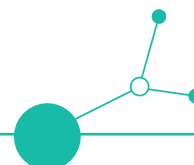


BEST PRACTICES AND LOGISTICS SOLUTIONS OF AFNs IN SLOVENIA

Short report summary





Food4CE

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AUTHORING

Deliverable Contributors		
Type of author	Name and surname	Organisation (short name as in AF)
Main author	Hartmann Gerda	ECON
Contributor	Kocuvan Danijela	RRAPM
Contributor	Marksel Maršenka	UM
Contributor	Bianchi Elisa	OpenENLoCC

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1. Executive summary

This report analyses **seven best practice cases** and **logistics solutions** within Alternative Food Networks (AFNs) in Slovenia, with a focus on key aspects, such as **sustainability**, **digitalization**, **transparency**, **local focus**, and **advanced logistics**. The analysis was carried out with the help of an Excel tool, which was also developed as part of the Food4CE project.

Alternative Food Networks (AFNs) play a crucial role in connecting local food producers, consumers, and key stakeholders, such as resellers and logistics providers, serving as driving forces behind Short Food Supply Chains (SFSCs). Among these, certain best practice cases stand out in terms of their innovative approaches and significant impact. These pioneering AFNs set new standards and have often developed exemplary logistics solutions—encompassing processes, technologies, use cases, and business models—that can be adopted by other AFNs, either directly or in an adapted form. These solutions focus on **critical areas**, such as **warehousing**, **transportation**, **logistics processes**, and **IT applications in logistics**. By sharing and disseminating these best practices, pioneering AFNs inspire others to explore new or alternative approaches, while helping them develop tailored solutions to their specific logistics challenges.

The findings indicate that **Slovenian AFNs stand out in fostering local connections, demonstrating a strong commitment to regional food systems and community engagement**. Slovenian AFNs demonstrate **strong local focus**, with widespread local sourcing and close ties to regional organisations, reinforcing food systems and social empowerment. **Sustainability** is another key strength, particularly in organic farming, seasonality, and efforts to reduce carbon emissions through localized supply chains, sustainable packaging, and eco-friendly logistics like bike deliveries. **Transparency** is well-supported through certifications, supplier audits, and direct communication, though advanced traceability tools are less common. Community engagement further strengthens trust, with initiatives like facility tours, loyalty programmes, and on-site shops allowing consumers to connect directly with producers.

However, despite these strengths, **significant gaps remain in digitalisation and advanced logistics**. Slovenian AFNs face **significant challenges in advanced logistics**, particularly in optimising delivery systems, storage, and overall supply chain management, with smaller networks struggling due to limited infrastructure and resources. **Digitalisation is another area needing improvement**, as while user-friendly websites exist, many networks lack integrated digital tools for order management, logistics, and tracking. Addressing these issues is crucial for enhancing operational efficiency and ensuring the scalability of these networks.

About the Food4CE project

Food4CE is a European project funded by the INTERREG Central Europe Programme, aimed at supporting Alternative Food Networks (AFNs) in their efforts to create sustainable and resilient food supply systems. Within Food4CE, 5 local and 1 Transnational Innovation Hub (IH) will be established and will focus on advancing AFNs logistics efficiency through the development of innovative tools and solutions. Two innovative tools, the Knowledge Transfer Platform (KTP) and the Matchmaking Platform (MP) will be developed within the project. The former is intended for sharing logistics best practices and solutions, while the latter is intended for creating new B2B logistics solutions and services. These tools will facilitate knowledge exchange across regions, creating a strong support network for AFNs in Central Europe.

Food4CE will also provide jointly developed regional action plans for each participating region and transnational (CE) policy guidelines for AFN support. The project aims to establish a sustainable and lasting AFN support mechanism, which will continue working even after the project end. By integrating local and transnational Innovation Hubs with cutting-edge tools and strategies, the project seeks to establish a long-term support framework that will continue to drive collaboration and innovation beyond its completion.



