used by family farmers, located in the state of Rio Grande do Sul, who operate in Short Food Supply Chains, with an emphasis on adding value to their products and services.

It is important to emphasize that SFSC contributes to achieving some Sustainable Development Goals (SDGs), such as SDG 2, in helping to end hunger and promote sustainable agriculture, by providing the sale of safe, nutritious foods, with agricultural methods that help preserve ecosystems (such as organic), from local production, contributing to the

productivity and income of family farmers. In this way, it contributes to SDG 10, regarding the reduction of inequalities, by including family farmers in alternative markets. SFSC also supports SDG 12, regarding responsible consumption and production, by reducing food losses, as some sales are direct and producers are located geographically close to their consumers, avoiding possible losses during long journeys and in long distribution chains. SDG 12 also affirms the implementation of tools that develop sustainable tourism, by generating jobs and promoting culture, based on local products. Thus, one of the marketing strategies of SFSC involves rural tourism, including multiple functions and services developed by farmers, allowing the addition of value to local agricultural products, and promoting local culture, in a way that generates jobs for farmers, their families, and the community (United Nations Brazil, 2023).

Distribution channels and the emergence of short food supply chains

There is a great variety of formats of market distribution channels, depending on the number of participating agents involved and the different roles that intermediaries play in the distribution of products or services (Betancour *et al.*, 2016; Coughlan *et al.*, 2002). For Coughlan *et al.* (2002), Rosenbloom (2002), Stern, El-Ansary, and Coughlan (1996), there are different definitions of distribution channels, but these authors converge on the description as being groups of interdependent companies responsible for making a product available on the market for use or consumption.

This characteristic suggests that the distribution channel should be seen in an inter-organizational way, that is, managed by more than one company, which necessarily means that there is a direct relationship between agents or external partners to the organization (Lin; Chen, 2008; Rosenbloom, 2002).

According to Pigatto and Alcântara (2007), the most appropriate channel structure for the organization will depend on the strategies adopted

to better attract final customers in the target segments of each organization. For this, the success of the channel strategy and the structure that supports it is directly dependent on how people from various organizations relate to each other in the performance of their activities (Rosenbloom, 2002).

The main members of the distribution channel are formed by producers (farmers, processors, and manufacturers), intermediaries (wholesalers, retailers, and specialists), and end users (business customers or individual consumers). The relationship between these actors does not occur in only one direction, but it is bidirectional, starting from the farmer and reaching the final consumer, being able to travel this path directly, or passing through several agents, and the choice will depend on the company's need in distribution (Deimiling *et al*., 2015).

Regarding economic literature, direct sales to consumers are related to the symbolic value of food products (local, conventional, etc.), including the choice of where to buy, and, on the other hand, farmers choose the best marketing channel (Corsi; Novelli; Pettenati, 2014).

The presence or absence of a particular member in the channel is determined by its ability to perform the necessary flows and allow value to be added to the end users (Coughlan *et al*., 2002). Thus, the farmer can define whether he has the necessary capabilities and if, by himself, he performs all the channel flows, being an indispensable characteristic to sell directly to the final consumer. Direct sales channels, in addition to strengthening the relationship between producer and consumer, represent extremely dynamic and diversified markets, not failing to reveal an intense and complex distribution system.

Thus, before discussing SFSC, it is necessary to contextualize and understand their historical precepts. In the face of the green revolution, there was an increase in food production and investments to improve agricultural production. This modernization began in the 1960s, with the emergence of the first pesticides used to combat unexpected problems by farmers. Thus, the first insecticides appeared and, from the 1970s, synthetic fungicides and herbicides were created. In the 1980s, the use of early fertilization, the density, and higher quantity of seeding, among

others. These products were created to maximize production and income (Lamine *et al.*, 2012).

While these technological change processes were taking place, especially at the level of agriculture, there was also a transformation in the food processing and distribution sectors. For example, the establishment of industries, with intensive management strategies in harvesting, ultra-processing, as well as standardization and mass delivery of products (Lamine *et al.*, 2012; Levidow; Sansolo; Schiavinatto, 2021).

In this type of agro-industrial system, the productive structure is often directed towards a competitive advantage in distant and anonymous markets. Many farmers who tried to follow this model could have easy access to credit (by investing in technology and waiting for payments for the harvest) but faced structural disadvantages by competing on the terms stipulated in long chains, resulting in the loss of added value. This loss was also related to profit margins directed to intermediaries. Some farmers, realizing that they were in long-term debt, had to abandon agriculture (Levidow; Sansolo; Schiavinatto, 2021).

