



Case study: **D&R Organic Products**
**Trust-based direct sales at the doorstep of one
of the world's largest cities**

D&R Organic Products

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Country	Brazil
Region	São Paulo/ Southeast
Farmer	Daiana
Age	42
Gender	Female
Education	University/Postgraduate course
Experience	12 years
Specialisation	Organic farming
No. of family members	2

Region

The farm is located in the city of Cotia, in the state of São Paulo, Brazil, approximately 30 kilometres west of downtown São Paulo. Cotia belongs to the Metropolitan Region of São Paulo, also known as Greater São Paulo, one of the largest urban agglomerations in the world. Despite its proximity to the capital, the city still preserves a semi-rural character, blending urban development with extensive green areas and rural landscapes. Situated at an altitude of about 853 meters above sea level, Cotia enjoys a humid subtropical climate with two distinct seasons: warm, rainy summers and cooler, drier winters. The average annual temperature is around 20 °C, with annual rainfall between 1,400 and 1,600 millimetres. Its elevation and closeness to the Serra do Mar provide pleasantly cool nights and frequent morning mist, especially in rural zones. Once entirely covered by the Atlantic Forest (Mata Atlântica), Cotia still retains fragments of native vegetation and reforested areas, which contribute to its green landscape despite ongoing urbanization.

The urban centre of Cotia is well-developed, offering a wide range of residential neighbourhoods, schools, healthcare facilities, and commercial establishments. The city's economy is strongly linked to São Paulo's, with both urban and rural components. Main activities include services, commerce, and small- to medium-sized industries such as logistics, food processing, furniture, and construction materials. In rural areas, horticulture, ornamental plants, flowers, small-scale dairy farming, and organic agriculture – as in Daiana's farm – remain significant. With an estimated population of about 274,400 inhabitants in 2022, Cotia forms part of a metropolitan region that totals around 22.4 million people. As São Paulo is the most economically developed state in

Brazil and its capital the largest and most influential city, owning a smallholding in this region can be highly profitable, benefiting from access to a vast consumer market and the greatest purchasing power in the country.

Picture 1 – Print of Google Maps
Source: Author



*Picture 2 – Land Source around the farm
Source: Sonia Marques (local photographer)*



History of the farm

The farm was bought by Daiana's father-in-law about 40 years ago, when he and his brother, both descendants of Japanese immigrants, decided to start growing flowers not far from the city of São Paulo. Soon afterwards, he also began cultivating leafy vegetables and carrots using organic methods. He was one of the pioneers of organic farming in Brazil and was responsible for establishing the family's presence in the markets where they still sell their produce today. Both brothers passed away around two decades ago, which led Daiana's husband to move to Japan for a short period. He stayed there for two years, and upon returning to Brazil, he decided to restart farming activities together with his brother. The land they own covers approximately 1 hectare, and they also leased a neighbouring plot of about 2 hectares. However, around six years ago, her husband and brother-in-law decided to divide the entire area between them. As a result, their cultivation area currently covers 1.5 hectares – with 1 hectare leased for vegetable production and 0.5 hectare located next to their house, where they grow strawberries and herbs.

Meanwhile, Daiana also grew up in a rural area, but in the north-eastern state of Pernambuco. Her family used to grow potatoes, tomatoes, cauliflower, cabbage, and other vegetables using conventional (non-organic) methods. As soon as she finished school, she enrolled in a degree in Education and began working as a teacher. She was a permanent state schoolteacher when she got married, moved to the farm, and began

helping her husband with the farming about 12 years ago. Only in the past three years did she hand in her resignation and devote herself entirely to organic production.

Resources, Technology, and Production in the Farm

The farm's production consists of a wide range of vegetables and fruits, which together reach approximately 32,100 kg per year – around 13,100 kg of fruit, including 4,000 kg of strawberries, and about 19,000 kg of vegetables, distributed across more than 100

Organic Certification in Brazil

In Brazil, organic certification is obtained through three official systems: third-party certification (to medium and large productions), Participatory Guarantee Systems (PGS), and Social Control for Direct Sales. For smallholders like Daiana, the most relevant is the PGS, a collective model in which groups of producers share inspection responsibilities and the cost of the required external audit.

