

UNIVERSIDADE FEDERAL DO RIO DE JANEIRO
INSTITUTO COPPEAD DE ADMINISTRAÇÃO

MARCELLE ESPINDOLA FERREIRA

EMBEDDEDNESS IN A SHORT FOOD SUPPLY NETWORK: A CASE STUDY OF A
SOCIAL ENTERPRISE IN RIO DE JANEIRO

Rio de Janeiro

2019

MARCELLE ESPINDOLA FERREIRA

EMBEDDEDNESS IN A SHORT FOOD SUPPLY NETWORK: A CASE STUDY
OF A SOCIAL ENTERPRISE IN RIO DE JANEIRO

Master's dissertation presented to the Instituto Coppead de Administração, Universidade Federal do Rio de Janeiro, as part of the mandatory requirements in order to obtain the degree of Master in Business Administration (M.Sc.).

Advisor: Prof. Leonardo Marques, PhD.

RIO DE JANEIRO

2019

CIP - Catalogação na Publicação

F383e Ferreira, Marcelle Espindola
 Embeddedness in a short food supply network: a
 case study of a social enterprise in Rio de Janeiro
 / Marcelle Espindola Ferreira. -- Rio de Janeiro,
 2019.
 55 f.

 Orientador: Leonardo Marques.
 Dissertação (mestrado) - Universidade Federal do
 Rio de Janeiro, Instituto COPPEAD de Administração,
 Programa de Pós-Graduação em Administração, 2019.

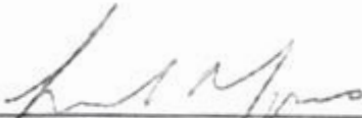
 1. Short Food Supply Networks. 2. Cultural
 Embeddedness. 3. Non-economic Institutional Logics.
 4. Hybrid Organizations. I. Marques, Leonardo ,
 orient. II. Título.

MARCELLE ESPINDOLA FERREIRA

EMBEDDEDNESS IN A SHORT FOOD SUPPLY NETWORK: A CASE STUDY
OF A SOCIAL ENTERPRISE IN RIO DE JANEIRO

Master's dissertation presented to the Instituto Coppead de Administração, Universidade Federal do Rio de Janeiro, as part of the mandatory requirements in order to obtain the degree of Master in Business Administration (M.Sc.).

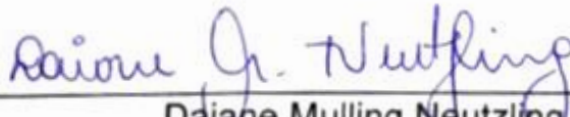
Approved by:



Leonardo Marques Gomes, Ph.D
(COPPEAD/UFRJ)



Eduardo Raupp de Vargas, D.Sc
(COPPEAD/UFRJ)



Daiane Mulling Neutzling, D.Sc
(UNIFOR/CE)

ACKNOWLEDGEMENT

I would like to express my great appreciation to the COPPEAD School of Business and all Professors that generously shared their knowledge every day with us, students, and helped me to learn so much during the last two years.

I am particularly grateful for the assistance given by my advisor, Leonardo Marques, who helped the development of this research since the very beginning and helped me through all steps of it.

To all producers and directors of Junta Local, who received me so generously at their working places or shared a little of their personal time with me to help me understand what they believe in.

To my parents who never stopped helping me through all these years of studies.

To my friends, new and old ones, from different parts of the world, who helped me to believe I could do it and to think about something else other than this Master and this research.

This work was possible with the support of CAPES (Coordenação de Aperfeiçoamento de Pessoal de Nível Superior – Brasil) – Financing Code 001.

FERREIRA, Marcelle Espindola. **Embeddedness in a short food supply network: a case study of a social enterprise in Rio de Janeiro.** Rio de Janeiro, 2019. Graduation Thesis (Master in Administration) – Instituto COPPEAD de Administração, Universidade Federal do Rio de Janeiro, Rio de Janeiro, 2019.

The agri-food industry has been facing increasing pressures to change the way it functions due to: squeezing margins resulting from higher costs of production and market saturation; consumers with concerns over health and environmental issues, working conditions and animal welfare; and new environmental regulations and food waste along supply chains. In this context, we see the emergence *short food supply networks* (SFSN) with smaller volumes of production, direct sales and a clearer information flow. However, organizations focused on creating SFSN are not free of challenges to become sustainable organizations; they only face different challenges due to the presence of mixed *institutional logics*: economic and *non-economic* ones. The culture of a SFSN formed by several producers, based on values, social rules, and behaviors influence the way its participants engage in the network and take collective actions in order to solve problems more efficiently, what is called *cultural embeddedness*. Inspired by and adapted from the work of Wu and Pullman (2015, p. 45) this research aims to answer the following research question (RQ): *how does the cultural embeddedness of short supply network members influence their economic behavior and that of the network itself? More specifically, how does cultural embeddedness affect the functioning and structure of a short supply network?* In order to answer this question, a case study was conducted in a hybrid organization in Brazil, called Junta Local, responsible for connecting local producers and to promote direct contact with consumers, helping producers to become sustainable while focusing on social and environmental values; thus, producing positive social impact. Data was collected through ten in-depth interviews with producers, consumers and directors of Junta Local and from meetings and observations in street fairs and food delivery events. Secondary data was collected from the existent literature and from digital written material about Junta Local and its producers. All the data collected was analyzed and categorized using the software NVIVO. This research resulted in the main conclusion that cultural embeddedness can help food producers to be part of a more economically efficient network that is also focused on social and environmental values; however, administrative knowledge is also needed in order to fully achieve a sustainable business model.

Key words: Short Food Supply Networks, Cultural Embeddedness, Non-economic Institutional Logics, Hybrid Organizations.

FIGURES

Figure 1 - Junta Local's Role	27
-------------------------------------	----

TABLES

Table 1 - Code's Definitions	22
Table 2 - Interviews' information	25
Table 3 - Values and Ideologies Codes	30
Table 4 - Logic and Economic Action Codes.....	33
Table 5 - Relational and Cultural Characteristics Codes.....	39

TABLE OF CONTENTS

1. Introduction	10
2. Literature Review	12
2.1 Embeddedness.....	12
2.2 Non-economic Institutional Logics in Supply Networks.....	13
2.3 Mainstream Food Market.....	16
2.4 Short Food Supply Networks.....	18
2.5 The Challenge of Scalability.....	21
3. Research Methods	22
3.1 Research Design.....	22
3.2 The Brazilian Context.....	23
3.3 Data Collection.....	24
3.4 Data Analysis.....	26
4. Case Study	27
4.1 Overview of the Junta Local.....	27
4.2 Channels.....	28
4.3 Producers.....	29
4.4 Values and Ideologies.....	30
4.5 Logic and Economic Action.....	33
4.6 Relational and Cultural Characteristics.....	39
5. Discussion	42
5.1 Values and Ideologies Embedded in a Short Food Supply Network.....	42
5.2 Logic and Economic Action to Achieve Positive Social Impact.....	44
5.3 Relational and Cultural Elements in Alternative Governance.....	46
6. Conclusions	48
References	50

1. Introduction

The food industry is a huge and dynamic global business and during the last two decades, several changes in consumer behavior and increasing environmental and especially health consciousness are reshaping the logics behind agri-food businesses strategies (RENTING; MARSDEN; BANKS, 2003; TRIENEKENS; WOGNUM; BEULENS; VAN DER VORST, 2012). Emmanuel Faber, Danone's CEO, said in an interview in 2017 (PHOENIX, 2017) that today's generation is more concerned about food than any other before. Main concerns are about origins of food and information transparency, consuming more healthy products with less toxic inputs, producers' rights and income and animal welfare (BESKE; LAND; SEURING, 2014; TRIENEKENS et al., 2012). All these issues take part in the concept of sustainability of produced and consumed food (BESKE et al., 2014). Because of that, several food companies, large and small ones, are showing in the last couple of years more interest in fulfilling these demands, following their customers' wishes.

The current generation of consumers also tends to care about having a connection with the products they are buying and consuming, especially when concerning food. Therefore, transparent product information becomes more important (ROWAN, 2016). Because of the big agri-food companies' strategy of industrialization and globalization of production based on large and complex global supply chains, this new type of consumer starts to fill disconnect and to distrust this "*big food*" concept (ROWAN, 2016).

Moreover, according to Renting et al. (2003), another pressure to change the way the food supply network functions comes from the squeezing margins resulting from higher costs of production and market saturation. Thus, it is possible to see, as a response to this context, the emergence of alternative food networks and *short food supply networks* (SFSN) around the world, with shorter supply chains, smaller volumes of production, direct sales and a clearer flow of information along the supply network. These SFSN have governance models, culture, logics to rule the businesses and sustainability goals that are different from the ones of mainstream supply networks (DAROLT et al., 2016).

In practice, social movements focusing on alternative ways of food production and consumption are getting stronger and gaining visibility. This type of movements became more common and studied in Europe during the turn of the century, especially with the organic food movement and the Fair Trade concept (RENTING; MARSDEN; BANKS, 2003). Additionally,

alternative food networks are also growing in Brazil, having started to gain market and academic visibility a couple of years ago.

This study aims to understand the cultural embeddedness and non-economic logics in SFSN and how they influence the relationships created and the actions taken along the supply network. Inspired by and adapted from the work of Wu and Pullman (2015, p. 45) this work presents the following research question (RQ): *how does the cultural embeddedness of short supply network members influence their economic behavior and that of the network itself? More specifically, how does cultural embeddedness affect the functioning and structure of a short supply network?* Taking place in the light of the current Brazilian context of new trends in food production and consumption and new aspects in the producer-consumer relationship, this research proposes to reanalyze the answers given by Wu and Pullman, offering new points of view in a new context, adapting the questions to a SFSN.

One of the Brazilian companies that takes part of the alternative food movement is a company born in Rio de Janeiro, named Junta Local. This company presents itself with an alternative business model, connecting small urban and rural producers to final consumers that wish to have a closer relationship with who produces the food they consume. Junta Local work is focused on fair working relations inside the supply network, health and environmental concerns, clear information about how they work and how food is produced and cultural connections with food.

Additionally, the work of Uzzi (1997) shows how social relations can be more motivating than business contracts and that embeddedness can be highly beneficial in a network of businesses. In order to understand the influence of these non-economic logics in the Brazilian alternative food system context, a qualitative research was performed, through a case study. Data was collected through observations in market places and collective meetings and interviews with producers and Junta Local directors.

The remainder of this dissertation is structured as follows: first, in Section 2, the concepts of embeddedness and institutional logics will be defined based on the current literature, followed by some concepts and data concerning the food industry in Brazil and in the world, and the literature about short food supply networks. In Section 3, the methodology used in this research will be explained. Section 4 shows the findings of this research and Section 5 offers some discussions based on the literature and the findings of the study.

2. Literature Review

2.1 Embeddedness

In this seminal work on embeddedness, Granovetter (1985) discusses the relations between economic actions and social relations in the industrial world. He presents two former opposite theoretical views and adds his own, standing in the middle of the two extremes. The first one is the rational idea coming from classical and neo-classical economists in which industrial behavior is minimally influenced by social relations, while the other view says that economic institutions can't never be separated from social relations. In fact, Granovetter (1985) asserts that the level of embeddedness in economic behavior is not as intense as said by sociologists nor as weak as said by the economists, and he calls these theories the over and the under socialized theories. He adds that people do not act without any considerations for their social context nor always follow expected social patterns according to the social classes they occupy.