Simultaneously, from 1990, there were some questions related to food systems, such as while the prices of some products, such as cereals, were decreasing, environmental problems were increasing (Lamine *et al.*, 2012). Intensive food production can be related to changes in land areas, such as loss of biodiversity, erosion, deforestation, pollution, desertification, freshwater scarcity, among others (Maren, 2019). These environmental factors, combined with the price decrease, where producers were not receiving the desired profits, led some of them to change their practices, with the main objectives being cost reduction and environmental and ethical issues (Lamine *et al.*, 2012; Renting; Marsden; Banks, 2003).

The conventional forms of agriculture were increasingly limited for farmers to remain in the field. Thus, new promising responses emerged for them to increase their incomes, for example, the diversification of new activities, through rural tourism, as well as the increase of the added value of agricultural products, such as quality production and direct sales (Renting; Marsden; Banks, 2003).

These new forms of farmer operation allow understanding the emergence of Alternative Food Networks (AFN) (Renting; Marsden; Banks, 2003). Thus, AFN was developed as a different way of providing and consuming food (Pinna, 2017). The potential of AFN is to promote sustainable food systems, through ecologically healthy productive forms and the reduction of physical and social distance between producers and consumers, promoting positive socioeconomic results (Zollet; Maharjan, 2021). AFN is considered a cultural transition, involving scaling down, shortening distances, commitment to local actors, and productive ways organically and sustainably (Jarosz, 2008; Sellitto, Vial; Viegas, 2018).

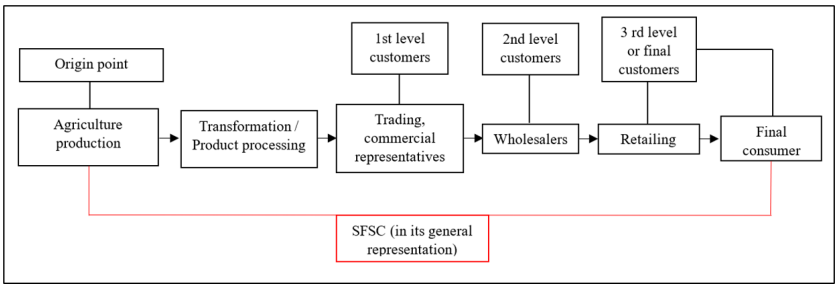
For this reason, Chiffoleau and Dourian (2020) mention that SFSC is one of the many forms of AFN, where ethical, social, and environmental values motivate producers to participate in alternative markets. Similarly, other scholars characterize AFN and SFSC as presenting structures that allow direct contact between producers and consumers (Zoll; Specht; Siebert, 2021). However, there are conceptual differences between AFN and SFSC. While AFN encompasses new emerging networks of producers, consumers, or other actors adopting alternative ways in the food supply chain, in opposition to the standardized and industrial mode, SFSC encompasses producers and consumers. Producers, who in addition to cultivating food in the field, process and distribute it directly to consumption, demonstrate an interrelationship between producers and consumers (Renting; Marsden; Banks, 2003). Thus, SFSC seeks to redefine the relationship between producer and consumer, by shortening the distances between them, building value and meaning in this interaction, so that the price of products relates to the criteria and constructions of this model of supply and demand (Marsden; Banks; Bristow, 2000).

Short food supply chains

While the conventional food supply chain has as its main characteristics an intensive production mode of standardized and ultra-processed products, going through various levels of suppliers and,

subsequently, intermediaries until the product reaches the consumer, SFSC involves an approach between producers and consumers, establishing direct relationships between them (Chaffote; Chiffoleau, 2007; Maren, 2019), as exemplified in Figure 1.

Figure 1 – Conventional food supply chain versus SFSC



Source: Adapted from Lambert, Cooper (2000), Belletti and Marescotti (2020).

It is important to emphasize that, in SFSCs, the form of connection between producer and consumer is not related to the number of times the product was intermediated, or the distance traveled to the final consumer, but the fact of presenting a product with incorporated information. This information can be communicated through packaging and/or information expressed on the products, such as Geographical Indication seals, or even through sales that present interactions between producer and consumer, where the farmer himself communicates about his product. From these communications, the consumer can often create connections and attribute value to the product based on the production location and, potentially, with the values of the people involved, such as the involvement of farmers, their families, the promotion of local jobs, production methods, among others (Abatekassa; Peterson, 2011; Marsden; Banks; Bristow, 2000).

