

Forum on Best Practices in the Agri-food Supply Chain

Discussions and thought-provoking presentations at the 4th edition of the Forum enabled participants to explore strategic business relationships, co-operation, and how producers from a range of diverse sectors and backgrounds can benefit from being partners in the value chain.

Welcome messages and introduction to the day



Pierre Bascou (DG AGRI) welcomed participants, stressing the need for transparency, cooperation and innovation throughout the food chain. Pierre observed that issues such as high inflation, and high energy prices coupled with extreme weather events, have increased pressure on the situation of farmers. He emphasised the critical role that farming plays in ensuring food security, the vitality of rural areas, and the EU way of life. Pierre also acknowledged the need for more equitable food systems that reward farmers and strengthen their role in the food chain. To this end the Commission put forward a number of [ideas](#).

Work currently being undertaken by the EC focuses on:

- Market transparency ([EU Agrifood chain observatory](#))
- Reinforcing **contractualisation** between operators and reducing unfair trading practices
- Continued **support for Producer Organisations (PO)** in order to improve the bargaining power of farmers
- Introduction of **new rules to support cross border enforcement** of the [UTP directive](#) to help strengthen the powers of national enforcement bodies and improve the exchange of information

The recent [report on the Strategic Dialogue](#) on the future of EU agriculture addresses many of these ideas, emphasising the need for better functioning of the agri-food chain and strengthening farmers' position. Pierre indicated it was too early to set timelines for policy development, but he was clear as to the critical importance of the food chain to agricultural policy.

Elena Garcia Garrido (EU CAP Network) summarised the outcomes of the three previous editions of the Best Practice Forum. **Elena, Carina Folkenson, and Bavo Verwimp** then gave an overview of EU CAP Network activities with an emphasis on supply chain work relating to innovation and evaluation. Presentations from throughout the day can be found on the event [webpage](#) for the Forum.

Event Information

Date: 9 October 2024

Location: DoubleTree by Hilton Hotel, Brussels

Organisers: CAP Implementation Contact Point (CAPI CP) and European Commission

Participants: 155 participants from 23 EU Member States, and from across the food chain, including producers, agri-cooperatives, producer organisations, retailers, consumer organisations, researchers, Local Action Groups, and policy makers.

Outcomes: The 4th edition of the Forum on Best Practices in the Agri-food Supply Chain witnessed a healthy exchange of views, ideas and experiences on the many ways that producers can increase returns through their active participation in the value chain.

Web page: [4th meeting of the Forum on Best Practices in the Agri-Food Supply Chain | EU CAP Network \(europa.eu\)](#)



Presentation: The Food Chain: Broken or Robust?

Tessa Avermaete (University of Leuven, Belgium) invited participants to consider if the food chain was broken or robust. Whilst we often tend to focus on quality, premium foods and sustainability, we also need to remember that food should be affordable. Tess acknowledged that the food chain is complex, with increased yields in recent decades having reduced hunger in many cases, whilst also bringing with it a host of other issues, such as obesity and environmental impacts. There is a need to ensure there is sufficient accessible food produced for today and for the next generation – but not so that some people eat an excess of what they need.



Tessa challenged the audience with several questions. Is it just the farmers that are the weak link in the food chain? Should we consider the other actors in what is very often a long and complex chain? Does the public understand that nearly all companies in the food chain are SMEs? Do we understand that success may not be only centred on organic, small scale, or short chains?

Co-operation has a role to play across the diversity of businesses involved in the agri-food supply chain to both make sophisticated systems work, while ensuring sustainability across the value chain. Tessa concluded by indicating that “faith, not fear” should steer our decisions, we need to act and innovate.



Group Discussions on future priorities

Participants worked in small groups to propose ideas for future Best Practice Forums and future EU CAP Network activities. These ideas centred on:

- A just green and digital transition for farming
- Consumer information, messaging and labelling
- Economic sustainability - risk strategies, demand, economic models
- Short supply chain models and policies
- Financing and access to markets

Panel Discussion: Best practices and strategies for transparent and equitable food value chains - are they a win, win win?