Two articles that were used as key sources in the literature review of this study were Uzzi (1997) and Wu & Pullman (2015). Uzzi, in his 1997 work, conducted an ethnographic study at 23 entrepreneurial companies in the New York apparel industry and proposed the components of embedded relationships. The straightforward economic outcomes described by Uzzi, coming from embedded relationships, make them easier to be understood and to compare to present cases. On the other hand, Wu and Pullman in 2015 proposed to explain the concept of cultural embeddedness, through a 5 years grounded study of Country Natural Beef, a big agricultural cooperative in the western United States. With that, Wu and Pullman aimed to explain the reasons and consequences of individuals and companies' behaviors in an economic setting.

Defined in Wu and Pullman's (2015, p. 54) work, cultural embeddedness is "the extent to which the economic actions of the network itself are influenced by the culture that they claim and identify with". The work of Uzzi (1997) explains the influence of embeddedness in businesses. His finds suggest that embeddedness in a business network (for example a regional business community) promotes economies of time, improvements in efficiency and leads to innovation that are difficult to be replicated via other ways. To complement that view, Coleman (1988) previously defined social capital and, as a product of embedded relationships, social capital makes it possible to achieve certain goals that are difficult or even impossible to be achieved other ways. He also defines capital or resources in his work and they are retrieved from three different forms: physical, human or social. Physical resources being tangible, like

money or machinery, human resources the ones concerning skills and knowledge, and social capital being related to people's relations.

In today's market, two resources that seem to have the potential to change the game are time and information. Uzzi (1997) affirms that embeddedness promotes economies of time because strong personal relations leads to trust and long contracts and negotiations that once were used to avoid opportunisms become unnecessary. Moreover, when face-to-face interactions exist, among producers, intermediaries and consumers, the exchange of information becomes an advantage that helps with understanding the market, predicting demand and pricing products and services. With better predictions it is possible to have better allocation efficiency, to avoid overproduction and the needs of discounts, and to avoid underproduction and shortages. In addition, a social structure in a business network positively influences risk taking and investments due to the proliferation of obligations and expectations (COLEMAN, 1988), possibly leading to innovation.

Coleman (1988) also calls attention for the reason why social capital is usually undervalued in business: its logics is about collective results. In other words, the actions of network members impact other parts of the network. However, it is the network that allows social capital to be created in the first place and investments in these social relations will potentially give long-term results.

2.2 Non-economic Institutional Logics in Supply Networks

Supply chains are traditionally described as a vertical path leading producers to manufacturers and distributors, and to consumers, with the existence of only dyadic relations. The term *supply network* comes to incorporate the other existent relationships in this context: the ones among producers with other producers (WILHEM, 2011) as well as those involving non-supply-chain members such as regulators, NGOs, and academia (SLOANE; O'REILLY, 2013). According to Johnsen, Zheng, Harland e Lamming (2000), a group of supply chains forms a supply network, being sections of the supply networks they belong to. Therefore, supply networks are formed by companies and people and describe the flow used to supply goods or services from the first stage of production to the final stage of consumption. Moreover, both concepts, chains and networks, are important to be analyzed.

Johnsen et al. (2000) also discusses the understanding in the supply network studies that sharing processes and information is important for a good development of the network, what seems to be true in some industries. However, they found that the level of sharing and the size

of the network will depend on the type of product or service and their uniqueness. Therefore, it is possible to find different approaches on dealing with supply networks and more vertical or more horizontal paths.

Miemyczyk, Johnsen e Macquet (2012) map the literature concerning the influence of supply networks in how sustainable a company can be. In this work, a higher level of analysis is called for properly understanding sustainability, what means the analysis of the whole network, or of all the stakeholders, including producers, consumers, governments, competitors, shareholders, NGOs and more. In sum, a network is not more sustainable than any of the parts of itself.

Defined by Thornton and Ocasio (1999), institutional logics relates to values, behaviors, assumptions and rules socially constructed and used by organizations and individuals to define, produce and provide meaning to their material subsistence and social reality. The existent literature about institutional logics discusses two logics in the extremes of the continuum of logics for organizations: one purely commercial and the other purely social (DEES; ELIAS, 1998; PULLMAN; LONGONI; LUZZINI, 2018; THORNTON, 2004). However, these are not the only possible options.

Relatively new business initiatives provoked the creation of what is called hybrid organizations or social businesses. These organizations do not rely solely on donors' contributions, like NGOs, nor solely on market activities, like market oriented companies - hybrid organizations compete at the market while addressing social causes (PULLMAN et al. 2018). Social businesses use commercial means to achieve non-economic goals, and can adopt different legal forms, such as cooperatives or associations, depending on their legal context. The goal of social hybrid organizations is to be financially sustainable and scalable, while providing social and/or environmental values needed by the society (SANTOS; PACHE; BIRKHOLZ, 2015). Those enterprises come as an answer to the difficulties of market focused companies to offer real and long-term social impact (PULLMAN et al., 2018). More than just values directly created for the paying customer, some transactions may have other important value spillovers. The need to identify and manage these spillovers is what differentiates a social business from a purely commercial one. Therefore, to manage a successful hybrid organization, it is essential to understand which the value spillovers created by the actions of the company are, being positive, negative, directly connected to the product or service provided, or if they ask for further involvements of the organization (SANTOS et al., 2015).

It is already possible to find different examples of social hybrid organizations around the world, such as microfinance companies, that provide loans to people in need or companies that hire unemployed people temporarily so they can develop skills to find permanent jobs in the future. Each type of hybrid organization creates different values and values spillovers, facing different challenges and using different management strategies (SANTOS et al., 2015).

Some spillovers are directly connected to the service or product provided by the hybrid organization. Santos et al. (2015) name these types of organizations as market or bridging hybrids, depending if the clients are the beneficiaries of the social value offered or if they are used as means to achieve the real beneficiaries. Nevertheless, there are companies that offers services or products that, just by themselves, are not enough to ensure the creation of the values desired. These are the blending and the coupling hybrids, again following the nomination given by Santos et al. (2015). In that case, the social company needs to address their beneficiaries in other ways than just through the service or product provided. This need for more action not connect to profits clearly creates greater challenges for the business.

An especial type of hybrid social organization for this research is the blending hybrids, organizations that serve clients who are also the beneficiaries of the mission; however, the value spillovers in that case need additional interventions other than the commercial activity performed to ensure their positive influence on the beneficiaries. Extra activities, such as training and following up with the beneficiaries, do not take part in the revenue creation and increase the challenges of the company to remain true to its social mission and to be sustainable at the same time. However, if the organization fails to offer additional interventions, the results for the beneficiaries may not be as positive as expected, being neutral or even negative, and the mission of the company will not be fulfilled.

Santos et al. (2015) assert that for a blending hybrid organization's governance it is important to have members responsible for the social mission and members responsible for financial sustainability, so that no part will be neglected. Both social and commercial expertise are required and important for the success of the business. As for the organizational structure, it is possible to have one integrated structure, with members performing both social and commercial impact activities, or to have a divided structure. That choice will affect what types of people are needed by the business. In the integrated case, people with a profile that is both social and commercial are needed and, in many cases, these people will be trained to become "hybrid" employees. Nevertheless, in both cases, the board should be aware of mechanisms to help to prevent tensions between creating profit and delivering social or environmental values.

The need of investment and what kind of investment to look for is also an issue that depends on what type of hybrid organization it is. In the case of blending hybrids, Santos et al. (2015) recommends reinvested surplus, instead of going for venture capital for social impact, because the last one could accentuate the mission drift problem due to focusing on the financial side of the business.

Moreover, Pullman et al. (2018) discuss the effects of supply network management for hybrid organizations. Due to the many different relations and challenges present in social business management, the approach to managing its supply network should also be different from the ones for typical profit-oriented companies. Because of that, social enterprises need to manage their supply network creatively, to ensure their financial viability and to deliver social good at the same time. Therefore, it is essential that the company identify all the stakeholders that have a part in its supply network, what their institutional logics are and what the best ways to manage these relations are. In addition, the side of the supply chain in which the social company is influences the relations with its stakeholders. On the one hand, if the focus company provides services or products to its beneficiaries, it is working for downstream social impact, on the other hand, if the focus company sells products or services to clients and support the beneficiaries with the generated economic resource, it is working for upstream social impact.

Pullman et al. (2018) also propose that, when concerning social impact supply network management, power relations may occur differently from the typical supply network management field. Due the focus on the social mission of the company, the proposition is that trust-based relationships are more effective than the traditional power-based relationships. However, this discussion is still ongoing due to the influence of trust-based relationships on opportunistic behaviors.

Wu and Pullman (2015), in their qualitative research, created a list of coding categories to classify their findings concerning cultural embeddedness and to help to define the term. Some of these codes were adapted, relating them to other theoretical sources and used in this present research with similar purpose.

2.3 Mainstream Food Market

Lamine, Renting, Rossi, Wiskerke and Brunori (2012) affirms that two different paradigms exist: the agro-industrial paradigm and the integrated territorial paradigm. The mainstream food industry as it works today is a product of technological development of food production and standardized products around the world. It usually works through industrialized

farms growing crops in one continent to be produced in another and to be sold all over the world, working through long and complex supply networks.

An interesting perspective given by Dosi (1982) about evolutionary economics says that innovation follows an inertial trajectory, where it becomes stronger once it is tested and receive feedbacks, possibly becoming the dominant way despite the existence of more sustainable ways in the long run. Different needs and knowledge in the past provoked the evolutionary path in the agri-food system that is seen until today, with global mass production, use of agro-chemical products, fertilizers, herbicides and pesticides, focusing on low costs and productivity. However, this path of super production and technological improvements led to situations of overproduction, waste, quality issues, consumer's distrust and decreasing economic margins (LAMINE et al., 2012; RENTING et al., 2003).

To increase income in the farms, the mainstream strategy was to make big investments focusing on state-of-the-art technology to increase production efficiency, producing every day more and more products with less production costs. Real economic value was in the pool of products, with each one of them having marginal value. Nevertheless, when certain product reaches marketing saturation together with stricter government regulations concerning the environment and sanitary issues, this logic stops to make sense and economic margins are squeezed (RENTING et al., 2003). Present in every phase of the food supply network, food waste, as defined by The Food and Agriculture Organization (FAO, 2014), is the edible material that, instead of being consumed by humans as it was intended to, is discarded or used in other way.

Papargyropoulou, Lozano, Steinberger, Wright and Ujang (2014) offers a framework that illustrates food losses "*from farm to fork*". Starting with the average edible crop harvest per person of +4,600Kcal/day, losses start in the postharvest phase, about -600kcal/day, then for animal feed goes -1,700kcal/day, meat and dairy production add +500kcal/day and losses in distribution and households accounts for -800kcal/day. In the end of the day, from the 4,600kcal of crop grown for human consumption, only 2,000kcal is actually available for it. About one third of the food produced in the world gets lost in the supply network, amounting 1.3 billion tons per year.

A food supply network focused on avoiding losses can make products with a better quality/price relation for the consumers, increasing access. In this point, for simpler and shorter supply networks on the one hand, if well managed, it can be easier to be done. It is a very

complex activity to support a green and no avoidable waste policy in long supply networks. On the other hand, other types of costs are higher when losing economies of scale, having to add other types of value in products and working with diverse definitions of quality.