Commonly, in the literature, three positions of SFSCs are recognized, with their respective market operation models (Ilbery; Maye, 2005; Marsden; Banks; Bristow, 2000; Renting; Marsden; Banks, 2003):

- Face-to-face, where consumers buy products directly from producers, presenting personal interactions between agents and, often, generating a relationship of trust, their models involve on-farm sales, Pick-Your-Own, and farmers' markets, among others.
- Spatial proximity, where products, in addition to being produced and resold in the specific production region (or local), consumers are informed about the origin and nature of the product at the point of sale. This category overlaps with face-to-face, by including the same locations mentioned in the previous item. In addition, it includes specialized retailers selling local products, such as grocery stores, local shops, tourist companies dedicated to retail, and sales to institutions, such as hotels, hospitals, schools, and even supermarkets selling locally sourced food.
- Extended spatiality, where products are sold to consumers located outside the local area (from where the products were produced), but there is information on the product about the production method, region, or producer. This model involves products with certification labels or reputation effects, such as fair trade, and Geographical Indication seals, among others.

Besides these categories, SFSCs can also be interpreted according to three perspectives: reduction of physical distance between producers and consumers (being identified through geographical or local proximity); reduction of the number of intermediaries connecting producers and consumers (where the number of intermediaries between producers and consumers can be minimal, or ideally none); the increase of cultural and social proximity between producers and consumers (products present value information to the consumer, for example, by communicating on the packaging the place and production methods, allowing the consumer, even geographically distant, to associate the product with the place, space, people, and their involved production methods) (Ilbery; Maye, 2005; Kneafsey *et al.*, 2013).

SFSCs and adding value to products

According to Renting, Marsden, and Banks (2003), SFSCs are also related to the definitions and conventions of quality. For example, product differentiation is related to transparency in market relations, where these quality definitions are transmitted among all involved parties and communicated to the consumer, to make them aware of paying the premium price (Renting; Marsden; Banks, 2003; Sacchi *et al.*, 2018).

Thus, there are two categories of SFSCs related to the quality convention, presented by Renting, Marsden, and Banks (2003). The first consists of the relationship between product quality attributes and the place of origin, where the product was produced, or information about the producer, and the second is about the production method, especially organically.

Regarding the first category, the specific characteristics of the production location involve natural factors, cultural factors, and gastronomic traditions, among others. These are parameters that define the product quality, often generating a typical result, unique in appearance or taste, like those that express the artisanal nature of the production process, the producer's skills in knowing how to do it, carrying their cultural heritage. Similarly, consumers attribute the quality of SFSCs by accessing a fair market, considering ethical and justice parameters, especially for farmers.

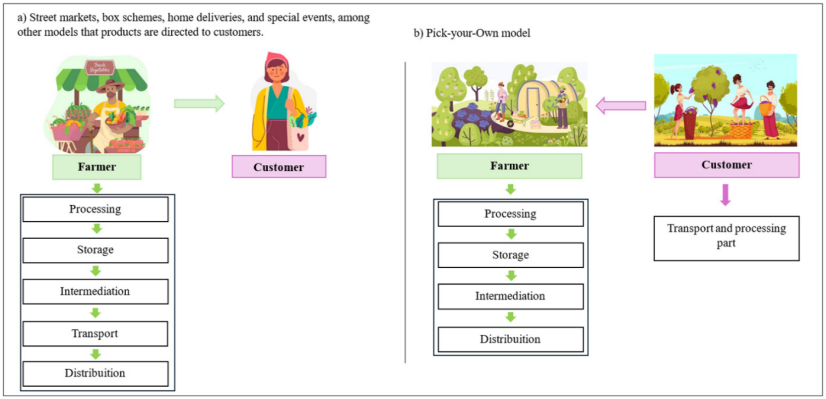
The second category defines the quality of SFSCs by relating the food production method and environmentally friendly production methods, such as integrated production, organic production, genetically modified organism-free foods, and lower use of chemical additives, among others. There is a diversity of products that can present packaging with information about natural aspects, as well as be based on romantic images of agriculture, by communicating a valuation of multifunctional agricultural forms, such as agritourism options that contribute to nature by maintaining rural landscapes and animal welfare.

According to Belletti and Marescotti (2020) and Renting, Marsden, and Banks (2003), farmers engaged in SFSCs aim primarily to reduce costs and add value to the product. The most appropriate distribution method for each type of producer can change according to labor availability, infrastructure, and the organization of the production system (Rocchi *et al*., 2020). For example, there are SFSC models that present interactions between farmers and consumers that include both face-to-face (producers' store, Pick-Your-Own, multifunctional rural companies, etc.) and spatial proximity (thematic routes, events, among others). Thus, through this direct contact between them, the main potential value added to products is related to providing more detailed information about production methods, seasonality, food freshness, and territory, among others. According to Pinna (2017), one of the factors that most generate trust in the relationship between producer and consumer is the producer's ability to tell stories about the product and its origin, including the description of their territory. The author states that this is one of the best ways for consumers to evaluate food quality, which is strongly related to the local and regional identity of a territory.