different products. In the surrounding region, most producers are not organic and usually specialise in a single crop. In contrast, Daiana's production is smaller but more diverse, allowing her to offer well-composed baskets of fresh produce to her regular customers. Whenever she lacks a particular product, she buys from her organic partners to resell at her market stall, ensuring variety and consistency in her sales throughout the year. To maintain organic certification, Daiana and her family are part of a group certification scheme for organic producers, which makes the process more affordable and practical. There are numerous requirements, and they must also pay for

external auditing to verify analyses of the soil, water, and produce. If this certification were done individually, it would cost around R\$7,000 per year (approximately €1,200), whereas within the group the cost is reduced to about R\$2,000 (around €350), making it far more viable for small-scale farmers.

The farm's main resources include a working water pump, electricity, and above all labour, without which nothing would be possible. They also rely on equipment such as a tractor for soil preparation and on Daiana's husband's knowledge, who – although not academically trained – knows exactly when to sow each crop, having been born and raised in the countryside. They have recently hired an agronomist to provide technical support, particularly with strawberries, which are highly susceptible to fungal problems and cannot be treated with chemical pesticides due to their organic status. The seeds and seedlings are produced in their own nursery before being transplanted to the field. They also use manure and organic substrate to enrich the soil, and, following the agronomist's advice, have started to apply vegetative cover to retain moisture, thereby reducing both irrigation needs and energy costs. A deep care for the land is reflected in their practice of crop rotation to preserve soil fertility. For instance, lettuce is planted first, followed by maize, which takes longer to mature and helps prevent nutrient depletion. After harvesting kale, they avoid replanting it immediately and choose crops

such as courgette (zucchini) instead. The maize straw is later reused to create a mulching layer, protecting the soil and reducing erosion. Complementing this sustainable mindset, there is also a strong commitment to reducing waste. Everything that is not sold at the market is donated to local orphanages and nursing homes, while another portion goes to composting. When there are leftovers and time allows, Daiana processes strawberries and tomatoes into jam and pulp. She would like to do the same with other products, though managing everything alone makes it difficult. She recalls, for example, a large surplus of artichokes, which she found hard to repurpose, as they are not suitable for donation to the institutions she supports.

Picture 3 - Farm's production and Daiana
Source: Farmer



One of Daiana's main challenges today is labour, both at the market and on the farm. At the market, she can hire people on a daily basis, but work starts very early – around 3 a.m. for stall assembly – and takes place on weekends, which discourages many workers. On the farm, there are currently six workers in total – three formally employed and three casual labourers who are hired on a daily basis. The formally registered employees work the full 44-hour week, receiving all labour rights, bonuses, and salaries equivalent to two minimum wages, which Daiana believes helps them feel valued and remain in their positions. The casual workers, in turn, assist mainly twice a week, supporting the most demanding activities such as planting and harvesting. According to Daiana, one of the main difficulties in managing labour is the challenge of hiring more registered

employees. She explains that many local residents who receive government benefits prefer occasional daily work rather than formal contracts, as registration would make them ineligible to continue receiving such aid. From her perspective, this situation limits the availability of stable manpower and creates dependence on temporary workers.

The division of labour on the farm is clearly organised. Her husband is responsible for sowing, crop planning, and soil preparation, while the workers handle planting, maintenance, and harvesting. Daiana and her husband both assist in the days leading up to the markets, when they prepare the produce for sale – she sorts tomatoes, separates herbs, and arranges the goods. Each day of the week has a main focus, whether sowing, planting, harvesting, marketing, or general maintenance. Beyond her work on the farm, Daiana also takes care of household responsibilities, meal preparation, and their young daughter, whom she accompanies to school and extracurricular activities. She says that she has worked seven days a week without holidays or breaks since leaving her previous job, as she perceives that the limited availability of consistent labour prevents her from taking time off. The only week of rest throughout the year is between Christmas and New Year, when the markets close for the holidays.

Reasons and specific way the farm engages in the Short Food Supply Chain

The choice to operate within the Short Food Supply Chain (SFSC) combines inherited tradition and deliberate strategy. The direct-sale model was first established by Daiana's father-in-law and, after she and her husband took over the smallholding, they decided to continue it consciously, recognising that the direct relationship with consumers is not only part of their family's legacy but also a core element of their value proposition. For them, this model represents more than a form of marketing – It is a way to preserve autonomy, authenticity, and the personal connection that defines their products.