2.4 Short Food Supply Networks

Darolt et al. (2016) brings different characteristics together in order to define short food supply chains, or as it is a better fit to this research, short food supply network. In sum, these characteristics can concern geographical distance, number of intermediaries in the network and how products relate to their producers and their production place.

Economically speaking, the more intermediaries there are between producers and consumers in the supply network, the longer this chain or network will be. It is possible to find more pragmatic definitions of short food supply networks, like in France, where agri-food representatives use the term in the case of the maximum of one single middleman working between the producer and the consumer in the network, like a cooperative, an association or a small market (DAROLT et al., 2016). This intermediary can organize events, such as market fairs and thematic events, and add a recognizable brand to the products. Other characteristics, mainly concerning social and cultural aspects, also should be considered. Such as the relationship (cultural and natural) among the products and the local farms, the geographic distance between production and consumption, the exchange of information on food origin among producers and consumers, fair prices, freshness and quality of the products and the connection the consumers have with the products (MARSDEN; BANKS; BRISTOW, 2000).

The term local food supply chain is also present in the literature. According to Bosona and Gebresenbet (2011), local food supply is about food produced, sold and consumed inside a specific area. For a group of interested consumers, one of the main differentiations and advantages of a local or short food supply chain (or network) is the traceability of the food, becoming easier to assure the quality of the food, with other aspects, such as local sustainability and fair working conditions.

Opposing to the long supply networks of the mainstream agri-food system, short food supply network businesses mostly show small volume results and, as observed in Bosona and Gebresenbet (2011) work, in local food shops and farmers markets, individual companies ran separately their own transportation activities resulting in inefficient logistics and higher costs.

However, these businesses may effectively reach different goals, by having different rules and types of impact in the environment and the society. In that sense, their small sizes

may work as a protection against market pressures that would lead them to strategies similar to the ones used by mass production businesses. Nevertheless, it is still a question to what extent do niches influence radical changes in the current regime (LAMINE et al., 2012). In addition, alternatively, if the global retail and other agribusiness companies will appropriate these new social and ecological types of production, as happened with the organic movement in several countries around the world, especially in European countries, such as the United Kingdom, Sweden and Denmark, increasing the price pressure and decreasing quality standards (RENTING et al., 2003).

In the adaptation process from the global scale agri-food business to the local food supply network, there are some dilemmas producers and consumers must face. Lamine et al. (2012, p. 243) cite, for example, “price vs. quality, convenience vs. health, freedom of choice vs. ethics, taste for artificial additives vs. taste for natural goods”. New concepts arrive with the growing presence of alternative food networks and consumer’s (re)education becomes necessary in order to redefine the meaning of food (someone else’s subsistence), of quality (natural ingredients, less additives, animal welfare) and sometimes even to redefine their life style (turning food markets into social places).

Looking at a bigger picture, Lamine et al. (2012) also present alternative food networks as triggers to bigger changes in the dominant food regime, with new demands from the consumers and the need of new technological solutions, new rules and different governance models, what challenges the *status-quo* and drives innovation in the system.

Small producers who are part of a short food supply network are often owners of small family farms, where the family is responsible for all the activities necessary to run the business. What means several different activities (planning, producing, controlling, selling) being done by a small group of people without necessarily having formal studies in these areas. This may restrict the capacity of the farm due to lack of time and competencies. Local food producers can join themselves into groups, forming networks, what can have many advantages for them. When combining forces, producers can, for example, share transportation costs and coordinate their delivery logistics as a group, share useful information, create collective marketing campaigns and attract consumers to one single market place (HAUGUN; GRANDE, 2017). Being part of a network can also help producers to follow food safety standards and to improve communication and technological initiatives, giving more voice and negotiation power to the group (KNICKEL; ZERGER; JAHN; RENTING, 2008). Important for the development of these networks are the cultural aspects involved. In that context, Wu and Pullman (2015) defines

culture maintenance as ceremonies, routines and rituals used as governance mechanisms to maintain the culture of the network.

An important characteristic of short supply networks is information transparency (DAROLT et al., 2016; RENTING et al., 2003), making it possible for consumers to know where, how and by whom the food was produced, as in opposition to what happens in the current mainstream food regime with bigger networks. Where consumers have the chance to buy from and talk to the producers of what they are buying, a personal relationship is created among them and a new sense of trust will take place as value-added.

As showed by Haugun and Grande (2017), another analysis can be made comparing the marketing mix of short food supply network products with mainstream agri-food products to better understand their differences. In big food supply networks, the products tend to be placeless with worldwide brands; very accessible, distributed through intermediaries into supermarkets and big stores; they compete in price; and use global and expansive marketing campaigns. On the other hand, short food supply network products focus on natural ingredients and taste, health and cultural connections; are found in regional and small markets or directly with the producers; they do not rely on competitive prices; and with little or no marketing costs, relying on mouth-to-mouth and personal and direct contact among producers and consumers.

Another important matter that differentiates short food supply networks are their alternative types of governance. A common model of governance among them is the cooperative model, where usually a group of farmers shares the power of decisions in behalf of the group. However, as showed by Haugum and Grande (2017), members with different backgrounds (consumers can also take part in the administrative activities) can offer different insights and add more competencies in the cooperative. Either way, short food supply networks tend to have collective types of governance with less sense of hierarchy and more transparency in the decision-making processes. Moreover, the concept of procedural justice is defined by Lind and Tyler (1988) as the sense of fairness that is in the open process of the decision-making rather than in a positive outcome. Where a democratic environment influences more cohesive groups without notable decrement in performance.

Finally, until today in Europe and in Brazil, the question that remains is: are short food supply networks just temporary niche movements or are they the beginning of some real changes in the agri-food business (RENTING et al., 2003)?

2.5 The Challenge of Scalability

Scandals in the global food industry are making consumers more concerned about food safety and ethics each day. Some examples of these scandals are about bribes involving the American company Walmart, the largest retailer in the world (BLODGET, 2012); or about the British company 2 Sisters Food Group, responsible for one third of the poultry products consumed in the UK and for supplying to retailers such as Tesco, Sainsbury's and Marks & Spencer, changing the "kill dates" of poultry being processed in its plants to fake product's shelf life (GOODLEY, 2017); or the Brazilian food groups BRF and JBS that were investigated for selling expired meat (NOVAES; BOMTEMPO, 2017). Cases involving several of the largest food industry companies in the world being investigated tend to provoke more strict laws from governmental institutions and mistrust from consumers.

Led by the changes in consumer's demands and regulations, some mass production companies are seeing the need for more social and environmental changes, what can be seen in their new products being launched, the market campaigns and in some changes in the supply network format. An example of that is the Mondelez International's sustainable wheat program: Harmony. The program has several guidelines for the supply network, such as focusing on buying wheat from farms there are close to Mondelez's factories along with sustainability and traceability related guidelines. Moreover, an important company, the number one of Top 100 Food and Beverage companies in the world 2016 and 2017 (PHOENIX, 2017), Nestlé is investing in the healthy food business and exploring it in its marketing campaigns, using the "*enhancing quality of life and contributing to a healthier future*" slogan. The 150 years old company, that claims to be fast in identifying consumer trends and acting towards them, invests heavily on research to meet new consumer's demands that wants products with simple, understandable ingredients, natural or organic, and ideally locally produced. The company's current strategy also mirrors the demand for closer contact and includes investments on direct-to-consumer models, using online platforms. In conclusion, if people search today for the public current strategy of a big and global food and beverage company, they will probably find values such as sustainability, social improvements and closer relations with suppliers and consumers.

All these projects and strategies changes show that the agri-food system may be evolving to something not completely standardized nor completely localized. Therefore, to some extent, there may be no clear boundaries between conventional and alternative food networks. Several models of food businesses strategy nowadays can be best understood as

hybrid forms, combining different elements from the two extreme models (before stated as the mainstream and the alternative) (LAMINE et al., 2012; SONNINO; MARSDEN, 2005;).

In the next sessions, the findings of this research will be analyzed and classified using Table 1, in order to discuss short food supply networks, alternative business models and cultural embeddedness, how they relate among each other and how they influence the economic actions taken in the network. This table will help to analyze the data obtained in the field and to understand how embeddedness influences a short food supply network.

Table 1 - Code's Definitions

Construct	Definition
Values and Ideologies	Ethics and morality concerning one individual or a group; beliefs concerning political and social matters (WU; PULLMAN, 2015). New principles, values and traditions (DAROLT; LAMINE; BRANDENBURG; ALENCAR; ABREU, 2016).
Logic and Economic Action	Taken-for-granted actions and characteristics of the parts of the network; decision making processes and resources that lead to economic actions (WU; PULLMAN, 2015). Economic opportunities created by embeddedness that are difficult to replicate via markets or contracts (UZZI, 1997).
Relational and Cultural characteristics	Relationship among members of the network, including consumers; governance matters and cultural maintenance (WU; PULLMAN, 2015). New relationship models between producers and consumers (DAROLT et al., 2016). Embedded and arm-length ties as variables of an economic network (UZZI, 1997).

3. Research Methods

3.1 Research Design

This research focus in “how” questions. Moreover, the network context plays a big part in the research question because it influences the present relationships and should not be controlled by the researcher.

The characteristics of this research, such as the importance of the context, the details of actions and relationships in the network and the goal of answering an exploratory question

together with the need to understand personal values and experiences, called for a qualitative research.

Yin (1984) explains when to use case studies in a research. Three points need to be analyzed: the research question, the control the researcher has over the events and if the research focuses on historical or contemporary events. He argues that “how” and “why” exploratory questions are more likely to be answered by case studies, experiments or histories. Experiments would be a better fit for studies in controlled environments and histories for historical events. Contemporary researches are the ones that study relations, procedures or people that are still alive and happening, where the research has access to the people and the environment involved. Therefore, the type of research that would fit best in this research question is a case study.

Due to the time available for the research, the complexity of the concepts studied and the goal of understanding the influence of cultural embeddedness in a short food supply chain, one single case was chosen to be the best current option of research method. Therefore, this research is focused on a company responsible for connecting different small producers together, creating one network and making producers and consumers closer around shared values.

3.2 The Brazilian Context

According to the Brazilian Supermarket Association (Associação Brasileira de Supermercados), in 2016, the 500 largest self-service companies in the Brazilian retail market accounted for R\$265.5 billion of the Brazilian total of R\$338.7 billion in gross revenue (78%) and only 7,829 of the 89,009 stores (9%) spread among the country. In 2016, a research made by Nielsen showed that the number of supermarket stores increased in 0.6% since 2015, going to 37.7 thousand stores, while stores with only one check-out increased 0.4%, going to 51.3 thousand stores. In the same year, the supermarket sector represented 5.4% of the Brazilian gross domestic product (GDP).

As the numbers show, the big agri-food companies are powerful and important companies in Brazil. However, alternative movements and, motivated by the increase in the unemployment rates during the years of economic and political crises, since 2014, the number of small and local food informal businesses grew visibly. Historically, the first movements that related to short food supply network in Brazil happened during the 70's, in an attempted to slow down the agricultural modernization process (DAROLT et al., 2016).