Multifunctional rural companies offering agritourism options, besides offering fresh agricultural products, have other direct sales opportunities that add value to the products, such as offering services related to their agricultural products and territory, including tastings, gastronomic routes, and providing labor experiences in their production methods (Belletti; Marescotti, 2020).

According to Belletti and Marescotti (2020), transforming distribution chains involving long and standardized systems into SFSCs leads to the elimination of various functions that were performed by actors removed from these chains. These functions are taken over, at least in part, by actors within the SFSC chains, namely, farmers and consumers. This is the case, for example, with Pick-Your-Own, as shown in Figure 2.

Figure 2 – Functions of producers and consumers in some SFSC



Source: Authors adapted from Belletti and Marescotti (2020), Freepik (2023).

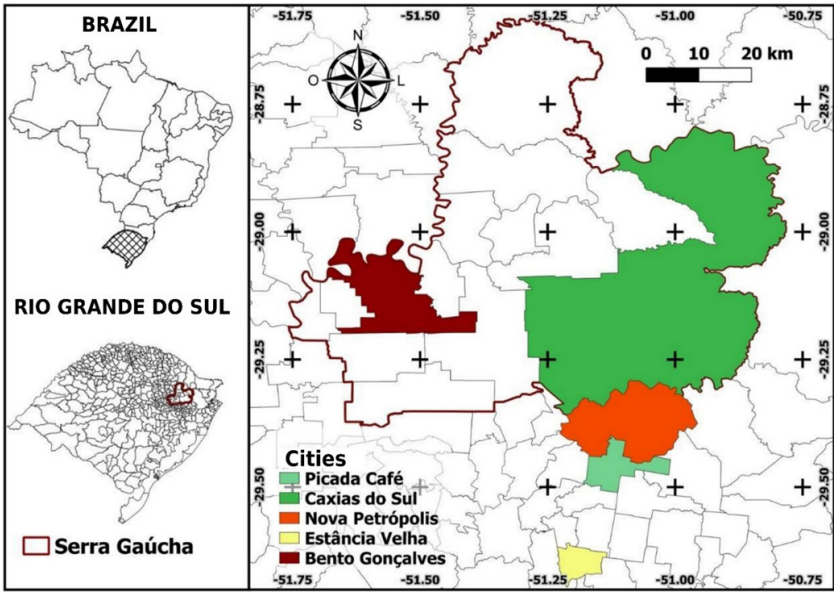
Commonly, in conventional chains or some SFSC chains like farmers' markets, box deliveries, and others, consumers do not play an active role, as they only place their orders and receive them at home or sales locations. In the case of some distribution forms through SFSC, such as Pick-Your-Own, consumers travel to the production site and take part in one or more of the production processes, such as harvesting.

In this context, where consumers are part of the production process, field labor activities create experiences for consumers, allowing farmers to add value to products through various marketing opportunities.

Cases of Family Farmers from Rio Grande do Sul

The farmers who were part of this study are in different municipalities in Rio Grande do Sul, as shown in Figure 3.

Figure 3 – Location of the studied cases



Source: Prepared by the authors, based on the research data (2024).

It is important to highlight that some municipalities like Bento Gonçalves and Caxias do Sul are part of the Serra Gaúcha region, characterized by grape cultivation and wine production. This territory, being a mountainous region, provides enchanting landscapes that attract tourists, fostering other economic activities in the cities and region, such as the establishment of hotel networks, gastronomy, leisure options, and events that express the local culture, like Italian immigration (Dinis *et al.*, 2022; Fertenseifer, 2007; PPGQ, 2023).

Similarly, other cities like Nova Petrópolis, Picada Café, and Estância Velha, besides being located close to this region, are part of the state's Romantic Route. This Route is a tourist path formed by 14 municipalities, including Gramado and Canela, where tourists can drive, appreciating nature along the roads lined with plane trees and highlighting the cultural value related to the preservation of German culture inherited

by immigrants. Thus, there are gardens, half-timbered houses[3], traditional German festivals, colonial fairs, typical bands, and other attractions (Rotas e Roteiros, 2023). Therefore, the roads that are part of the Romantic Route allow farmers to also benefit from the landscapes surrounding their rural properties. Regarding the main products, only one case (B) does not process its products, producing and marketing Fruits, Vegetables, and Greens (FLV).