2. Tool for best practice assessment

The best practice assessment was carried out using a **specialized tool for mapping best practices and logistics solutions** developed within the project. This tool can also serve as a self-assessment resource for AFNs and other stakeholders.

Using this tool, each potential best practice AFN was evaluated based on the extent to which it fulfils key criteria, including **advanced logistics, digitalization, local focus, sustainability, and transparency**. Each of these criteria encompasses multiple aspects:

- **Advanced logistics** refers to the efficiency and organization of logistics operations within AFNs, such as offering multiple delivery options for customers.
- **Digitalization** focuses on comprehensive information flow along the supply chain, including user-friendly shopping experiences.
- **Local focus** reflects an organization's commitment to its regional identity, demonstrated through strong ties with local institutions and stakeholders.
- **Sustainability** addresses environmental, economic, and social aspects, such as a focus on organic farming, carbon footprint reduction, and fair-trade practices.
- **Transparency** ensures trust through clear and verifiable measures, such as food certifications and quality seals.

Each AFN was evaluated using this criterion using a **0 to 5 rating scale**, where **0** indicates the best practice does not meet the criterion, **1** means it meets the criterion to a very limited extend, **2** means it partially meets the criterion, **3** signifies moderate compliance, **4** indicates that it largely meets the criterion, and **5** represents full compliance.

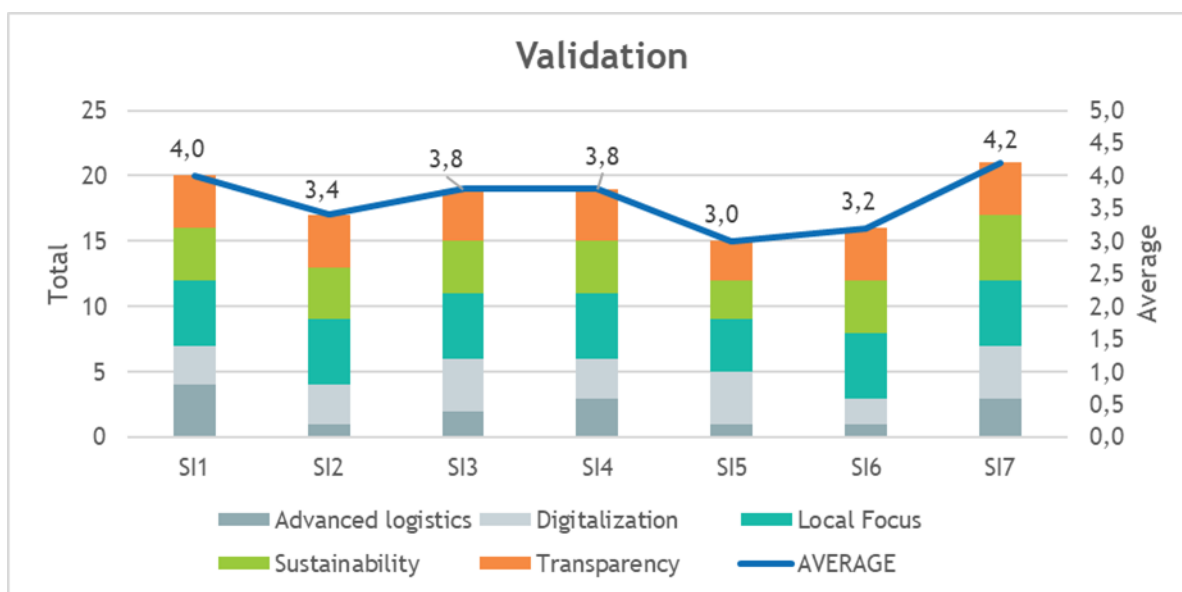
0	1	2	3	4	5
Best practice does not meet the criterion	Best practice meets the criterion to very limited extend	Best practice partially meets the criterion	Moderate compliance of best practice	Best practice largely meets the criterion	Full compliance of best practice

To provide a simplified comparison, an **average score** for each AFN was calculated and plotted as a line on the graph, showing overall performance across the different criteria. Only AFNs with an average score **higher than 3** (above the average) **qualify as best practice AFNs**.