More recently, movements such as organic agriculture and agroecology brought back consumers and family producers together with governmental and non-governmental

associations concerned with regional sustainability, food quality and health and ecological issues (DAROLT et al., 2016). According to Darolt et al. (2016), in this context of short food supply networks in Brazil, producers tend to use more than one sales channel, being mostly street markets, baskets delivery and governmental programs, but also the presence of rural tourism, restaurants and online stores is observed. An IDEC (Instituto Brasileiro de Defesa do Consumidor in Portuguese) research in 2012 showed the presence of 140 street markets in 22 of the 27 Brazilian capitals, being the most widespread sales channel for SFSN products in the country.

In his 2012 book, Darolt described five consumers' cooperatives and associations in the South of Brazil being part of the SFSN in the country. These five organizations (COOPET, ECOTORRES, ARACOOOPER, ECONATIA and ACOPA) have been influencing the network in order to achieve fair prices, consumers' sporadically voluntary work, seasonal production, less transportations costs and organic food production. Additionally, despite not calling the attention of governmental organizations, these ecologic organizations have the potential to change consumers' behavior (DAROLT, 2012).

Another way of trading short food products is through the PAA program (Programa de Aquisição de Alimentos in Portuguese). It is a program from the federal government, created in 2003, for acquiring products from family agricultures, usually through cooperatives, with the goal of supplying quality food to the population that consumes unsafe food. With that, the program influences the creation and organization of SFSN cooperatives, valuing the local production of food (EMATER, s.d.).

3.3 Data Collection

Firstly, some theoretical material about embeddedness and non-economic institutional logics were studied. Moreover, papers concerning alternative food networks and short food supply chain were read to better understand the motives in theory behind the development of social movements connecting food businesses and people. It was mostly used the online search platform Scopus to find papers from scientific journals. The main key words searched were food industry together with global or Brazilian, local food supply chain, alternative food networks, and embeddedness. Current reports and news about the agri-food industry were also studied to contextualize what is happening in the market nowadays and connect it with the theory when possible.

The case study started with informal conversations with people that are part of the Junta Local network and observations. The researcher was present during one morning at one Sacola Virtual delivery day (2 hours), and at five (5) street fairs in the neighborhoods of Botafogo, Gávea and Jardim Botânico for 2 to 3 hours each. Internal documents used as communication among Junta Local parts were also studied. These documents were shared by one of the founders of Junta Local.

In a second moment, the researcher interviewed eight (8) people during the months of May and June, being six (6) producers and two (2) of the three founders of Junta Local, following a semi-structured interview protocol (see appendices A and B). Time constraint has limited the number of interviews but the goal has been to cover the three perspectives – founders, producers and consumers. The interviews aimed to help understand the relationships among and within producers, Junta Local and consumers, the role played by the company and the expectations concerning the company and an alternative food supply network. Interviews with two (2) consumers (see appendix C) were added to the data in order to add a different but also important point of view in the results, adding up to ten (10) interviews. Interview duration varied from 26 to 71 minutes. This difference in time happened due to personal characteristics of the interviewee and her propensity to share. The semi-structured protocol allowed the researcher to adapt the questions according to the flow of the conversation, what also depended on the level of connection and knowledge the interviewee had about Junta Local. Some of the interviews were face to face and others via Skype, all of them had the audio recorded with the authorization of the interviewee. More information about the interviews are in Table 2.

In addition, an observation of a general meeting of 3 hours took place during this time, since this meeting was cited several times during the interviews as an important moment for information exchange and collective decision making. Totalizing 17 hours of observations.

Table 2 - Interviews' information

#	Code	Date	Duration	Words	Position
1	P01	11/05/2018	1:11	3,874	Producer
2	J02	09/06/2018	00:34	5,436	Founder
3	J01	15/06/2018	00:55	6,934	Founder
4	P02	18/06/2018	00:47	4,370	Producer
5	P04	19/06/2018	00:29	3,540	Producer
6	P03	21/06/2018	00:43	5,046	Producer

7	P05	22/06/2018	00:57	7,049	Producer
8	P06	28/06/2018	00:32	3,346	Producer/Staff
9	C01	04/11/2018	00:34	2,170	Consumer
10	C02	27/11/2018	00:26	2,891	Consumer
			Total 6:34	Total	
			Average 00:43	44,656	

3.4 Data Analysis

The audio files of the interviews were transcript, sent to the interviewees for possible corrections and validation and read carefully, being confronted with the theoretical papers that were previously read, triangulating the data and creating a pre-list of topics to be studied in the next phase of analysis. None of the interviewees had anything to add or to change in the transcriptions. The interviewees were separated into three categories: Producers, Junta Local board and consumers, with the names from P01 to P06 representing the producers and J01 and J02 representing the members of the Junta Local board and C01 and C02 the consumers. With the CAQDAS (computer assisted qualitative data analysis software) program, NVIVO 11, the ten interviews were coded following a mixed approach of qualitative coding methods. The work of Saldaña (2009) was used as an open guide to perform this coding analysis.

A Simultaneous Coding method was used when needed due to the presence of several aspects in the interviews that could not be precisely categorized into absolute different codes. Another method was finding patterns especially of similarity and difference, turning the coding process into a combined process of different methods. In fact, some potential codes were listed before the analysis of the field data, based on the literature review (structural coding), however, this was not a strict list of codes, being some of them used and some not. Moreover, other codes were created entirely based on the readings of the data collected on the field.

Memos were written and used during the field work and the analysis phases, as defined by Saldaña (2009) as opportunities to reflect and write about personal relations with the data, research questions, connections among codes, relations with existent theory and future steps for research. After that, a list of 43 first cycle codes was created. Then, this list was confronted with the memos written and some codes were connected based on similarities among them. In this moment, the researcher tried to find a pattern that matched both the theory and the data collected. Inspired by the codes used by Wu and Pullman (2015), the initial codes were combined and turned into six macrocodes, and then three: value and ideology, logic and economic action and relational and cultural characteristics.

4. Case Study

4.1 Overview of the Junta Local

Junta Local is a platform created by three friends in 2014 that aims to connect small and local food producers directly to people who want to consume good quality food, knowing where it came from, who produced it and how it was produced. As J02 defined:

We wanted to do something that would be the Sacola Virtual, to be this platform offering the producers a way of marketing, a logistics system with different pick up points to decrease the costs and not to need retail points. To use a digital platform to facilitate short supply chains, for the direct relationship among producers and consumers.

Junta Local can be seen as intermediary connecting producers and consumers, an alternative to the supermarkets' chains, like a bridge that helps these two parts to be in touch and exchange products, information and money (Figure 1). However, its presence does not exclude the face-to-face contact among producers and consumers. On the contrary, since they all have face-to-face interactions and, at the same time, managers and producers working together to make decisions, it connects them through different levels from production to consumption.

Figure 1 - Junta Local's Role



The team responsible for this endeavor created and manages two main forms of connection among producers and consumers: physical street fairs and an online platform, named Sacola Virtual. Since 2016, Junta Local became an enterprise after being incubated in the Rio Criativo program. It is interesting to say that Junta Local was not created by producers, but by people with great interest in food.

Junta Local aims to facilitate the development of a fair and transparent local food market in Brazil, respecting the environment, valuing the small producer and focusing on a sustainable development of the society around it. They do it by rethinking the food supply network, having

as few intermediaries as possible, creating shorter chains and valuing the local food as for cultural and natural aspects more than small costs. The company follows an alternative type of economic orientation that aims to be economically sustainable and has different priorities and a different idea for profit sharing. After dealing with operational costs and working capital, the capital that would possibly remain would first be invested in collective investments and the idea of profit sharing is to do it among all the producers that are part of the group. Therefore, Junta Local is here considered a company focused on social impact because their main priorities are to increase the power of small producers in the supply network and to induce a new and healthier food industry. However, this scenario of profit sharing is hypothetical, since the company is still working on its expansion and improvements.

As for its governance model, Junta Local presents some characteristics of a cooperative, however, it is not one per se. There is a team of eight people, formed by the founders and producers, responsible for running the company and managing all the aspects of the business, such as production, communication, technology, accounting and human resources. The team hears all the other producers, in the street markets, group meetings and by e-mail or through opinion forms; and the founders, who take part as informal CEOs, make the strategic decisions for the business.

In addition, Junta Local works with a business model that is considerably different from the status quo in the food industry, a model that is called Modelo Ajuntativo. Junta Local charges a fee of 17% of the revenue of each seller after each street fair or Sacola Virtual plus a fix amount of R\$100 per month. “We got to the idea of the fix part that is the same for everyone to keep this structure alive, also because, through that, Junta can generate collective benefits for every business, no matter its size” (J02). Other methods were tested before and this one was chosen in an opened general meeting where any producer who wants to and managers take part.

4.2 Channels

Nowadays, the Junta Local street fairs happen on Sundays, at least twice a month, in the neighborhoods of Botafogo and Gávea at Rio de Janeiro. Moreover, there are some events happening in partnership with other organizations and more places and dates are being studied and tested for the near future. Junta Local is also trying to find some space in the neighborhoods of Barra da Tijuca and Tijuca in order to spread its presence outside the south zone of Rio de Janeiro where it is more known. In each fair, there is a different group of producers being part of it so the public can find different options of products to buy and more producers can have

the opportunity to be part of it. Consumers and producers use it as an opportunity to get to know each other and better understand the market and the products. Therefore, these events work as market and social places at the same time.

The online platform, Sacola Virtual, uses the internet in favor of the small producers and merchants that not always can spend a whole day in the street fairs but need more selling channels. In addition, it appears as a more practical way of shopping for the consumers who are more interested in the products itself than they are in the social events of the street fairs. That without losing the feeling of knowing where the products came from and that the producers are being valued in the network. The consumers can see all the products offered in the Sacola Virtual website (<https://juntalocal.com/sacola/100>), select the ones they want to buy and go to the delivery places in the pre-scheduled dates to pay and pick up their products. The delivery happens at least every second Saturday in Botafogo and the orderings are made few days before the delivery day. The producers, then, can organize their production knowing how much they are going to sell, avoiding over production or sales lost. What leads to avoiding storage and waste costs.

4.3 Producers

About one hundred of businesses, mostly from Rio de Janeiro, there are urban and rural producers facing different challenges depending on the phase of the business, its size, the entrepreneurs' goals, the type of products and its geographic characteristics.

Junta Local is part of several different models of supply networks, depending on which one of the small businesses that is under its umbrella. There are producers running familiar farms, producing organic vegetables, beverages, sausages and dairy products; there are small business connecting even smaller familiar farmers that are far and spread around the country; and there are businesses producing food to be consumed in loco during the street market fairs. They can also work with selling channels other than Junta Local street market and digital platform, as with delivery companies, also using other digital platforms, having products in stores and through mailing lists. All the producers have direct contact with their final consumers at least in one end of the supply chain, however even through the channels that are not Junta Local, the direct contact seems to be the most chosen one.

Despite some variation in the personal profile of the producers, there are some similarities among them, besides the values that connects them into an alternative food supply network. As stated by J01:

The profile of the producers that looked for us is a bit *fugere urbem*, you know? People that are living in rural areas...a family that bought a farm and decided to start planting. There is no rural producer. There was one, but he left because he could not cope with it.

Several of the rural producers lived in the city, or even had abroad experiences, before starting working in the farm, sometimes having post-graduation degrees and other jobs.

4.4 Values and Ideologies

Several values are common to short food supply networks and a list of them is found in the literature about the topic. The data collected during field work showed that these values are truly shared by the parts of the supply network of this case study. Concerns with animal welfare, sustainability and health consciousness connected with consuming natural products, referred by some of the producers as “real food”, were cited by some of the interviewees to be an influence in the life choices they make and the reasons and goals of their businesses.