From Daiana's perspective, working within the

SFSC ensures greater economic independence and control over income, as it eliminates intermediaries who often retain a significant share of profits. She also believes that not having one's own selling point can mean the economic downfall of a small producer, as she has witnessed among neighbouring families. However, this is not a universal condition. In the same region, many producers find stability through indirect channels, such as supplying organic grocery stores or participating in online cooperatives like Raízs, which aggregate and sell smallholders' products on digital platforms. For Daiana and her

Organic Markets in São Paulo

In São Paulo, organic farmers' markets are generally organised through long-standing associations and producer groups, many of which were created in the early years of the organic movement. Entry into these markets is highly regulated: available stalls are limited, priority is given to historical members, and new producers rarely gain access unless a vacancy opens within the association.

husband, though, the strength of their business lies precisely in proximity rather than scale, and in maintaining full control over how their produce reaches consumers.

Their engagement in the SFSC thus reflects a strategic affirmation of identity and authenticity. They believe that the value of their products is inseparable from the relationship of trust they build with customers – people who know who grows their food, understand the production process, and appreciate the transparency and care involved. This human dimension, centred on reciprocity and personal connection, defines their

Raízs and other organic platforms

Raízs is a Brazilian online platform that connects small organic producers to urban consumers through a digital marketplace. Operating with direct partnerships, the platform organises logistics, quality control, and home delivery, allowing farmers to sell their products without needing their own distribution networks. Although Raízs is the most well-known initiative of this type, other platforms with similar approaches exist in Brazil – such as Organic Box, Instituto Chão, and regional delivery cooperatives – that likewise aim to expand the market reach of small organic farmers through online sales and centralised logistics.

business philosophy and differentiates D&R Organic Products from other suppliers in the metropolitan area of São Paulo.

To sustain this approach, the couple sells their produce in three organic markets per week in São Paulo, held on Saturdays, Sundays, and Tuesdays, in different parts of the city – two located in public parks and one organised on a designated street that becomes a market area once a week – with the closest one about 45 kilometres from their farm and the farthest around 60 kilometres away. Among these, the Água Branca Market stands out as the oldest and most traditional, recognised as one of the pioneers of the organic

movement in the city. They manage all sales personally, travelling from Cotia to São Paulo and meeting temporary workers – based in the city – directly at the markets. In addition to these direct sales, they also began offering home delivery during the COVID-19 pandemic, when this channel became essential for maintaining sales. The system they developed seeks to replicate the personalised experience of market purchases: customers order their boxes through direct contact or social media, select the items they want according to the week's harvest availability, and make payment after receiving and checking the products. On the same days they travel to the city, they prepare the produce boxes and hand them to delivery drivers. Two of these drivers work with them regularly, while others are hired through ride-hailing apps such as Uber, depending on demand.

This arrangement, although seemingly informal, reflects a conscious strategy consistent with the farm's value proposition. By opting to use Uber drivers rather than outsourcing to a dedicated logistics company, the couple preserves autonomy and direct control over

the delivery process. This choice ensures that the produce continues to be perceived as part of their brand – D&R Organic Products – and not as anonymous organic goods handled by an external distributor. The preference for flexibility and personal oversight over higher profit margins illustrates the farm's commitment to maintaining authenticity, transparency, and close relationships with customers, which are fundamental elements of its participation in the Short Food Supply Chain.

Among the 21 producers who are part of the same organic certification group, only eight sell directly to consumers, while the majority depend on intermediaries. According to Daiana, most of these producers do not have fixed selling points, and she has seen many families give up farming for this reason. The organic market structure in São Paulo was established long ago, and entry into these spaces is limited, as most associations are closed networks occupied by long-standing families. From Daiana's perspective, the organic market is not only more restricted but also more controlled, with relatively stable prices and strong family-based cooperation among producers.

Daiana also observed that during the pandemic the demand for healthy and organic food grew considerably, but later declined. One of her current challenges is communication and outreach: although she hires someone to manage her Instagram page, she struggles to produce the photos and videos required to promote the farm. Her goal is to attract local consumers from the surrounding area, as most of her customers are still in São Paulo. She notes that her once-rural neighbourhood is becoming increasingly urbanised, as former farmlands are being subdivided into residential and industrial plots. Many new residents – often families who moved from the city – continue buying organic food in São Paulo, unaware that it is produced nearby.