3. Best practices and logistics solutions

Looking into overall performance of **seven best practice cases in Slovenia (SI1 - SI7)** across the different criteria we can see that **Slovenian AFNs outperform in local focus and sustainability**, reflecting their dedication to maintaining close relationships with local producers and prioritizing environmentally conscious practices. **Transparency** also emerges as a relatively strong dimension, suggesting that these networks place a high value on building trust with their consumers through traceability and open communication. However, **digitalization** and **advanced logistics** reveal lower scores for most AFNs, indicating that while the networks are deeply committed to local and sustainable practices, they face challenges in modernizing their operations.



A detailed analysis of each criteria reveals several **strengths** among Slovenian AFNs.

Local focus is well-established, with widespread adoption of local sourcing and strong connections with local organizations. This commitment fosters regional food systems and social empowerment. While fairness and community engagement are slightly less universally implemented, they remain areas of relative strength, underlining the networks' ethical foundations.

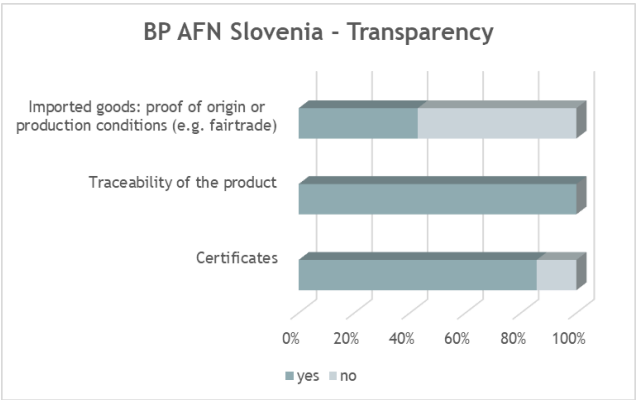
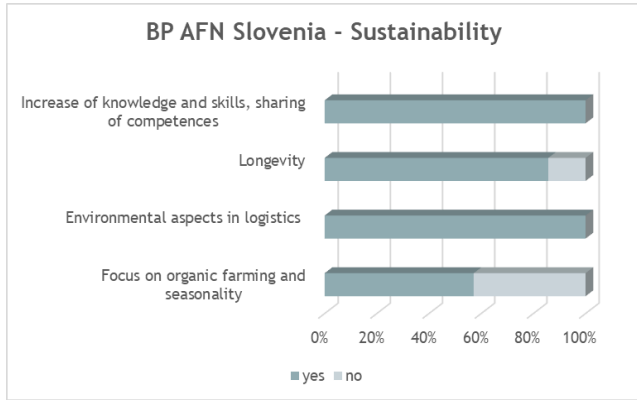
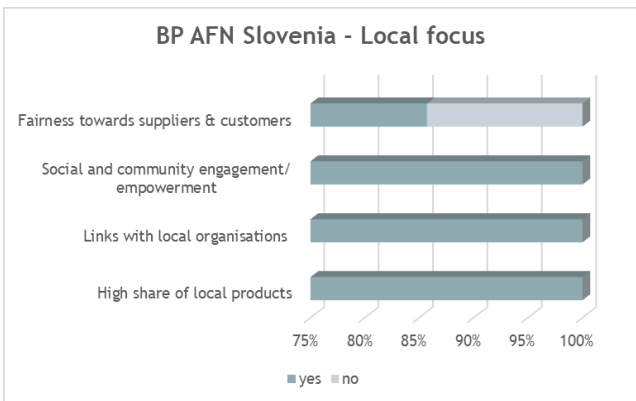
Sustainability is another area, where AFNs demonstrate robust commitment, particularly in **organic farming and seasonality**. Knowledge-sharing and eco-conscious logistics practices are also evident but require further enhancement, especially in reducing carbon emissions and ensuring that AFNs can sustain their operation over time. Reducing the carbon footprint from transport is a crucial aspect of achieving sustainability. Best practices contribute to this goal by operating within a delivery radius of 50 to 100 km. By maintaining a **localized food supply**, these networks shorten the distance food travels from farm to table, reducing their carbon footprint and enhancing the environmental sustainability of their operations. A notable strength in sustainability practices is also the consistent **use of sustainable packaging materials**, reflecting a dedication to environmentally responsible practices. Additionally, eco-friendly initiatives, such as **direct bike deliveries** further highlight their commitment to sustainable logistics.