Table 3 shows one selected quote for each one of the codes categorized as part of the macrocode values and ideologies, as well as the number of interviews in which they were found and how many times it happened.

Table 3 - Values and Ideologies Codes

Code	# Doc	# Codes	Quotes
Values and Ideology			
Animal welfare	1	2	<i>"From the animal's point of view, for example, the pig can not be slaughtered in the place where it is created, and we believe that this is a necessary premise, you do not subject the animal to the stress of displacement." (P03)</i>
Community logic	8	20	<i>"In Junta we are a collective, in a store I am selling to the store, it is a very different relationship." (P06)</i>
Connection with products	6	16	<i>"I see a respect for the product, you understand? So they're not just selling you something, they're feeding you, it's something they believe in." (C01)</i>

Growth vs Values	4	11	<i>"I think at an early stage of the business, when it's very small, Junta Local can be really cool, easier than working with shops. Then, if you want to grow you can not stay there. Unfortunately, Junta today does not meet your need to be everywhere in the city, all the time." (P06)</i>
Health consciousness	5	10	<i>"Now, I think there is a movement of awareness of the importance of food for health, people are afraid of getting sick and such." (P03)</i>
Information transparency	10	27	<i>"They have a monthly newsletter, they report everything, there is transparency in the accounts and everything, and the decisions of percentages, all of this is shared with us." (P05)</i>
Local connection	4	22	<i>"We had just started making cachaça, we were really starting to get involved here, thinking about coming to live here, and we had decided that we were going to sell cachaça, which is the most traditional thing there is here." (P02)</i>
Natural products	6	14	<i>"The Sacola is with the cooled product, we sell a lot, especially bacon, there are some products that are very fetish and you have a bacon that is meat, brown sugar, salt and only, without no salt of cure, no additive, nothing. You put it in the Sacola, it ends the same day." (P03)</i>
Personal interest in food	7	12	<i>"I started to get very involved with the kitchen. I started to cook more. Because I got into this, I wanted to be a cook. The idea was to always have some food at this events and I promptly assumed." (J01)</i>
Quality issues	7	21	<i>"Here I have access to better products, better quality products with traceability. Ok, I buy from who sells me, it lets me know all the ingredients without tricks'." (P03)</i>

Producers' value	9	32	<i>"The price matter, the question of how much to transfer and how much the producer stays with. Retail networks, the big problem of our food system is the power these networks have." (J01)</i>
Environmental sustainability	5	9	<i>"So all coconut sugar is imported and what is the impact of it? That's why it's important for you to know where your food comes from, it's not enough to be healthy for you." (P02)</i>
Value based decisions	9	40	<i>"He wanted to do something else because he was married to a famous chef and he wanted to do the thing as a showcase of the famous chef. Then I said 'no, come on, do your project that we will do it our way, we want to show the producer'. We did this on our own, so the money we had that was \$100,000, not even that we had anymore." (J02)</i>
Ideology	2	2	<i>"I think that, in the very long run, what I expect from Junta Local is that it is an active and important agent in the change of the food system at the national level." (J01)</i>

According to the producers, these values connect the consumers with them, because they share the same values. As P04 states "in the organic market, what we realize in this last seven years is that there is a demand, a big demand, a growing demand and the problem lies with the offer". Also about these values connecting consumers and producers, P02 said "you start to wonder about the food: how is it made? And it helps to bring the consumer closer to the producer".

Other values, even more cited, were the importance of good quality products, connection with the products and with the place of production, information transparency and the relationship between the consumer and the producer. The concept of fairness appeared as valuing the producer in the supply network, what can be described by P02's statement "it has to be fair to everyone, fair to who's producing, to who's consuming and it has to be real food too". It was also perceived that some of these values led the people who are involved in this network to take certain decisions that would not be economically optimal or logical in a first

moment. However, they took these decisions based on the social or cultural values in which they believe. This shows not only the presence of the values, but also the influence they have in businesses or buying decisions. J02 exemplified the following value based decision:

We cannot sacrifice the principle of participation and low charges to monetize it as a company. Because if we are thinking purely as a company, we already have a name and a brand, we would increase how much we charge the producers and we would still get people paying.

Some of the interviewees, especially the founders, expressed stronger values connected to the role of Junta Local, showing their ideology in the matter of the food industry in a national level. It can be seen in the quote: “I think that, in a really long term, what I expect from Junta is that it will be an important and active agent in the process of change of the food system in the national level” (J01). These changes in the food system are about democratization of food, knowledge and technology, fairness in the food supply network and local culture valorization. These strong values and ideology also increase the challenge of the company to grow, as said by J01 in “I think that if Junta maintains itself being accessible only for a very small part of the population, it totally disregards its purpose. The idea is the democratization of food”.

Moreover, producers and directors described personal experiences and connections with food as additional drivers leading them to the businesses they have today. Some of them had a family connection with farming and cooking or a special type of food that reminds them of the place of childhood; cooking was also described as a gift or a hobby that grew too strong.

4.5 Logic and Economic Action

Several market logics were present in the interviews and the biggest concern of the interviewees was how to overcome them. Table 4 presents one quote for each code from the logic and economic action macrocode.

Table 4 - Logic and Economic Action Codes

Code	# Doc	# Codes	Quotes
Logic			
Politics	6	25	<i>"But in social terms, in terms of inclusion, that segment that needs access ... I think we have a lot of work to do yet. Above all, a more active work, to</i>

			<i>get together with MST settlements, to start social dialogues". (J01)</i>
Legal issues	2	7	<i>"I don't understand a municipality that is focused on tourism, which has a reasonable rural area, which they do not profit anything from the countryside. We are all marginalized and they (mayor and public officials of Miguel Pereira) are to blame." (P01)</i>
Consumer reeducation	7	11	<i>"Usually it is because the person can not outsource certain other functions [...]I know this kind of thing makes it expensive. So I understand and I think this is part of the price of the product." (C01)</i>
Ease of access	6	15	<i>"But the supermarket you have at any time, while for the street fair I have to wait an exact day, the market is there." (C01)</i>
Market pressure	6	16	<i>"Less than 10 years ago they were stopping to produce cheese to sell the milk because it was more advantageous. Because they paid very little for the cheese, that was in the hands of the intermediaries." (P05)</i>
Short food supply chain	8	22	<i>"We breed, slaughter, process; to go to the street markets, for example, we do not have enough meat production, but we buy our meat from our neighbor here on the farm, so it's a countryside pork. And there's a lot of work to do. Now we begin to plant food to feed our pigs." (P03)</i>
Formalization	8	22	<i>"This need of formalization is fundamental. Because you can not stay for 4 years in the same place and you can not keep apologizing because you're a beginner, disorganized and that's the way it is." (J01)</i>
Network governance	8	16	<i>"The idea is to involve more and more producers in the decisions, but until now the decisions are always made by the partners, with the support of the team and one or another producer." (P06)</i>
Economic action			

Business expansion	9	27	<i>"We are trying to focus on distributing more products in more sales outlets here in Rio and we are already thinking about going to São Paulo because our product allows us this." (P06)</i>
Collective solutions	7	13	<i>"Today I am where I am, in Cadeg, dividing space with another Junta Local producer. Actually, with 3 producers. We came here and, at that moment, the only possible way I could get out of home was like this, sharing a space." (P06)</i>
Economic sustainability	8	10	<i>"But what sustains us the most is the fair, in terms of volume and billing. If that sustains our business? No, not yet." (P03)</i>
Intermediary role	9	28	<i>"We concentrate small producers who would be there trying to sell individually in other places, we will concentrate 120 of them in one place, either virtual or in a street fair, and then we can gain critical mass, and mass of attention to collectivize their sales." (J01)</i>
Lack of competencies	5	9	<i>"I do not know anything about Marketing, I do not know anything about distribution, I do not know how to deal with a spreadsheet, I do not know about administration." (J02)</i>
Logistics	7	29	<i>"So he made our deliveries for the uber price plus a percentage. And then there was another. Today we are in the third. This is another point and challenge as well, the delivery logistics." (P05)</i>
Marketing strategy	10	18	<i>"Most of the producers themselves, show other channels and other possibilities, and why it might be interesting to follow them there." (C01)</i>
Multitasking workers	8	23	<i>"It started us, we delivered and it was crazy because we did not have time for everything. We prepared the cheeses at dawn, the cheeses were kept in our house." (P05)</i>
Human capital	5	7	<i>"My husband does everything by himself in the butcher space. It's a beautiful job he does, super-accurate. He is an autodidact in this part." (P03)</i>

Physical capital	7	16	<i>"I was dating Thomas and he had this property here in Trajano de Moraes, already very old, from many generations ago. Then we started to get involved with the place." (P02)</i>
Social capital	8	13	<i>When 2017 came, another friend of mine who bears vegetables said "Thiago is crazy, he needs someone to produce yogurt, and you do it" I said yes, "so I'll tell him to put you in the fair." Then I finally joined Junta Local." (P01)</i>
Technology use	7	17	<i>"It may sound silly, but you have to log in to the website, upload the photo, so if you get a person in his 50s, 60 years in the field ... if it's already difficult for the guys who are from here, you know? People that hardly has technological practice." (J01)</i>
Selling channels	7	25	<i>"Today (my biggest challenge) is the sales part, being able to be in more points of sale to have a more fixed income and relying less on the fairs and on the orders, be in more points of sales." (P06)</i>

Market pressures were described as reasons to decrease price and quality, increase production size and adapt deadlines, going against some of the previously described values. In "it works as any other business. We make some research, see who has the best price, the best conditions and they supply the inputs we need for our products" (P06), it is possible to see the market logic of the best price. Nevertheless, this logic is slightly overcome by giving priority to the inputs sold by other producers also part of the Junta Local network.

Another logic that was called to attention concerned the role of intermediaries working with familiar farmers and the order delivering business model. P04 said:

We started building a supplier network, but this network is not easy. Because these suppliers are usually familiar farmers and they are used to always produce the same and bring it to the fair. In this model, you bring to the fair whatever you produced, people buy it if they like it, if they don't, they do not buy it. Then you decrease the price. Delivery is different.

By this, one can see the challenges to organize and work with a group of small producers following a different market logic, as it happens in the cases of producers who work delivering to clients baskets of organic products coming from a mix of small producers, that they assemble all together and sell according to the received orders.

The interviews also showed that the small producers need collective actions or intermediaries (people or companies) to help them make their products to get to the end of the chain. Efficiency, especially in logistics, is a common problem among small businesses and it can be observed in the context of this research:

For sure Junta was an enabler of our process. Because sourcing an “illegal” meat production is a business that only Junta Local does. You will not do it alone, you can only do it in the collective. Regardless of whether it is legal or illegal, it is a risk (P03).

The ease of access was described as different nowadays than it was some years ago and to be a facilitator of the new alternative supply chains. The interviewees believe it is easier to find small producers, with the help of technology and the internet, and to communicate inside the supply network through the use of social media, as explained by P01 “Now, the client says something, I take a picture right there and sent it to him [his employee at the farm]. We have Whatsapp now, right? He gets it right on time”. In addition, it was perceived an increase in the presence of natural or healthier products in big supermarkets, what, despite the obvious competition, can be helpful with spreading the healthier consciousness and have also positive outcomes for the small producers. However, there is the problem of pricing and location of Junta Local. The consumers interviewed believe the prices of the products sold through Junta Local prevent most part of the Rio de Janeiro population to consume these products, as these prices tend to be higher than the prices of industrialized products.