Concerning this research, it is important to note that, firstly, a key agent from the Federation of Agricultural Workers in Rio Grande do Sul (FETAG) was contacted and, subsequently, based on the contacts provided by this agent, communication with family farmers was made through the social network WhatsApp, informing them about the research objectives, and as per the interest and availability of the farmers, a face-to-face visit was scheduled. Thus, data were collected through semi-structured interviews with open-ended questions and observation of the visited properties, totaling responses from six family farmers.

Of the farmers who responded to the research, half are female (A, D, F) and 67% of them (A, D, E, F) are between 40 and 45 years old, 33% (B, C) are between 50 and 55. When asked about their level of education, half responded that they studied up to high school (C, D, E), two up to elementary school (A, B), and one has completed higher education in viticulture (F). All respondents have a Declaration of Aptitude to Pronaf (DAP) and are aware of the change from DAP to CAF (Family Agriculture Registry). This result indicates that all surveyed farmers are informed about the concept of Family Farming, as per Law No. 11.326, of 2006, and the access to credit from the National Program for Strengthening Family Agriculture (PRONAF).

Regarding property data, 50% (A, C, D) started their agribusiness activities between 2010 and 2013, 33% (B, E) between 2000 and 2003,

[3] The houses feature a construction technique that uses articulated woods, fitted together in horizontal and vertical positions, forming a structure that later has the spaces filled with other materials, which can vary between stone, brick, wattle and daub, among others, leaving these woods visible on the façades, providing a contrast between colors and materials (Priberam Dicionário, 2023; Wittmann, 2016).

and 17% (F) were founded in 1970. Thus, most started their activities from the 2000s onwards, as observed in Box 1.

Box 1 – Characterization of the properties

Case	Main product offered	Year of foundation	Productive area (hectares)	Gross monthly revenue (thousands - R$)	Number of family members contributing
A	Tea	2013	Between 1 and 10	Not informed	3
B	Fruits, vegetables, and greens (FLV)	2003	Between 1 and 10	Between 11 and 20	4
C	Jam	2011	Between 1 and 10	Above 50	3
D	Dairy products	2010	Between 21 and 30	Between 11 and 20	3
E	Cookies	2000	Between 1 and 10	Between 31 and 40	3
F	Wine	1970	Between 1 and 10	Between 21 and 30	3

Source: Prepared by the authors, based on the research results (2024).

Regarding the productive area, most (83%, A, B, C, E, F) have an extension between 1 and 10 hectares, and 17% (D) between 21 and 30. This result is not directly related to the revenue level of the properties, as establishments that showed higher revenue, such as those above R$50 thousand (C) or between R$31 and R$40 thousand (E), have an area between 1 and 10 hectares. According to one of the interviewees (D), the family farmer does not need to buy extensive land areas but, as per his statement, "make the most of what they have." This yield, for the farmer, is related to the strategy of differentiation and adding value to the product, mentioning that consumers are willing to pay a higher price for a quality product. Furthermore, the farmer mentioned that they do not only sell products but also the story of their lives, the products, contributing to the environment and consumers' health. This result can be explained by Bazzani and Canavari (2017), who cited that the cultural and social approach promoted by SFSCs is not only based on products recognized for

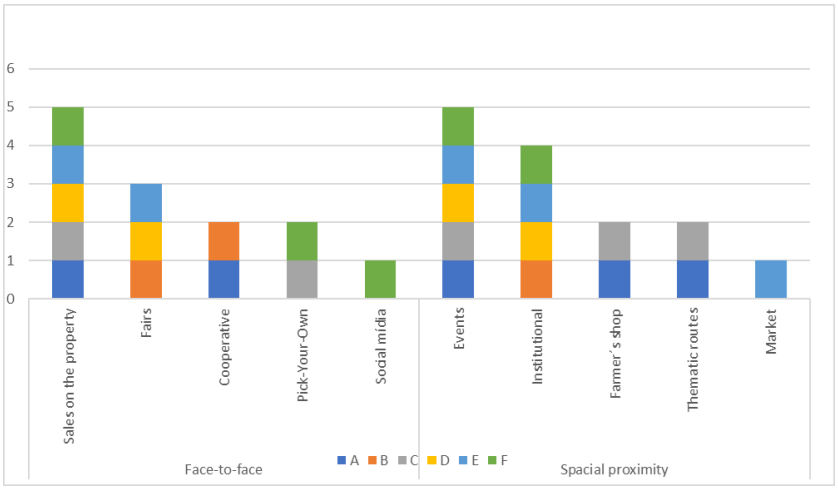
their production location but also on consumers' interest in the cultural and symbolic value of the offered product.