 **Alistair Prior (EU CAP Network)**, moderator of the event, introduced the panel: **Giovanni Missanelli (Assomela, Italy)**, **Emilio de León Ponce de León (COVAP, Spain)**, **Luisa Crisigiovanni (Euroconsumers)**, and **Vincent Thoen (Ahold Delhaize)**.



Emilio highlighted the benefits of being organised in a cooperative, which provides its farmer members with feed for their livestock, transport and slaughter of animals, raw milk collection and processing, collection of manure to produce biogas that fuels the slaughterhouse, and direct selling of dairy and meat products to retailers.

Emilio insisted on the need to devote time to looking for efficiencies in the value chain and shortening the chain with retail. Having a productive dialogue, being open minded, being transparent, and understanding each other’s perspectives were key to success.



Giovanni indicated that it was not easy to bring the members of the producer organisation (PO) together as they are all essentially competitors. Members have decided to stay together because they are more competitive and efficient as a collective. Being a collective also means risks are reduced. Being in a PO enables farmers to discuss how they can face challenges together and decide on necessary investments, for instance to provide suitable protection against climate change.

Giovanni highlighted the high level of sustainability in fruit-farming practices, with apple producers collectively agreeing the methods of production in the PO. Giovanni acknowledged that communication on their sustainability credentials could be improved.

Vincent indicated that retailers have historically worked closely with growers. In recent times retailers have tended to reduce the numbers of intermediaries, with a view to getting to know the farmers / producers better, including working closely with cooperatives. Vincent cited Delhaize strategic collaboration in the beef and pigmeat chains, including to discuss issues on market price trends.

He reminded the audience that retailers want to work with farmers in the long term to build long-standing relationships, particularly if such relationships allow fore investing in more sustainable ways of farming. Such partnerships may involve offering a financial premium for cooperation.



Vincent also highlighted the role that retailers can play whenever there is a crisis in the market, helping as much as they can to smoothen out the shocks, including providing extra support. Vincent highlighted the pressure on retailers from the consumer side on prices, as consumers often assume that retailers are the most powerful actors in the chain.

From a consumer perspective, Luisa's ambition is to allow consumers' empowerment to shape the market. For a consumer organisation, this means producing evidence to influence both policy and practice. Key issues for consumers include meat and plant-based foods production/ consumption, and environmental impacts.

Consumers are ready to go in the direction of sustainability, however they are surrounded by conflicting messages (e.g. cost, price, affordability, sustainability, health) due to which their choice for more sustainability is not easy to concretise. With increased food inflation, people (particularly those less well off) have modified their food habits to less and worse, not to less and better. In this situation, consumers are eager to know who benefits from the extra expenses in food purchases. There is a need to reflect the 'how' of food production in storytelling and labelling for consumers to better justify the price.

Panellists reflected on what policy could do to support the future development of sustainable food value chains. Suggestions included: preferential VAT to drive sustainable consumption, enabling food vouchers, CAP interventions being appropriate, proportionate, and enabling, Common Organisation of Agricultural Markets (CMO) supporting investment in climate adaptation/mitigation, CMO supporting innovative production, increased market surveillance, and investment in place-based approaches across the value chain to tackle climate change.



Presentation: Sustainable Value Chains demand an understanding of our common social future

Mark Fillingham (Senior Partner, S A Partners) argued that sustainable value chains demand an understanding of a common social future.

Mark began by outlining the **five Lean Management Principles**.

Mapping of end-to-end value streams is focused on identifying the value-added moments and levels of waste. In any initial activity it is not unusual to find that 60% of activities are wasteful in terms of time, delays, rework, and slow-moving stock, resulting in a 20% associated loss in terms of cost. In addition to waste there are also significant negative impacts due to unevenness in demand, forecasting, Material Requirements Planning (MRP), and uncertainties in decision making.



Coupled with high levels of localised overburden, quality is often compromised in the pursuit of speed.

