

1. Case study - LavkaLavka (St.Petersburg, Russia)

Author: Olga Gromasheva

Type of short supply chain addressed

This is an Internet shop which sells farmers' products (intermediary and farmers' cooperative). The focus of this organization is on providing tasty and healthy food for consumers and on supporting farmers. The main slogan of LavkaLavka is "Support the local farmer!". The main activity of LavkaLavka (<http://spb.lavkalavka.com/en>) is purchasing products from farmers and delivering them to consumers in St. Petersburg (the company also has branches in Moscow, Kaliningrad and Kiev but we will describe only the St. Petersburg branch). The products are delivered three-four times a week to the clients' apartments (for an additional charge), or to the office of LavkaLavka and three order desks where consumers can pick them up free of charge. It is also possible to subscribe to a box scheme and buy a gift certificate. The products are either picked up on the farm by the LavkaLavka employees or delivered to the city by farmers, depending on the agreement with a particular farmer. There are around 60-80 customer orders per week, and about 70% of them are repeat purchases.

LavkaLavka pays farmers almost the retail price by which farmers sell the produce to individuals who come to the farm (therefore collaboration with LavkaLavka gives farmers certain stability compared to dealing directly with individual consumers, and better revenue compared to selling products to processing factories).

In addition to the before-mentioned activities, LavkaLavka has several other projects. One of them is the vegetable garden. The vegetable garden functions in the centre of St. Petersburg in the summertime since 2011. People can sub-rent a piece of land to plant greens (price for the use of 1 sq.m. for the summer 2013 was approximately 182 euro for individuals and 273 euro for companies) and have access to master classes and consultations with the professional gardeners. Alongside the vegetable garden the following activities are organized by LavkaLavka: the kiosk with farmers' products (open from Friday to Sunday), fast-food bazaar (open on

weekends, snacks from farmers' products such as chips from seasonal vegetables, home-made ice-cream and lemonade, etc.); and the novelty of the summer 2013 – the Supper Club (café which is open on Friday evenings, chefs of St. Petersburg restaurants cook with farmers' products, the suppers are devoted to various regional cuisines, sometimes the farmers are invited to talk about their work with the consumers). During the year LavkaLavka also arranges cooking master classes, dinners cooked from farmers' products (by appointment, around 13 euro) and private events in its office. Moreover the restaurant of the new Russian kitchen "Kokoko" (<http://www.kokoko.spb.ru/en>) was launched by the famous singer Sergey Shnurov together with LavkaLavka (80% of products used for the meals are seasonal from the local farmers).

In November 2011 LavkaLavka announced creation of a Cooperative engaging farmers, consumers, shops, restaurants, etc., and the launch of a Fund for support of farmers' projects. Thanks to investments made by the loyal customers several farmers were able to buy necessary equipment, and later they paid back to customers in products.

LavkaLavka is also developing their own organic certification system and making efforts to arrange agro-tourism (in this case 100% of money from farm tours goes to farmers). LavkaLavka tries to control not only that the producers do not use pesticides, herbicides, antibiotics, hormones, but also to monitor the living conditions of animals (free range) and workers, cleanness on the farm, etc. The visits to the farms are one way to control quality of the products, among other ways are check of certificates, tasting of farmers' products on a daily basis, and collection of feedback from their customers. Though LavkaLavka has quite strict rules for their producers, still these products cannot fully comply with the European organic production system which includes many more criteria such as waste disposal, etc.

Vasily Konashenok, the manager of the St. Petersburg branch of LavkaLavka, told in an interview² that in their work personal trust is the

² Interview was conducted by Olga Gromasheva in St. Petersburg in January 2012.

key issue because the consumers' trust in official papers in Russia is very low. That is why they try to establish personal relationships with the customers and if they have doubts about the quality of the product, they exchange product or return money without any questions, and then try to clarify the issue with the farmer. In 2011 the label KKK (Client Control of the Quality) was established by LavkaLavka and it is ascribed to farmers who have proven to be reliable and consumer-friendly. Based on the information from its website around half of the farmers whom LavkaLavka Petersburg is working with have already received this label.

Area and territory where the initiative takes place

About half of the farmers are based in St. Petersburg and the Leningrad province (rural area surrounding the city) or adjacent regions (Karelia, Novgorod and Pskov provinces), and they sell mainly fresh food - vegetables, meat, eggs, milk, bread, etc. Half of the farmers are based in other regions of Russia, mainly on the south (Krasnodar province), and three of them are from the former USSR (Ukraine, Armenia and Abkhazia). The most distant is the sea food producer from Sakhalin island in Russia (around 10 000 km). The nearest productions are bakery, beer and meat processing which are based in St. Petersburg a few kilometers away from the LavkaLavka office. More distant farmers provide mainly preserves, jams, cheeses, oils, dried fruits and nuts, herbs and teas (which can be stored for longer period of time). They were involved in collaboration because they supply products which are not available from the local farmers, and because there are not many local farmers who can comply with the rules of LavkaLavka.

Number of actors/producers/farmers involved

During the last year the number of farmers whom LavkaLavka collaborates with has doubled. In the summer of 2013 there were 59 farmers and food producers – among them 34 were men, 11 were women and at least 11 were family farms, there were also three monasteries involved.

Type of products delivered

The range of products is quite big: meat, fish, poultry, milk products, vegetables, soft drinks and beer, bakery, grains, oil, honey, herbs, sauces,

jams, juices and pickles. Among products are both staple foods such as milk, eggs, honey, and speciality products (made according to new or 'old-and-almost-forgotten' recipes such as 'sbiten' - tea with honey and spices - and jam from green pine cones, etc.).

Products sold by LavkaLavka (soused cloudberry³ and pheasant⁴)



Among the requirements for farmers published on the LavkaLavka website are: adherence to the principles of organic agriculture; availability of all required hygienic, veterinary, etc. certificates; openness (including provision of soil, water, products' tests, and readiness to communicate with consumers on farmers' personal blogs on the website and arrange farm visits for them).

3

<http://spb.lavkalavka.com/catalog/zagotovki/varenya-dzhemy/moroshka-mochyonaya-ot-eleny-solovevoy-1-1>. Consulted on 12 September 2013.

4 <http://spb.lavkalavka.com/catalog/ptica/fazan-ot-aleksandra-verzakova>. Consulted on 12 September 2013.