She recalls occasions when neighbours knocked on her gate asking to buy directly from her. Although she tried to accommodate them, her farm is not structured as a selling point, and she lacks the workforce to manage on-site harvesting and immediate delivery. Daiana dreams of opening the farm to visitors, hosting events and educational activities similar to those she organised during her years as a teacher, when she introduced children to seeds, seedlings, and the process of harvesting. However, the persistent labour shortage makes it difficult to realise such plans.

Picture 4 – Market stall in São Paulo's Organic Markets
Source: Farmer



Figure 1 – Business model Canvas
Source: Author

Key Partners Local farmer's association Organic certification body Go Green Distribution Company Beltrame Natural Agricultural Inputs Supplier	Key Activities Organic production of fruits and vegetables Customer engagement in both market and online sales fostered by personalised service Farm promotion Key Resources Physical resources of the farm Human resources (family labour and external employees) A tractor and its implements, water pump, seeds, manure, and soil substrate The farmer's expertise Financial resources	Value Propositions D&R Organic Products offers high-quality organic vegetables and fruits produced sustainably and sold directly to customers with a personalised approach.	Customer Relationships Farmer does not create a specific sales strategy for each customer segment Direct contact at the markets or the website and social media Channels Direct sales: at the weekly farmer's markets (60%); home delivery of produce boxes (40%). Communication with costumers: Direct contact between the costumer and the farmer at the markets Social networks (Instagram) Website	Customer Segments Families from São Paulo that are worried health eating (100%) Upper-middle-income consumers (60%) Middle-income pensioners (20%) Middle-income wage earners (20%)
Cost Structure Cost of production of fruits and vegetables (seeds, inputs, electricity, water, external labour) Logistical costs of the markets and deliveries Cost of operating sales channels and customers relations			Revenue Streams Sales at the weekly farmer's markets (60%) Sales through home delivery of produce boxes (40%)	

Customer Segments (CS)

The Customer Segments block defines the different groups of people or organisations that a business aims to reach and serve. In this section, the farm identifies who its customers are, which groups are most important, and what specific needs each group has. Understanding customer segments enables the farm to adapt its production, distribution, and communication strategies according to the characteristics and preferences of each audience. In the case of the farm, this involves analysing who buys its organic produce, why they choose direct purchase, and how the farm can strengthen long-term relationships with these customers through proximity, trust, and personalised service.

Since customers reach the farm either through direct contact at organic markets or via its social media channels, it is relatively easy for Daiana to identify who her customers are and what their specific needs may be. According to her, they all correspond to families from São Paulo who are concerned about healthy eating. Among them, approximately 60% are upper-middle-income consumers who do not worry about prices, while the remaining 40% consist of middle-income pensioners (20%) and middle-class wage earners (20%). Both groups prioritise the consumption of organic food but remain price-sensitive, often bargaining and negotiating during their visits to the farmers' markets in search of the best deals.

Around 90% of the customers are regular clients, who consistently buy from Daiana and her husband at the weekly markets or through home delivery. Only about 10% are new customers each month, corresponding to roughly two or three new buyers per market, in addition to those who discover the farm's website through recommendations or online searches and place their orders directly through the digital platform. This stable customer base ensures a predictable demand, strengthens trust-based relationships, and supports the sustainability of direct sales within the short food supply chain.

Value Proposition (VP)

The Value Proposition concerns what makes a product – or the experience of purchasing it – different from others, and, naturally, its value for the specific customer segments the farmer works with.

D&R Organic Products offers high-quality organic vegetables and fruits, produced sustainably and sold directly to customers through a personalised approach. According to Daiana, they always prioritise the quality and visual appeal of their produce. She carefully selects the best-looking items to be sold first, not only at the markets but especially for the delivery boxes, where she strives to ensure that customers have a pleasant experience – receiving products that look as fresh and attractive as if they had chosen them personally at the market. Any product that does not meet this standard is simply not sent; as Daiana tells her employees, "If it isn't perfectly good, don't include it."