Transparency and traceability practices vary widely among AFNs. Transparency is supported by **certifications and traceability systems**, ensuring trust in local and regional sourcing. While advanced tools like QR codes and GPS tracking are less frequently utilized, more traditional measures, such as thorough documentation, supplier audits, partnerships with trusted suppliers, and open communication with



customers are more commonly implemented. By prioritising **product quality** and maintaining **strong relationships with both producers and consumers**, Slovenian AFNs also enhance transparency in their offerings. Many AFNs actively promote **community engagement** through initiatives, such as informational events, facility tours, and loyalty programmes, further strengthening traceability and trust among stakeholders. On the other hand, some best practices also include **on-site shops at production locations**, suggesting that certain consumers appreciate the opportunity to visit these sites. This approach enhances transparency and strengthens the connection between producers and consumers. However, transparency in imported goods is less developed, indicating a gap in proof of origin and production standards for such products.

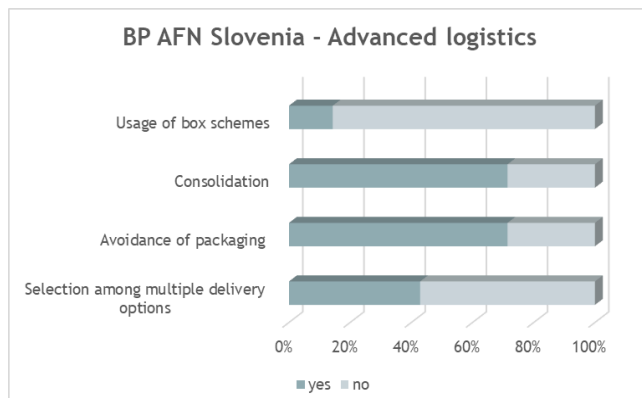
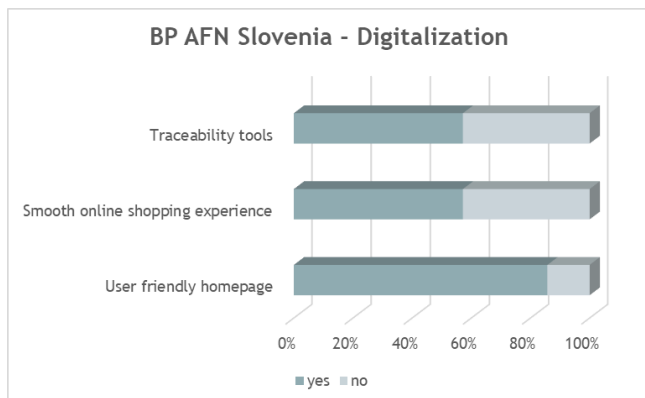
ASSESSMENT OF BEST PRACTICE CRITERIA (in detail)