As for economic actions, the interviewees talked about the economic sustainability and growth of their business, what also appeared as great challenges; their marketing strategy and selling channels; and the resources used and needed. Several of the producers believe their businesses are economically sustainable, however they cannot find enough capital to pay themselves with a fixed salary, what is a common happening among small business that start informally. Junta Local also shows a path of business expansion since its creation until the present moment and some expansion goals for the future, focusing on expanding its physical

presence around Rio de Janeiro city, to be able to reach different consumer profiles, and possibly around the country.

The biggest challenge of the producers that have ranches or farms in the countryside of the state is concerning their logistics. Some producers are 250km away from the city of Rio de Janeiro, where the street market fairs of Junta Local happen and, since they have small production volume, the sales amount not always cover the transportation costs. The solution is found in the collective and in help coming from third parties. Some producers are trying to organize some collective arrangements but find it difficult to put it into practice. This difficulty makes the alternative business model fragile when big distances are involved and increase the importance of an intermediary presence, increasing the size of the supply chain. “What is harder for us is that the organic market is really focused downtown, in Rio, and we are in the mountain region. It’s 200km, 4 hours driving, that is the most difficult part” (P02).

The logistic challenge also increases the importance of a company like Junta Local that connects the small producers and bring them together to one single market place, physical or virtual. By giving the producers these spaces and having all of them together, Junta helps to attract more consumers that would not buy these products if they had to go to different places to find everything they want or to have it delivered at home at extra costs. Junta Local also decreases the workload expected from the producer by offering the online platform and street fairs. Moreover, the company helps to improve the producers’ production planning, since some orders can be previously made, with the use of the online platform Sacola Virtual as stated by P02 “just to go just to one single place and leave all the products there and not having to spend the whole day there is already very good”.

Most of the producers have small or no marketing investments and count on Junta’s social media marketing, their presence in the street fairs and mouth to mouth marketing to perform their external communication. Some of the producers recognize the need of investing more in marketing actions, however they face problems such as lack of capacities, time and money.

The type of products these producers choose to work with is influenced by what kind of resources they already have available, by their personal and family story and by the people they know. Small businesses are often born that way, where the entrepreneur do not seek for or cannot find investment, but rather invest only the small amount of resources she has. Being it time, money and physical and personal resources.

His mother's farm is a cattle ranch, and we are incurable carnivores and very anti the meat industry. Thus, we started to work with pigs because, in the Brazilian meat industry, pigs are the symbol of the worst you can have (P03).

With the previous quote it is possible to see some values (animal welfare and good quality products) being connected with the physical resources available (mother's ranch) to create the small business. Several of the businesses started without a business plan, but with an idea of how to take advantage of what they had in hands to put into practice what they believed to be a fair business. On the other hand, as the businesses took form, the scarcity of other resources appeared as additional challenges.

The producers' need to perform several different activities during the life of their businesses is ambiguous because it both makes it difficult to grow the business due to lack of time and capabilities, and brings the producers closer to their products, what is appreciated by the consumers. As stated by C01 "I see a respect for the product, you understand? So they're not just selling you something, they're feeding you, it's something they believe in." Thus, human capital is of great importance in the businesses since they count on a small number of workers, what makes the information flow easier and the values less diluted.

4.6 Relational and Cultural Characteristics

The Table 5 shows the codes that are part of the Relational and Cultural characteristics macrocode, with one chosen representative quote for each one of them.

Table 5 - Relational and Cultural Characteristics Codes

Code	# Doc	# Codes	Quotes
Cultural elements			
Niche	3	3	"How far we are a ghetto, right? A very select group, because if you take my Instagram account, for example, from the project, where I follow other producers, it seems that you are in wonderland, right? Then you leave the cell phone and go to the market, go to a friend's house, go to your father's house, you see that it is really a ghetto." (P03)
International experience	6	12	"I did a 4 month exchange in Montreal in 2008 and there I started to see how naturalized it was in people, it was not something that was one

			store using it to fetishize their products, Fair Trade was naturalized among the people." (J01)
Cultural maintenance	9	20	"We always try to get the idea of work from the community area, to have regular meetings with the producers to follow up on feedback and such." (J01)
Relational characteristics			
Producers' relationships	7	23	"Who stays with Junta Local and continues in the fairs and Sacola shares the same values. So, who does not share the same values, stays a while and then disappears. I think people are attracted. So there is a collaboration." (P04)
Relationship with consumers	10	34	"Most of the audience that comes, comes with a big interest in the story you have to tell. People come curious, they come open." (P03)
Social Interaction	10	23	"But we' exchange a lot out of Junta Local, you know? It's a group of very dear friends, who comes here in my home. We got very close thanks to Junta Local." (P02)
Trust	4	13	"In the participation of the fair or Sacola, it was 15% of sales, in pure trust. No one controls anything. It's all trust." (P01)
Mistrust	3	6	"There are a lot of bureaucracy, all nonsense. It's that story, you create the problem to sell the solution. This is the philosophy of government." (P01)

The use of personal relations and social interaction in the context of this research starts in the beginning of the businesses since the entrepreneurs count on the help of friends and family to do it. Moreover, several of the producers got in contact with Junta Local through the influence of people that were part of their social circles. Junta Local itself also started with strong social capital dependence, as stated by J01 "the idea was being planted and I was beginning to sketch what would become in my head what I wanted as Junta Local. That actually only happened in synergy when I met the other founders".

One of the biggest advantages of being part of the Junta Local network is to be connected to one hundred other producers that potentially believe on the same values and have similar difficulties. The producers' relationships created in this context induce collaboration among them, what can be beneficial for all the parts of the network in short and long terms. In fact, all interviewees claimed there are activities they help each other to perform, including the creation of new products, as a combination of different producers' work. These relations can also go outside the business sphere and become friendships.

Due to the close connection the producers have with their values, they do not work in the same way as the mainstream businesses do in the market. Additionally, the relationship with the consumers that are used to go to Junta local street fairs is not the same either. Consumers can also use the fairs as a social place to meet other consumers or even to talk to the producers and exchange information, creating new types of social relations. On the one hand, this relation can create a pleasant environment and attract more people, on the other hand, not all the producers feel they can gain visibility and increase their sales using this strategy, due to the big list of types of products being offered. P02 talks about selling vegetables in "we are in this change because we have always been present at the fair, we enjoy going and finding the other producers, but it has not been worth much anymore".

Another aspect that showed influence in the founders and producers ideas was some level of international experience. Several of the interviewees traveled or lived abroad for different periods and went back to Brazil with a taste of a different culture concerning food, inducing the creation of businesses' ideas. J01 said:

I had a four months exchange in Montreal in 2008 and there I started seeing it was natural. It was not something used as a fetish by the companies, Fair Trade products were naturalized among people. In the University's coffee shop, there were seven thermal bottles with labels 'KENYAN COFFEE – FAIR TRADE, GUATEMALAN COFFEE – FAIR TRADE...', it was part of their daily life.

The hybrid organization governance uses some cultural maintenance and communication tools in order to contact the producers, keep them together and keep the information flow running. The company make use of digital weekly reports, working groups' discussions, values' handbooks created by the producers themselves and periodical opened general meetings, where each sector of Junta Local administrative functions presents their

results and strategies for the future and the producers ask questions and give their opinions. This periodical meeting seems to be the most important cultural maintenance activity because it gives attention and voice to the producers as an official ritual.

Furthermore, at least one of the founders and the team are always present in the street markets and can communicate with producers there. This open flow of information and cultural maintenance activities lead to relationships based on trust among producers and producers and founders, in opposite from other relationships such as with big supermarket chains or governments.

5. Discussion

This case study shows that common social values, ideologies and personal connections with other people and with food, together with economic actions - such as available resources and producers' experiences - have the potential to create short food supply networks. SFSNs will make use of relational and cultural characteristics influenced by their values and by the network in which they belong. However, these businesses tend to face several challenges and market pressures, being small businesses, what makes it hard to be sustainable. The case study shows the importance of Junta Local's role in this scenario, as the company connects the businesses together and helps to create cultural embeddedness in the network.

In this section, four of the nine propositions of the work of Wu and Pullman (2015) will be confirmed in the light of a short food supply network, and new aspects will be explored.

5.1 Values and Ideologies Embedded in a Short Food Supply Network

The case shows that the values and ideologies shared among members of Junta Local have become an intrinsic part of their lives, driving changes in different aspects and levels. Some have changed their carriers, their place of living and their life style. Moreover, ideologies are the base of the justification for the creation of Junta Local by its founders, as the long-term goal is to create more value for producers and change how the whole food industry functions in Brazil.

Shared values, supported by Junta Local's management, work as social ties to connect the producers in one single network. The connections inside this network can be as strong as the members' involvement with the beliefs, culture and relations that define the network. As noted by Wu and Pullman (2015), adversities, being economic, such as losing a job; or ethical, such as bribery scandals involving big companies, induce the people displeased by them to

connect and to create a network. The changes in the consumption side of the agri-food network cited by Renting et al. (2003), such as different perceptions of food and farming, and bigger concerns over health and environmental issues also influence the creation of a market for alternative food networks. Additionally, Marsden et al. (2000) explains how the information sharing inside the network is the biggest addition to a short food supply network, helping consumers to understand how and why these products are made and, then, to socially connect them into the network. Thus, people that share strong social values and adversity will create a network rich in embeddedness, being producers and/or consumers in this network. The embeddedness created will strengthen the connection with the values and the culture of the network. With that, it is possible to agree with the first proposition of Wu and Pullman (2015, p.11), and to bring it into a SFSN context:

“Proposition 1a. Shared economic interests and adversity induce network members’ identification with a network culture characterized by community logic.”

Some businesses may grow and leave the network, creating spaces for new ones that need it more. This separation could happen due to producers’ new economic interests and some detachment from the original values, thus making these producers less connected with the network, or due to the difficulties in growing the business just focusing in the Junta Local selling channels. Due to the distribution limitation of the Sacola Virtual and Junta Local street markets, some producers are willing to look for more traditional selling channels to increase sales, such as shops and markets.

Becoming “too big for Junta Local” is seen as a positive temporary cycle and it is important for the businesses and to Junta Local functioning because it is part of the democratization idea, and promotes more expressive positive social impact. However, even more positive social impact could be generated if Junta Local selling and marketing channels could cope with its producers’ growth and offer wider geographic presence.

In this point, the network faces the challenge of choosing between different paths, as in a localized short food supply network the sales tend to be lower and more expensive, but more focused on quality, with less environmental impacts and more value to the beginning of the chain (DAROLT et al., 2016). Lamine et al. (2012) also presented these choices when discussing the dilemmas faced by producers and consumers in the change between the mainstream food supply network, focused on mass production and economies of scale, and short food supply networks. Moreover, one important value present in the Junta Local culture

is to be an agent of change with big and democratic impacts in the society. That way, the company needs to put some energy into becoming bigger, in order to have bigger impacts, and to be more accessible for different social classes. However, as it can be observed in the theory about short food supply networks, smaller sized companies are less impacted by commercial logics (BOSONA; GEBRESENBET, 2011) and growing the company will make culture maintenance more difficult, what could jeopardize values and weaken the cultural bonds inside the network. Finally, Marsden et al. (2000) also presents different types of supply networks' development, where spatial and demand evolutions can induce these supply networks to work with a more commercial logic. Based on the growth dilemma of a short food supply network, it is possible to bring another Wu and Pullman's proposition to a SFSN:

“Proposition 2a. Strong economic position and diverse economic interests attenuate members' identification with a network culture characterized by community logic.”