All farmers receive labor contributions from three to four family members, being family agriculture composed of husband, wife, children, and/or in-laws. In two cases (A, B), the children are teenagers and, in addition to their studies, play an active role in the family rural enterprises, such as creating products, assisting in sales involving consumer interactions, such as events and fairs, and changes in packaging. In one case (A), the daughter implemented the idea of printing QR Codes on labels, allowing consumers easy access to product and enterprise information, including the family history and product catalog. Additionally, some children take technology-oriented courses to expand sales through online resources. This result indicates stimuli for income generation, increased autonomy, and rural succession, as presented by Conterato and Strate (2019).

Regarding the marketing channels, it was identified that all use the categories identified as face-to-face and/or spatial proximity, as observed in Figure 4.

The main models used in the face-to-face category were sales on the properties (83%, A, C, D, E, F), and fairs (50%, B, D, E). Sales on the properties include those with stores (A, C, F), displaying both products produced on the property and those from the local region. Case F, for example, sells sausages from the city and region of Bento Gonçalves, as well as using these products for consumers to taste with wines, making various pairings. The farmer, when displaying his drinks, maintains partnerships with other farmers in reselling regional products, contributing to local development.

Figure 4 – Marketing models used by farmers



Source: Prepared by the authors, based on the research data (2024).

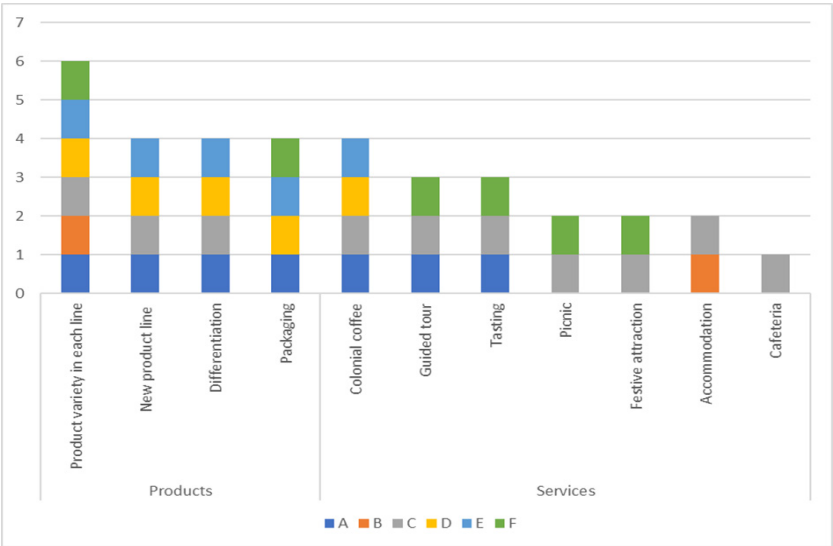
Regarding the marketing models in the spatial proximity category, the main ones were participation in events (83%, A, C, D, E, F) and institutional sales (50%, B, D, E). The events are trade fairs that include family farming, such as Expodireto, Fenadoce, and Expointer. The latter, most cited among the respondents, corresponds to a traditional agricultural fair in the state of Rio Grande do Sul, starting in 1900 and, according to one of the farmers (A), is the most anticipated event due to the number of visitors and sales. Between 2022 and 2023, for example, there was a 6% increase in the number of visitors and a 12% increase in business volume (Rio Grande do Sul, 2023).

Although some farmers do not participate in free fairs (A, C, F), they direct their efforts to participate in events like these to increase the visibility of their brand, considering it a showcase for their products and often aiming to foster business, seeking resellers from other states. As for institutional sales, these include sales to schools (B, D, E), social assistance institutions (E), and restaurants (B, E, F). In sales that include schools and social assistance, farmers participate in the National School Feeding Program (PNAE) and the Food Acquisition Program (PAA). Sales to schools

caused some cases (D, E) to differentiate their products, as nutritionists demanded products with lower sugar content, but without losing the quality of aroma and flavor. These items also began to be marketed to other consumers, especially those concerned about health.

Regarding ways to add value to products and services, it was identified that all cases invested in product variety in each line, as observed in Figure 5. For example, in case F, there is the production of only one product line, being wine, but there is a variety of them, such as fine wines, smooth, red, and white.

Figure 5 – Ways to add value to the products and services offered



Source: Prepared by the authors, based on the research data (2024).