The farm's greatest value proposition lies in its personal approach. Daiana is deeply committed to knowing all her customers by name and understanding their individual preferences.

Customers, in turn, appreciate her close involvement in every stage of production – from planting on the farm to selling at the market. They value being able to ask her directly about what is being planted, why a certain product was unavailable that week, or whether it was due to weather conditions such as rain. This transparency and proximity create a strong sense of trust and authenticity, reinforcing the value of buying directly from the producer.

Channels and Customer Relationships (CH & CR)

This section explains how the farm reaches, communicates with, and maintains relationships with its customers, as well as the means through which its products are delivered. It encompasses both the communication channels that make the farm known and accessible, and the relationship strategies that ensure customer loyalty and satisfaction. Within the context of short food supply chains, these dimensions are closely interconnected: the same channels that enable sales also help to build trust, proximity, and a sense of community between producers and consumers.

Daiana and her husband rely primarily on personal contact at the farmers' markets and interaction through social media. Daiana believes that their visibility and active presence at the markets are what truly make them recognised and trusted among consumers. Although she has worked to make their social media pages more engaging, most delivery sales do not necessarily result from online promotion, but rather from loyal customers who previously bought from them at the markets. In both cases, direct communication and personal attention are central to maintaining relationships – Daiana frequently exchanges messages with clients, receives feedback, and responds to questions personally.

The sales made through delivery boxes are not fully automated, since products are priced by weight (in kilograms), whereas customers usually place their orders by the piece. Because the size of organic produce varies considerably, Daiana cannot create a fixed pricing table linking the weight of each item to its number of units. Instead, she manually weighs the produce, calculates the final prices, and sends the list to each customer for approval before dispatching the boxes. This process, although time-consuming, reinforces a relationship of transparency and trust. Payment is made only after the customer receives the box, opens it, and confirms that everything is in good condition. Such proximity and mutual confidence represent a distinctive quality of the farm's business model, as in most other cases, payment is required before delivery.

Through these personalised interactions, Daiana cultivates long-term relationships with her clients, who appreciate not only the quality of the products but also the authenticity and human connection behind them. Her main concern remains retaining existing customers and upselling rather than simply acquiring new ones. As previously mentioned, she would like to attract more customers from her own neighbourhood, but she is uncertain about how to achieve this and, due to limited time, prefers to focus on strengthening close contact with her current clients and ensuring enough product variety to keep them satisfied.

Another technique she employs is offering small gifts occasionally instead of running promotions. As she explains: "We don't make promotions because that's not our customer

segment – the ones who buy more because of a promotion. These are families of a certain size who buy the same quantity of food every week; they are not low-income consumers who purchase more when prices drop.”

Again, her efforts are focused on a personal approach. She says: “There are customers who prioritise a specific market stall and come every week, while others buy a little from each stall to help everyone. But we can say that around 50% of our regular clients buy everything just from our stall. For these ones, I save certain products – for example, when I don’t have many strawberries and I know my best customers usually buy them, I keep them for those specific clients.”

Revenue Streams (RS)

This section identifies the sources of income of the farm and explains how the producer generates revenue from the activities previously described. The structure of pricing, payment methods, and other forms of income reflects how the business captures value from its products and services. In the case of D&R farm, revenue derives primarily from the direct sale of organic vegetables and fruits through farmers’ markets and home-delivery boxes.

Currently, approximately 80% of the total income originates from direct sales at the organic markets of São Paulo, while the remaining 20% comes from home deliveries. Among the three weekly markets, the Ibirapuera Park Market is the most profitable, accounting for roughly 40% of market sales, followed by Água Branca Market with 33%, and Tatuapé Market with around 27%.

Prices are defined mainly by product type. As quality standards are consistently high – products that do not meet them are simply not sold – quality does not significantly influence pricing. Similarly, seasonality has little effect on price formation, since each product is either available or not, rather than varying in price according to quantity. Values remain the same across market and delivery channels. At the markets, customers pay in cash, via Pix (instant bank transfer), or by credit card. In the case of home deliveries, payments are made only via Pix and after customers receive and check their boxes, reinforcing a trust-based payment system that characterises the direct relationship between producer and consumer.