5.2 Logic and Economic Action to Achieve Positive Social Impact

In addition to values and ideologies, the three forms of capital available (social, human and physical) shape the type of business to be created and how to manage it. Analyzing the producers' stories, it is noticeable that the availability and the scarcity of these resources can lead to innovative solutions and shape alternative business ideas. Furthermore, the producers' need to work in different production and administrative departments, what challenges the development of the business due to lack of time and capabilities, as described by Haugun and Grande (2017). However, it can create human capital and stronger connections between producers and products, facilitating information sharing among producers and with consumers due to a small number of parts involved.

The delivery logistics for rural producers is one of the biggest challenges they face, also with some of the producers working as intermediaries for other producers, like Junta Local itself. These producers have an even bigger challenge facing logistics. They face market pressures to change their capacity of production, reduce costs and detach from their original values. Because of that and of lack of competencies and time, they find it hard to have full economic sustainability and to formalize their businesses. However, most of them seem to find this important to do.

The producers presented mixed opinions about expanding their businesses. This mirrors the duality of the challenge of growing to have more impact (social and/or economic) while keeping the same culture and staying connected to the original values and local connection. For

example, one of the questions some producers face is how to have a bigger national presence while having the lowest environmental impacts possible? Bike or walking deliveries become more difficult as the distance increases. Moreover, Junta Local founders find it hard to have an expansion plan for the company because increasing the team would bring more difficulties on information sharing, communication and social interaction, which are important for the maintenance of the network culture, and higher salary costs. Again, the small businesses' desire to grow, together with big companies showing some local strategies, such as selling products produced by some producers that also work with Junta Local, blurs the boundaries between conventional and alternative food networks, as discussed by Sonnino and Marsden (2005).

Also concerning economic actions, the creation of a network make some challenges easier to be dealt with. Some business activities can be better managed by the network instead of by individual small producers, such as logistics activities or even the creation of new products to attract and retain consumers. Some ideas are already put into practice by the Junta Local producers, with partnerships among them for creating products, sharing inventory space and helping each other with the resources and talents needed.

Moreover, being part of an embedded network can decrease some costs for the individual small producer, such as transportation and communication costs and selling channels costs, as also presented in Haugun & Grande (2017) work. By sharing spaces, delivery trucks, using the Junta Local platforms as communication channels and counting on one another as fast information sources and word of mouth marketing, the producers can decrease their costs and improve their profitability, becoming more efficient and closer to being sustainable. Recalling Uzzi (1997), this type of collaborative activities become faster and cheaper to be done when the parts are connected through personal links where embeddedness is present, increasing trust. Adding the work of Coleman (1988), where he affirms that a social structure in a network leads to obligations and expectations of behavior, reinforcing norms, and avoiding the need of formal contracts. So far, it is possible to agree with Wu and Pullman's proposition 1b concerning engagement in collective actions.

“Proposition 1b. *When network members have stronger cultural embeddedness, they are more willing to [...] engage in collective action.”*

Nevertheless, just being part of a network of small producers is not enough for these businesses to thrive. Most of these producers do not have education or experiences with managerial activities and this is negative to their business, despite others' willingness to help.

Going back to Santos et al. (2015) work, Junta Local, as a company focused on increasing the power of small producers in a supply network, will need to offer more than just a connection to the network. In that sense, additional actions will be needed to produce real positive impacts to producers, who are Junta Local's beneficiaries, and to society in the long turn.

The hybrid organization shows concerns about these needed additional actions, but are not yet prepared to offer so because the Junta Local team also lacks managerial knowledge and experience. However, there can be other ways to fulfill these needs, for example, with the help of third parties, being companies or people, to train the producers and the Junta Local team, or to provide consultancy and follow ups for the businesses. The main challenge here is to find resources to pay these third parties or to find good quality non-profitable organizations willing to be part of this mission. As described by Santos et al. (2015), on the one hand, these additional actions increase the costs of the hybrid organization without necessarily adding any revenues, increasing the difficult of remaining true to the social mission. Nonetheless, on the other hand, without these extra economic actions, the mission can never be fulfilled and positive impact will not be generated.

5.3 Relational and Cultural Elements in Alternative Governance

As stated before, the connection of small producers through shared values and with the help of Junta Local provokes the creation of one network strongly connected through its culture. Being this network rich in personal connections, these ties have an important role in engaging the producers to stay connected to the network and the group values. Engaged producers also feel more willing to help other producers, to understand the challenges faced by the other parts and to be more comprehensive in case of mistakes made by other producers or Junta Local.

The relationship constructed among the producers and with Junta Local through social interactions and the tools used by the governance as cultural maintenance activities, concept defined by Wu and Pullman (2015), such as general meetings and information exchange processes, are part of the institutional logics of this network. The relationships created in this context are based on trust and partnerships and, recalling the work of Uzzi (1997), personal relationships in networks with cultural embeddedness can save time and money because they lead to trust. Ultimately, it incentives the network to be a safer and more comprehensive space for small and new producers, what helps them to overcome some of the obstacles also described by Haugun & Grande (2017), such as lack of time and competencies. Therefore, this topic also

shows a relation with proposition 1b from Wu and Pullman (2015, p. 55), concerning producers compromising, and the confirmation of proposition 3a in the SFSN context:

*“**Proposition 1b.** When network members have stronger cultural embeddedness, they are more willing **to compromise** and engage in collective action.”*

*“**Proposition 3a.** Existing operations practices and relationships in a supply network contextualize and validate the cultural claims of the network.”*

The governance matter of this company is not necessarily about being totally horizontal or making all decisions together as a group, but what is most valuable is information transparency and the sense of fairness that comes from procedural justice and increasing the value of the producer in the supply network. The producers feel like they are being valued if they are asked for agreement or if they receive information about changes before these are put into action. This fairness also comes from Junta Local charging only 17% of producers' revenues, remaining 83% for costs of goods sold and producers' profit, what recognizes the importance of the producers in the supply network.

Some of the producers even recognize that some decisions are strategic and should be trusted to the board of directors and that this responsibility should not be shared among all of them. The possible horizontal governance also faces the challenge that the totality of the producers is not equally engaged in the project or do not totally understand its purposes. As said by P06: “Dealing with producers is really complicated because they are more than one hundred and some of them pay attention, some don't, some understand, some don't”.

J01 explained that in the following quote:

The general meeting works pretty well because we do not get there and say ‘we need to do that, how should we do it?’ We do not do this because, after all, we are a company. We say ‘this is happening, we will take this action, do you agree?’ It is much easier if you raise the problem and present the solution in the collective. This is the thing with horizontal management, 50 people to make one decision? The decision making process happens before and, after, we have the producers' validation.

Therefore, as long as the producers show to be satisfied by the current governance model, it can be said that they value information transparency and fairness, as procedural justice and economic recognition in the supply network, more than active participation in the decision-

making process. Ultimately, the idea of a more intense participatory role played by the producers can make the difficulty of defining the business as a cooperative, a social enterprise, or a market oriented company, even harder to overcome, which is well illustrated by P03: “Junta is both an association, a collective of producers, and a company, it has a board. Junta’s goal is to be more collective, however there are some barriers, such as the predisposition of the producers to participate”.

A more collective governance also raises the challenges of growing the company and of doing so while keeping the original values and culture of a SFSN. The bigger the company, the more decisions and strategies to make and more impact these strategic decisions will have on the company, the network and possibly on the society. A bigger company will need more employees, possibly more intermediaries and further located producers, becoming more similar to a traditional food supply network than a SFSN. Moreover, the more people responsible for making important decisions, the harder it is to reach an agreement. A more participative decision-making process will potentially represent better what the producers think they need however the challenges of this governance and the values of the company cannot be left aside.

6. Conclusions

This study offers different perspectives to the answers provided by Wu and Pullman (2015) by studying the Junta Local company, classified as a hybrid organization, concerning the influence of social relations in economic actions in a supply network. As its first theoretical implication, this research tests the theory of cultural embeddedness in the specific context of SFSN, and within an emerging economy of Brazil, by investigating its influence in the supply network of a social enterprise. Going beyond the work of Uzzi (1997), it shows how the culture of the network can help with decreasing supply costs and creating more efficient solutions for the producers, especially small and new ones, while working for economic, *and social and environmental* objectives and helping the development of the producers. Therefore, showing the role of the whole network in achieving economic, social and environmental sustainability, as proposed by Miemczyk and Johnsen (2012).

In addition, this research tests the theory of institutional logics by analyzing the relations between non-economic institutional logics and supply networks. It shows how, as a hybrid organization, the institutional logics of its network presents different aspects coming from conflicting logics, the commercial and social logics, and how their boundaries are not well

defined in a company in which the mission involves the production of social and economic values. Therefore, it completes the work of Pullman et al. (2018).

As a third theoretical implication, this research also tests the theory of short food supply networks. By correlating more attention to the producers in the food network with local and cultural connection with food, the findings show that a hybrid organization can be an option to meet these economic and social objectives. At the same time, the characteristics of a short food supply network can help with the challenge of being sustainable while focusing on the social mission of the company, as the volume of production is smaller and the chains are shorter than in a mainstream network, decreasing the risks of dilution of social values. Thus, taking one step further in the question proposed by Marsden et al. (2000) of to what extent short food supply networks can be sustained over time and space.

For managerial implications, this work shows that cultural embeddedness induces more efficient solutions because the producers work as one well connected network, sharing information, resources and experiences, instead of small and independent producers. This can be helpful for the supply network management of different companies and networks in the food industry, especially for small and medium size companies that can improve efficiency by connecting their suppliers into one socially and economically connected network. Also reducing their disadvantages against big companies and creating more opportunities for new suppliers to develop their potential to offer products with a better cost/quality relation.

The research also showed how the governance of a company could induce trust and engagement among its suppliers by using some tools as cultural maintenance activities and an open flow of information between managers and suppliers. The insights concerning procedural justice and information sharing can be beneficial for all types of companies, as a way to increase engagement and performance from suppliers and employers and purchase intention and loyalty from consumers.

As the pressure on companies to offer positive social and environmental impacts increases, the mix of commercial and social logics once opposite, but now complementary, becomes a differential in a modern company's strategy. In addition, understanding the relations between these institutional logics are essential for the sustainability of the organization as a business provider of positive social impact.

This research has some limitations. First, as a single case study, it focuses on one single company that is on the market for only four years and it is still under development under several

strategic and economical aspects. Second, the time of this research is of 12 months, and a longer-term analysis could add more and different insights about the relations inside the company and governance issues. Because of that not all propositions from Wu and Pullman (2015) could be tested. It would be needed a longitudinal study to test the influences of cultural embeddedness in the development of the network, its stability and changes. There is also the possibility of bias in the interviews because the producers who were willing to participate in the research were engaged producers and others could have different opinions, insights and experiences that could change some aspects of the results.

Network culture and social values are central in all decisions made by Junta Local and its producers, and the network can benefit from the strong cultural embeddedness created as a whole. However, this efficiency could be improved with capable help from more experienced or knowledgeable people in order to combine the benefits from experience, expertise and embeddedness in the business. Therefore, a practical study aiming to help to identify the points of improvement and planning how to put them into practice in order to increase the number of beneficiaries and to create more impact without diluting its values could be a good topic for future research.