Next, 67% (A, C, D, E) invested in new product lines, differentiation (67%, A, C, D, E), packaging improvements (67%, A, D, E, F), and added value with service offerings, the main ones being colonial café (50%, A, D, E) and tasting of agricultural products (50%, A, C, F). Except for cases B and F, besides the main products, there is the production and trade of other product lines, such as jams, dried fruits, cookies (A), grape juices (C), yogurts, kinds of butter, cheeses (D), and pasta, such as noodles and agnolini

(E). The fact that farmers invest in new product lines is related to economies of scope, which, according to Mendes (2004), is when the same industrial plant produces several products simultaneously, or not, enabling advantages related to the unit cost of the product through a combination of factors, such as machinery usage, facilities, marketing, and administration. Thus, the production of one or more (different) products comes from using the same facilities and labor, reducing unit production costs.

In addition to reducing unit costs, farmers increased their negotiation capacity by producing and offering other product lines, meeting different consumer demands, to remain competitive in the market. For example, case E bought a more modern machine for cookie production and uses it, in different shifts, for pasta production, especially agnolini. The same applies to case C, where the farmer identified losses during juice production. Thus, he chose to expand his production to jams to utilize the excess grapes. In this case, there was also an increase in product variety, related to the marketing model. Through Pick-Your-Own, by expanding their plantations to raspberries, strawberries, blueberries, physalis, among others, the farmer uses these fruits to produce different jam flavors, including combinations, such as red fruits and purple fruits. These products are marketed as gourmet, with a higher price compared to single-fruit jams.

Regarding product differentiation, some farmers offer foods with organic certification, whole products, diet, gluten-free, and lactose-free (A), lower sugar content (D, E), and free of sucrose and preservatives (C). Thus, besides the products presenting traditional aspects in their production, the differentiations are related to consumer health. Organic foods, for example, when presenting certifications, are aligned with Scalco (2019), explaining that products with seals differentiate from conventional ones by following rules and norms determined by entities that regulate and certify these products, ensuring that the manufacturing processes preserve the health of consumers and workers.

In this context, it is important to note that, except for case B, all have packaging, labels with the enterprise's logo, and the Selo Sabor Gaúcho (Gaúcho Flavor Seal). According to the Secretariat of Rural Development,

Fisheries, and Cooperatives (2023) of the state of Rio Grande do Sul, this Seal emerged due to the need to create a product origin designation, based on the artisanal origin of family agroindustry, in compliance with sanitary, environmental, and social responsibility requirements. Thus, according to Abatekassa and Peterson (2011), origin and provenance information can be communicated through packaging, and information on labels, such as the use of seals. The Selo Sabor Gaúcho allows farmers to add value to their products by informing consumers of the origin, being in the state of Rio Grande do Sul, artisanal production through agriculture involving families in the field, and safe food for consumption, meeting sanitary and environmental requirements.

Farmers also added value to products through packaging investments, such as Drip Tea (A), enabling tea consumption anywhere and anytime without losing product quality. In case D, the yogurt presentation switched to a transparent pot, highlighting the fruit pieces, and the cheeses, previously wrapped in plastic film, are now vacuum-sealed, contributing to product quality, and maintaining the properties and flavor of the food. There were changes in labels (E, F), where product names, shapes, and colors of logos started representing the culture and descent of the family, which is Italian. Thus, they included in their brand's visual identity the colors of the Italian flag.

Marketing models involving product displays, such as on-property stores, fairs, social networks, local stores, and events, even if farmers interact with consumers, invested in adding value to products, enabling sales through appearance and other visual aspects, according to a farmer's statement: "first, you have to sell a product with your eyes. So, we also sought to differentiate our packaging for people to see our product" (Interviewee D).

Regarding ways to add value to services, all are related to multifunctional rural enterprises, which, according to Belletti and Marescotti (2020), besides offering fresh agricultural products, provide services related to these products and the territory. Thus, most offer services that add value to their products, such as colonial café (50% A, D, E), guided tours, and tastings (50% A, C, F).

The cases presented peculiarities in serving colonial cafés on their properties, depending on the space, each adds value differently, as represented in Figure 6.

Figure 6 – Colonial café served on rural properties, according to local structure, allowing different experiences

Source: 8photo (2023) and Vecstock (2023).

In case A, the café can be served in an indoor area, made of wood, near the fireplace and/or on an outdoor deck, overlooking the surrounding landscapes. Thus, depending on the weather, the consumer can choose between these two options. In case D, the space is an annex to the farmer's house, being a wooden kitchen, with a wood stove, wooden tables and benches, and decorative items from the farm itself, such as kettles and iron pots, presenting a more rustic characteristic. On property E, the products are displayed on a long table in a covered area outside the agroindustry, with pallet furniture, where the cushions are in Italian colors, and the farmers approach the consumers to enjoy the nature of the place and appreciate stories of generations and culture, through the offer of their products.