Among the products sold, strawberries and artichokes represent the most profitable categories during good harvest seasons, with a profit margin of approximately 65%. Leafy vegetables also yield a favourable return of around 45%, while processed products, such as strawberry jam, and fruits in general have smaller margins, averaging 20%. Products sourced from other organic producers to complement the market stall have the lowest margins, around 15%.

An additional contribution to the farm’s economic sustainability comes from its participation in the organic certification scheme group, which substantially reduces annual auditing costs. Altogether, these diversified revenue streams provide the farm with financial stability and independence.

Key Resources (KR)

In the Business Model Canvas, key resources refer to the essential assets that enable the entire business model to function. They determine how each element of the farm's structure operates and how every type of resource sustains its activities, production, and customer relationships.

The physical resources form the tangible foundation of the farm's operations. These include the land (approximately 1.5 hectares), the irrigation system, farming tools, a tractor, and the market stall infrastructure used in São Paulo. Together, these assets provide operational stability and ensure self-sufficiency in production and sales. However, physical resources alone are not sufficient to guarantee the success of the business; their true value depends on how they are combined with human and intellectual capacities.

The human resources represent the core of the farm's functioning. They consist of Daiana, her husband, their hired workers, and a consulting agronomist. Daiana's expertise in customer relations and her husband's practical know-how in organic cultivation are what shape the business and give it its distinctive character. Meanwhile, the workforce that supports daily operations is indispensable – without it, production would simply not be possible. Yet, this dependence also exposes a vulnerability: the limited availability of reliable labour restricts their production capacity and stands as one of their greatest challenges. As described in the Resources, Technology, and Production section, this is a small family-based enterprise, where most tasks are carried out by Daiana and her husband, with occasional help from his brother. Daiana manages the administrative tasks, customer communication, organisation of the markets, and delivery logistics, in addition to working at the market stalls herself. Her husband is responsible for seed production, seasonal planning, and field management, while also participating in the sales at the markets.

The intellectual resources of the farm are equally important. They include the organic certification, which validates their production methods and allows participation in certified organic markets; their reputation among consumers; and the trust and long-term relationships built with loyal customers. These intangible assets are essential to maintaining consumer confidence and justifying the premium price associated with certified organic products.

Finally, the financial resources ensure the economic sustainability of the business. The main sources of revenue come from sales at farmers' markets and home-delivery boxes, while the participation in an organic certification scheme group significantly reduces annual auditing and these mechanisms enhance the farm's financial resilience and strengthen its independence from intermediaries. Collectively, all of these resources ensure production quality, transparency, and customer trust – the three main pillars of the farm's value proposition within the short food supply chain.

Key Activities (KA)

This section defines the main activities that the farm must perform for its business model to function, generate value, and have the potential for further development. In the case of D&R Farm, the key activities are strongly shaped by the characteristics of organic farming and the

short food supply chain, in which production, sales, and customer relationships are closely interlinked.

The principal activity of the farm is the continuous production of organic vegetables, fruits, and herbs, maintained throughout the year rather than in seasonal cycles. This regularity enables a stable supply for the farmers' markets and for the weekly delivery boxes, both of which represent the main sales channels. The maintenance of organic cultivation standards is central to all production-related activities, requiring constant soil management, crop rotation, and natural pest control to ensure the sustainability and reliability of the output. These practices allow the farm to offer fresh produce that meets the expectations of quality and authenticity among its customers.

Another key activity concerns quality selection and preparation for direct sale. Since Daiana sells her products personally at the markets and also manages home deliveries, she places strong emphasis on the appearance and freshness of the produce, ensuring that only high-quality items are delivered to customers. This activity directly supports the farm's value proposition, which combines organic quality with personalised service.

Beyond the field and production processes, communication and relationship management are essential activities for maintaining the connection with consumers. Daiana actively engages with her customers during the markets and through social media, sharing information about production, harvests, and product availability. Such transparency and personal interaction strengthen trust and reinforce customer loyalty, which is a defining feature of the farm's operation.

Finally, the administrative coordination of sales, logistics, and certification represents another vital activity. This includes managing orders, preparing delivery lists, monitoring payments, and maintaining compliance with the group organic certification requirements. These tasks ensure that the business runs smoothly and in accordance with regulatory standards. However, the limited availability of reliable labour remains a structural constraint, often restricting the farm's capacity to increase production or expand its marketing efforts.