On the other hand, some **areas require improvement**, with **advanced logistics** standing out as the most pressing challenge. This underscores the **urgent need to optimise delivery systems, storage, and overall supply chain management** to enhance efficiency and reduce costs. The low score reflects widespread logistical difficulties among Slovenian AFNs, particularly for smaller networks with limited infrastructure and resources. While moderate progress has been made through initiatives, such as box schemes and packaging reduction—highlighting efforts towards streamlined delivery and environmental consciousness—challenges remain. Issues such as **consolidation** and **offering multiple delivery options** continue to limit logistical flexibility and customer convenience. Operationally, most Slovenian AFNs manage their delivery processes in-house, predominantly relying on vans for transportation. While this approach ensures direct control over logistics, it also underscores limitations in capacity and scalability. Similarly, storage practices within these networks are generally basic, with smaller AFNs often constrained by minimal or makeshift storage facilities, meaning the storages are usually temporary, improvised, or not intended for long-term use.



Digitalisation, while showing more progress than advanced logistics, still requires further improvement. Moderate advancements have been made, offering **user-friendly websites** that provide detailed product information, yet many networks have not fully integrated digital tools for order management, logistics, and consumer engagement. **Digital tools** for route optimization and advanced tracking remain underutilized, indicating an opportunity for further development in transportation management and consumer-facing logistics. Addressing these challenges will require further investment to meet modern digital expectations.



4. Conclusion

High quality is a cornerstone of success for Slovenian AFNs, encompassing not just the excellence of their products but also the dedication and integrity of the producers themselves. Their commitment to **sustainability, local focus, regional responsibility, and fair working conditions** strengthens their reputation and enhances trust among consumers. This emphasis on quality extends beyond production to a holistic approach that reinforces their values and mission. It is reflected in their efforts to actively engage customers and supporters.

Transparency is a fundamental principle, achieved through various initiatives, such as informational events, facility tours, loyalty programs, and accessible feedback channels. Suppliers are integral to the success of AFNs, with partnerships often built on close personal relationships, shared codes of conduct, and adherence to established quality standards. Many AFNs emphasize traceability by explicitly naming their suppliers, fostering trust and accountability among end consumers.

Identified best practice AFNs in Slovenia demonstrate a **medium level of development**, characterised by notable **progress in sustainability, transparency, and local engagement**. Their long-standing operations have equipped them with the experience and adaptability to respond to market trends, yet their growth is hindered by limited market support. Also, high costs for sustainable transportation and energy solutions present ongoing challenges for AFNs.

To overcome these challenges, several key areas require improvement.

- **Collaboration:** These networks excel in promoting high-quality, ethical, and sustainable food systems, with commendable practices in customer engagement, transparency, and regional responsibility. However, **smaller networks often face logistical difficulties due to limited expertise and the inability to meet the volume requirements of established logistics providers**. Therefore, **collaborative partnerships among producers** could help them achieve economies of scale and enable access to a broader logistical support.



- **Digitalisation:** While digitalisation is moderately integrated with user-friendly websites and online order management systems, there is **significant potential to adopt advanced logistical and traceability technologies**, such as **route optimization and consumer-facing tracking systems**, which could greatly enhance efficiency and customer satisfaction.
- **Consolidation and more delivery options:** Logistical practices demonstrate moderate progress. Methods, such as **box schemes** and **packaging avoidance**, reflect growing efficiency and environmental consciousness, but **challenges remain in delivery consolidation and offering diverse delivery options**. These gaps limit flexibility and scalability, pointing to areas, where improvement could strengthen operations.
- **Energy efficiency and CO₂ reduction:** **Energy efficiency and CO₂ reduction remain areas of ongoing development for many AFNs**. Efforts to address these challenges are evolving, highlighting the need for continued innovation in this critical aspect of sustainability. Furthermore, improving energy efficiency and reducing CO₂ emissions will require **continued innovation and investment** to align with long-term environmental goals.

Overall, Slovenian AFNs demonstrate strong alignment with their mission of promoting high-quality, sustainable, and locally focused food systems. While their achievements in transparency, customer engagement, and sustainability are commendable, the networks face clear opportunities to enhance efficiency and scalability through advanced technologies in logistics and traceability, as well as improved energy efficiency practices.