In all three cases (A, D, E), there is an offer of food that brings cultural revival, with fresh products, such as dulce de leche, corn cake, cream cookies, stuffed cucas, cheese bread, traditional sausage, among others that indicate homemade food. This result aligns with Renting, Marsden, and Banks (2003) by explaining that SFSCs are related to the

quality convention, in which one of the categories is related to the quality attributes of the product and the place of origin, indicating where the product was produced, or information about the producer, involving cultural aspects and gastronomic traditions. Thus, consumers can attribute quality to the offered product and service based on the product quality, relating it to the productive location and information about the producer, encompassing cultural and traditional aspects.

The same cases that offer guided tours also provide tasting (A, C, F). Case C, for example, has a partnership with tourism companies in some tourist cities in the region, such as Canela and Gramado. These companies organize groups of tourists who wish to visit the property, and the starting point is hotels and/or other locations. The guided tour also offers consumption experiences; in case F, consumers need to schedule the visit in advance and are guided by the owner, an oenologist, who explains and answers various questions about the product manufacturing. On some occasions, she recommends consumers perform the sabrage[4]. The visit includes viewing the barrels and the cellar where the wines are stored, with low lighting, allowing for original photos, with the company logo in evidence, and includes consumer participation in production processes, such as assisting in label sticking.

A few cases (equal to or below 33%, two) offer other services that require infrastructure investments, such as accommodation and café, or the disposition of time and/or hiring labor to carry out picnics and festive attractions. Case C, for example, identified a labor problem by offering picnic service, especially for serving people, and implemented a system similar to that used in food courts of shopping centers. The consumer goes to the place to place their order and is given a digital device, through which the consumer is notified, employing vibration and lighting of the device, that their order is ready. Thus, people move to the delivery point and collect their purchase, with a basket of products, as shown in Figure 7.

[4] Technique for opening sparkling wine bottles using a saber (a curved-blade sword), but the bottle can also be opened with a sommelier's sword or a spoon. In this way, by sliding the saber along the tip of the bottle's neck, at a 45º position, the cork is removed (Yanomany, 2023).

Figure 7 – Picnic basket like what the surveyed farmers offer

Source: Vwalakte (2023).

Cases C and F offer consumers a picnic service, carried out under the vines, with the provision of tables and red checkered tablecloths. The location of the tables allows the appreciation of the nature view, contemplating the surrounding landscape, with a nearby playground option for children. In both cases, there are festive attractions, such as the grape stomping festival, during harvest times, promoting unique experiences for consumers.

Regarding accommodation, there is an offer between cases B and C, but with different proposals. Case B offers lodging on-site, adapting to the family residence, with the addition of rooms in its structure, for tourist groups to stay and eat. Case C, on the other hand, built wooden chalets, with fireplaces, bathtubs, and private open-air decks, and, because the property is located on one of the region's Germanic Paths, offers accommodations with panoramic and scenic views. This accommodation allows guests to walk through private gardens, and pick fruits directly from the tree through the Pick-Your-Own system, among other attractions provided by the farmers.

Final considerations

The SFSCs emerged as an alternative to the standardized and industrial mode of the food system, leading farmers to seek alternative marketing models. In parallel, due to new consumption patterns related to ethical, cultural, and environmental values, farmers sought to meet this new demand, with the main objectives of cost reduction and adding value to the product.

Thus, through this chapter, some marketing strategies used by family farmers in the state of Rio Grande do Sul, who operate in the Short Food Supply Chain, adding value to their products and services, were exposed.

Adding value to products is related to marketing channels that involve the display of offered items, such as events, and shops on properties, among others. In parallel to the interaction between farmers and consumers, products are sold through their visual aspects, such as the presence of seals and certification, indicating differentiation, investments in packaging, involving logo and label, and the diversity of the product line, to meet different consumer preferences.

As for ways to add value to services, all are related to multifunctional rural businesses, which, in addition to offering fresh agricultural products, farmers offer services related to these products and the territory, such as colonial café, guided tour, picnic, festive attraction, among others that promote unique experiences for consumers, in contact with nature.

These ways of adding value to products and services, through SFSCs, contribute to income generation, improved living conditions for farmers and their families, rural succession, due to autonomy, and local and territorial development, by attracting tourists and assigning value to origins and regional culture, as well as helping to maintain and preserve landscapes and other natural resources in the regions where rural properties are located.

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