Another topic that should be deeply analyzed concerns the governance challenges of a SFSN and the pros and cons of a more horizontal or vertical organization. In this aspect, different companies could be analyzed and compared to each other. In addition, it is important to understand the best strategy to increase the social impact offered by the company in society. Is it necessary to grow the company, or would it be better to replicate its business model?

Finally, the modern dilemmas concerning the production and consumption of food, such as quality vs. price and convenience vs. health are also interest topics for future research, through a perspective focused on consumers or companies. Understanding these new potential tendencies can help companies in the food industry to better fulfil consumers' desires and build successful strategies in this competitive market and plan their supply network strategies accordingly.

References

ABRAS BRASIL. Os números do setor. Retrieved from: <<http://www.abrasnet.com.br/economia-e-pesquisa/ranking-abras/os-numeros-do-setor/>>. Access March 22 2018.

BESKE, P.; LAND, A.; SEURING, S. Sustainable supply chain management practices and dynamic capabilities in the food industry: a critical analysis of the literature. **International Journal Production Economics**, v. 152, p. 131-143, 2004.

BLODGET, H. Busted: Walmart caught in huge bribery scandal: senior management knew about it and tried to cover it up. **Business Insider**. Retrieved from: <<http://www.businessinsider.com/walmart-bribery-scandal-2012-4>>. Access: January 27 2018.

BOSONA, T.G.; GEBRESENBET, G. Cluster building and logistics network integration of local food supply chain. **Biosystems engineering**, v. 108, p. 293-302, 2011.

COLEMAN, J.S. Social capital in the creation of human capital. **American journal of sociology**, v. 94, p. 95-120, 1988.

DAROLT, M.R. Conexão Ecológica: novas relações entre agricultores e consumidores. **IAPAR**, Londrina, Brazil, 2012.

DAROLT, M. R. et al. Alternative food networks and new producer-consumer relations in France and in Brazil. **Ambiente & Sociedade**, v. 19, n. 2, p. 1-22, 2016.

DEES, G.; ELIAS, J. The challenges of combining social and commercial enterprise. **Business Ethics Quarterly**, v. 8, p. 165-178, 1998.

DOSI, G. Technological paradigms and technological trajectories. **Research Policy**, v. 11, p. 147-162, 1982.

EMATER. **Projeto mercados institucionais PNAE e PAA**. Retrieve from: <<http://www.emater.pr.gov.br/modules/conteudo/conteudo.php?conteudo=147>>. Access March 18 2019.

FOOD AND AGRICULTURAL ORGANIZATION. **Technical platform on the measurement and reduction of food loss and waste**. Retrieved from: <<http://www.fao.org/platform-food-loss-waste/food-waste/definition/en/>>. Access March 1 2018.

GOODLEY, S. UK's top supplier of supermarket chicken fiddles food safety dates. **The Guardian**. 2017. Retrieved from: <<https://www.theguardian.com/business/2017/sep/28/uks-top-supplier-of-supermarket-chicken-fiddles-food-safety-dates>>. Access February 20 2018.

GRANOVETTER, M. Economic action and social structure: the problem of embeddedness. **American Journal of Sociology**, v. 91, n.3, p.481-510, 1985.

HAUGUN, M.; GRANDE, J. The role of marketing in local food networks. **International Journal on Food System Dynamics**, v.8, n.1, p. 1-13, 2017.

IDEC. Rota dos Orgânicos. **Revista do IDEC**, São Paulo, n. 162, p. 20-23, 2012.

JOHNSEN, T. et al. Initial classification of supply networks. **International Journal of Operations & Production Management**, v. 20, n.6, p. 675-691. doi: 10.1108/01443570010321667, 2000.

JUNTA LOCAL. **Monthly report of Junta Local**. Retrieved from: <<https://create.piktochart.com/output/27183700-boletim-janeiro-2018>>. Access February 2 2018.

KNICKEL, K. et al. Limiting and enabling factors of collective farmers' marketing initiatives: results of a comparative analysis of the situation and trends in 10 European countries. **Journal of Hunger & Environmental Nutrition**, v.3, n. 2-3, p. 247-269. Doi: 10.1080/19320240802244041, 2008.

LAMINE, C. et al. Agri-food systems and territorial development: innovations, new dynamics and changing governance mechanisms. In I. Darnhofer, D. Gibbon, and B. Dedieu (eds.), **Farming Systems Research into the 21st Century: The New Dynamic**. Dordrecht, Netherlands: Springer, p. 229-256, 2012.

LIND, E.A.; TYLER, T.R. Introduction. In Springer Science & Business Media New York (eds.), **The Social Psychology of Procedural Justice**. New York, United States: Springer, p. 1-6, 1988.

MARSDEN, T., BANKS, J., BRISTOW, G. Food Supply Chain Approaches: Exploring their Role in Rural Development. **Sociologia Ruralis**, v. 40, n 4. European Society for Rural Sociology, 2000.

MIEMCZYK, J.; JOHNSEN, T.E.; MACQUET, M. Sustainable purchasing and supply management: a structured literature review of definitions and measures at the dyad, chain and network levels. **Supply Chain Management: an International Journal**, v. 17, n.5, p.478-496, 2012.

NOVAES, D.; BOMTEMPO, C. Operação revela venda de carne vencida e moída com papelão. **Jornal Hoje, G1**. Rio de Janeiro, 2017. Retrieved from: <<http://g1.globo.com/jornal-hoje/noticia/2017/03/operacao-revela-venda-de-carne-vencida-e-moida-com-papelao.html>>. Access March 20 2018.

PAPARGYROPOULO, E. et al. The food waste hierarchy as a framework for the management of food surplus and food waste. **Journal of Cleaner Production**, v. 76, p. 106-115, 2014.

PHOENIX, C. 2017 top 100: The World's top 100 food & beverage companies, **Food Engineering**. Retrieved from: <<https://www.foodengineeringmag.com/articles/96916-top-100-the-worlds-top-100-food-beverage-companies>>. Access January 22 2018.

PULLMAN, M.; LONGONI, A.; LUZZINI, D. The roles of institutional complexity and hybridity in social impact supply chain management. **Journal of Supply Chain Management**, v. 54, n.2, p.3-20, 2018.

RENTING, H.; MARSDEN, T.K.; BANKS, J. Understanding food alternative networks: exploring the role of short food supply chains in rural development. **Environment and Planning**, v. 35, p. 393-411. doi: 10.1068/a3510, 2003.

ROWAN, C. 2016 top 100: the top 100 food & beverage companies in the world, **Food Engineering**. Retrieved from: <<https://www.foodengineeringmag.com/articles/96120-top-100-the-top-100-food-and-beverage-companies-in-the-world>>. Access January 22 2018.

SALDAÑA, J. **The coding manual for qualitative researchers**. Cornwall, Great Britain: Sage publications, 2009.

SANTOS, F.; PACHE, A.C.; BIRKHOLZ, C. Making hybrids work: aligning business models and organizational design for social enterprises. **California Management Review**, v. 57, n. 3, p. 36-58, 2015.

SONNINO, R.; MARSDEN, T. Beyond the divide: rethinking relationships between alternative and conventional food networks in Europe. **Journal of Economic Geography**, v. 6, p. 181-199, 2006.

THORNTON, P.H.; OCASIO, W. Institutional logics and the historical contingency of power in organizations: executive succession in the higher education publishing industry, 1958-1990. **American journal of sociology**, v. 105, n.3, p. 801-843, 1999.

THORNTON, P.H. Markets from culture: institutional logics and organizational decisions in higher education publishing. **Stanford University Press**, Palo Alto, CA, 2004.

TRIENEKENS, J.H. et al. Transparency in complex dynamic food supply chains. **Advanced Engineering Informatics**, v. 26, p. 55-65. doi: 10.1016/j.aei.2011.07.007, 2012.

UZZI, B. Social structure and competition in interfirm networks: the paradox of embeddedness. **Administrative Science Quarterly**, v. 42, n.1, p. 35-67, 1997.

WILHEM, M.M. Managing coopetition through horizontal supply chain relations: linking dyadic and network levels of analysis. **Journal of Operations Management**, v. 29, p. 663-676. doi:10.1016/j.jom.2011.03.003, 2011.

WU, Z.; PULLMAN, M.E. Cultural embeddedness in supply networks. **Journal of Management**, v. 37, p. 45-58, 2015.

YIN, R.K. Introduction. **Case study research: design and methods** Applied social research methods series. Thousand Oaks, United States: Sage Publications, 1984, p. 1-17.

APPENDIX A – Producers’ Interview Protocol

1. Personal data (age, sex, place of origin, former profession).
2. How and when did you start working with the production of...?
3. How was the development of it so far?
4. What is your current biggest challenge?
5. How did you become part of Junta Local? Why? What were your expectations?
6. How does it actually work?
7. How important is Junta Local to your products?
8. How important you think you and your products are to Junta Local?
9. What is your financial analysis of your participation in Junta Local? Is it economically sustainable?
10. Do you use selling and marketing channel other than the ones from Junta Local?
11. How much do you understand and support Junta Local administrative decisions?
12. What are the main differences between Junta Local and a supermarket or a shopping mall?
13. How do you and your products relate to the other producers?
14. Do you see yourself as a consumer of the products of the other Junta Local producers?
15. Do you see yourself as a part of a network? Are you connected somehow?
16. How much do you work together with the others?
17. What do you see as social rules among the producers of Junta Local?
18. How is your relationship with your consumers?
19. How does direct sales influence your production and all your work?
20. What is the role of Junta Local in the relationship between your consumers and you?

APPENDIX B – Directors' Interview Protocol

1. Personal data (age, sex, place of origin, former profession).
2. What made you create and work at Junta Local?
3. What is Junta Local's governance model?
4. How is your business model, the Modelo Ajuntativo?
5. Does Junta Local generate economic profit? Is it reinvested? How?
6. How is the relationship of the company with the producers?
7. How does the company help them?
8. How is the relationship of the company with the consumers?
9. What do you see as social rules among the producers of Junta Local?
10. What is Junta's current greatest challenge?
11. Does Junta take advantage of the direct contact between producers and consumers?
How?

APPENDIX C – Consumers' Interview Protocol

1. How would you explain what you know about Junta Local to someone that does not know the company?
2. How is Junta Local different from a supermarket?
3. Do you remember your first contact with Junta Local? How was it?
4. Why did it called for your attention?
5. How often do you go to the street fairs of Junta Local?
6. Would you like to go more often? Or what makes you go that much?
7. Have you ever bought through Sacola Virtual? Why or why not?
8. Which one of them attracts you the most?
9. Are there any values or culture that make you relate to the company?
10. Which of those are more important to you?
11. Do you try to live these values through other aspects of your life?
12. How is your relationship with the producers of Junta Local?
13. Do these values make you relate to the producers?
14. How does your direct contact with the producers influence your choice and consumption of the products?
15. How do you see the relation quality vs. price of the products found in Junta Local's channels?
16. How do you see Junta Local's role in your contact with these producers?
17. Do you use contact or buying channels other than the ones from Junta Local to have contact with these producers?
18. Do you feel encouraged to do so? How?
19. Can you describe Junta Local's consumers? Do you believe it is for everybody?
20. In what aspects would a supermarket be better for you than Junta Local?