Key Partnerships (KP)

This block identifies the main partners that are essential for the proper functioning of the farm's business model. In the context of a small-scale agricultural enterprise, partnerships play a crucial role in ensuring operational efficiency, market access, and financial sustainability. For smallholders like D&R Organic Products, cooperation with other farmers and organisations becomes particularly important, as collective action can provide the necessary strength to face structural challenges and compete with larger market players.

The short food supply chain model itself supports the formation of such partnerships. By selling directly to consumers, D&R Organic Products ensures greater independence from intermediaries and avoids the risks and profit losses associated with middlemen. However, as the entire production depends on the capacity to sell directly, occasional unsold products must be either donated or redirected to composting, which in business terms represents a form of

production waste. Maintaining collaborative networks therefore helps to mitigate these risks and stabilise the business.

The farm's main partners are neighbouring organic producers, from whom Daiana and her husband purchase products that they do not currently have available, in order to guarantee variety and consistency at their market stall. This cooperation is based on trust and reciprocity, as all partners follow similar organic standards and occasionally resell one another's products. Such partnerships ensure that customers always find a complete and diverse range of produce, strengthening both sales and the collective reputation of local organic farmers.

Another key partnership is the organic certification group, which plays a central role in maintaining compliance and reducing costs. Through this cooperative system, the farm shares the expenses of soil, water, and product analysis, as well as the external auditing process. This collective certification reduces annual costs from around, making certification economically feasible for small-scale producers. Beyond cost reduction, the group functions as a network of mutual support, where members exchange experiences, share information about new regulations, and maintain a sense of community within the organic sector.

Additionally, the farm maintains a partnership with GoGreen, an organic distributor that supplies fruits sourced from outside the state of São Paulo. This partnership allows Daiana to complement her product range with items that cannot be produced locally due to climatic or spatial limitations, ensuring diversity in the products offered to her customers.

Cost Structure (CS)

This block identifies the main costs associated with the functioning of the farm and analyses their relationship with the farm's profitability and overall financial sustainability. Understanding the cost structure is particularly relevant in the case of small family farms such as D&R Organic Products, where economic management is still developing and financial control remains largely empirical rather than systematic.

At present, Daiana and her husband do not maintain a detailed accounting division between the expenses of the farm and those of the market activities and therefore cannot precisely calculate the proportion that each cost category represents. According to Daiana, they are "still learning to manage," since until four years ago they operated in the Markets only twice a week and had savings, while now, with four weekly markets (one of the three markets happens twice a week), they are in debt after taking a bank loan to expand production by building additional greenhouses and investing in infrastructure. Despite these investments, the expected return has not yet been achieved, and the farm currently operates at a loss.

The main costs of the farm include seeds, electricity, labour, and logistics, followed by the purchase of agricultural inputs. The highest expense currently corresponds to seeds and seedlings, especially the strawberry plants, which are replaced twice a year. Previously imported from Chile and Spain, these seedlings are now sourced from southern Brazil, which has slightly reduced costs but remains a significant investment. Electricity is another major expense, particularly for the rented plot, which is not yet powered by solar energy. While part

of the farm already operates with solar panels, the main cultivation area still depends on conventional electricity, leading to high monthly bills during irrigation-intensive periods. Labour represents a constant and essential cost, as the farm depends on both permanent and occasional workers. Although Daiana and her husband have managed to reduce some expenses by driving their own delivery truck instead of hiring a driver, wages and daily payments remain one of the largest components of total expenditure. Logistics and transportation costs, particularly fuel and vehicle maintenance, are also relevant, as all produce is transported by the family from Cotia to São Paulo's organic markets. Additional costs include the purchase of organic inputs, such as manure and substrate, which are bought in bulk every few months and therefore fluctuate seasonally. Occasional maintenance expenses, such as replacing damaged greenhouse plastic or repairing equipment after storms, also contribute to periodic increases in total expenditure. Overall, these costs are relatively stable throughout the year, with temporary peaks every three to four months due to the purchase of inputs or seedlings. Despite these variations, Daiana explains that the farm's profit margin remains low, as they are "still in the red," mainly due to the recent expansion and ongoing investments in production infrastructure. Improving financial management and achieving a clearer separation between production and sales costs remain essential steps for strengthening the farm's economic sustainability in the long term.