Mark then presented four recent case studies that demonstrated the use of the Lean Management Principles in successful end-to-end supply chain interventions, that not only removed significant waste, but also and most importantly unlocked enduring value for all stakeholders. The focus of the process was in working towards a common social future that is well understood and fostering a sustainable outcome. People will always surprise you! Back them!



Parallel Group Discussions

Four groups explored how value chains can enable businesses, particularly producers, to be more profitable. Participants shared their experiences, considered how value chains can be more resilient, and exchanged ideas on how public policy could support strategic relationships across the value chain. Each group discussion was inspired by a presentation.

Santiago Campos Martínez (ASAJA/COPA-COGECA) presented the story of a family farm in the Extremadura region, as a good example of how to make farming an attractive and viable way of life.

Teresa Pérez Millán (Olive Oil Interbranch Organisation, IAOE, Spain) explained the experience on cooperation and vertical integration advantages and what it offers to the value chain.

Attila Nagy (Ministry of Agriculture, Hungary) summarised how value chains can enable businesses, particularly producers, to be more profitable.

Jan Willem van der Schans (Supply Chain Expert, The Netherlands) illustrated three successful good practices in the food chain in The Netherlands.



Feedback from Group Discussions

Garry Corbet (SA Partners), Santiago Campos Martínez (ASAJA/COPA-COGECA), Marion Picot (CEJA), and Alexis Waravka (Independent Retail Europe) provided insights from across the different group discussions. **The discussions allowed participants to share** multiple examples of successful cross-sector cooperation at different scales, including public-private sector collaborations.

Discussions also identified the following ideas to explore for future action:

- Ensure a common language when discussing innovation, coupled with a cost-effective clear pipeline for implementation, demonstrating the benefits of new technologies to end users
- Build long-term diversified relationships to ensure businesses are resilient.
- Establish improved insurance or a warning system to help producers to collectively manage the risks of climate change
- Increase consumer knowledge about what they are buying and strengthen the connections with producers
- Strengthen collaboration between stakeholders, including cooperatives and producer organisations, and other types of partnerships including Local Action Groups (LAGs)
- Adopt a collective bottom-up approach to build trust and ease the regulatory burden on farmers
- Improve risk-sharing mechanisms across the food chain
- Promote producer organisations in other sectors beyond those traditionally supported, with an emphasis on the role of cooperatives
- Adopt a long-term EU-level vision for agriculture, recognising that different sectors will require distinct and tailored tools to strengthen supply chain resilience
- Explore the creation of an EU bank for EU agriculture to help manage risks and provide financial support for the sector
- Enable farmers to take holidays and parental leave through regulation to improve work-life balance within the sector
- Place a greater emphasis on research policy to ensure it aligns with the practical needs of those within the value chain
- Ensure programming within the CAP is improved to facilitate business decision making



Next Steps and closing remarks

David Lamb (EU CAP Network) outlined future **EU CAP Network actions**, including forthcoming thematic groups centred on farming, and a thematic Seminar focusing on successful exchanges and activity in the delivery of CSPs. David highlighted the role of Networks (**EU CAP Network** and **National CAP Networks**) as relays for integrating the outputs from the Forum into Member State activities. David also stressed the importance of collective action, working together to enhance fair returns to farmers, and showcasing best practice through initiatives such as the **Agriculture and Rural Inspiration Awards (ARIA)**.



Fabien Santini (DG AGRI) closed the meeting, reflecting on this important moment for policymaking and the agri-food supply chain, and was in no doubt that exchanges such as those of the Forum should be further encouraged. Fabien then outlined five takeaways from the day:

- The issues of position of farmers in the food supply chain are complex: organic production or short supply chains will not solve them all, we have to improve the functioning of the whole value chain
- Food is emotional: values make discussions more complicated
- We need a coherent message; the upcoming agricultural vision will contribute to this
- Cooperation is a buzzword, there are challenges, but also successes, cooperation is feeding itself!
- Transparency is important, not only in economic terms, but also in terms of what lies behind the product and the label.