Picture 5 – Farms production
Source: Farmer



Comparative Discussion: European SFSC Cases vs. the Brazilian Case

Comparing the European case studies with the Brazilian case requires caution, as the contexts in which they operate are profoundly different. The European farms examined are situated in relatively small rural settlements, with temperate climates, distinct vegetation, and government support mechanisms that differ substantially from those found in Brazil. In contrast, D&R Organic Products is located on the metropolitan fringe of São Paulo, a megacity of more than 20 million inhabitants, where production, distribution, and consumer behaviour are shaped by an entirely different socio-economic landscape. The scale of production alone illustrates this asymmetry: while the European farms typically operate on areas of 10 hectares or more, Daiana's smallholding encompasses only around 2 hectares, with a far smaller family workforce and considerably fewer resources. Such disparities in farm size, climate, population density, family involvement, market structure, and policy incentives mean that the functioning

of Short Food Supply Chains cannot be compared directly across the two settings. Moreover, while the European cases allow for the identification of common patterns, the Brazilian context is represented by a single case, which limits generalisation and calls for an interpretive rather than strictly comparative approach.

Across the European case studies, several shared characteristics emerge that contrast with the Brazilian context of D&R Organic Products. The European farms generally operate in rural localities with comparatively low population density, where producers depend heavily on local embeddedness, regional traditions, and long-standing relationships within small communities. Their markets are oriented primarily toward nearby villages, local institutions, seasonal visitors, and regional events, creating geographically compact consumer networks. In both contexts, trust is a central pillar of direct sales, sustaining long-term relationships between producers and consumers. However, while trust in Europe is often rooted in geographical proximity and community familiarity, in Brazil it must be built and maintained across greater physical and social distances, requiring different logistical arrangements and more deliberate relationship management. By contrast, D&R Organic Products is situated on the edge of a large urban agglomeration. Its customer base is fundamentally shaped by this proximity: instead of relying on rural demand, the farm must access the high-income urban market of São Paulo, travelling weekly to markets located 45–60 km away. The scale, purchasing power, and spatial dynamics of this megacity generate a very different form of SFSC engagement, where direct sales are essential not because of community embeddedness, but because urban consumers deliberately seek personalised organic products.

A second difference lies in the motivations for adopting the SFSC model. The European farms often turned to short supply chains as a response to market pressures, such as fluctuating milk prices, instability in wholesale channels, or the need to diversify income. Their shift to direct sales is framed as a strategy to regain autonomy, increase margins, and differentiate through artisanal quality. In the case of D&R Organic Products, however, the decision to remain within the SFSC stems primarily from family tradition and later becomes a conscious strategic affirmation of their value proposition centred on trust, proximity, and personalised relationships. While European farms adopt SFSCs to preserve economic viability within rural markets, the Brazilian smallholding adopts it to preserve authenticity and relational value in a vastly different socio-spatial setting.

A further contrast emerges in the structure of sales channels. European farms tend to diversify their participation in SFSCs, combining on-farm shops, home deliveries, local events, agrotourism, and institutional partnerships. Their sales networks remain locally anchored and regionally distributed. D&R Organic Products, by contrast, depends exclusively on direct sales at urban organic markets and, since the pandemic, on home deliveries. Their use of ride-hailing services such as Uber demonstrates an adaptation to the logistical complexity of megacity contexts, allowing them to maintain brand identity and personalised contact even within delivery processes. Whereas European farms expand through multi-layered regional channels, the Brazilian smallholding must navigate a centralised, competitive metropolitan market,

where access to organic market stalls is structurally restrictive and largely based on historical membership.

Finally, the nature of community embeddedness differs significantly. European SFSC cases are deeply rooted in local social capital, drawing on neighbourly ties and regional cultural practices. Their customers are often literal neighbours, tourists, or seasonal residents. In contrast, D&R Organic Products does not rely on rural embeddedness – Its immediate surroundings are increasingly urbanised and most local residents do not buy from the farm. Its embeddedness is instead built through urban – rural relational networks, connecting the smallholding to long-term customers in São Paulo who value personalised service and trust in organic practices.

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