NEW VALUE SYSTEMS

THE NEW APPROACH TO PRIMARY FOOD PRODUCTION AND DISTRIBUTION

FOOD 2030: CLIMATE, CIRCULARITY, INNOVATION

Social, environmental, and economic sustainability is being gradually integrated into the agri-food value chain, with a view to implement sustainable business models that can address end users' concerns about the food purchased and consumed.

SPECIFIC R&I BREAKTHROUGH TOPICS

Business models for the primary sector: These models are increasingly seeking to create positive value for a wider group of stakeholders, the environment and society, without compromising profits. Some examples are direct supply chains, added value using principles of ecology, new consumer approaches through joint sales, and distribution co-operatives.

Short food value chains: Chains where food products are identified by and traceable to a farmer, and for which the number of intermediaries between farmer and consumer are minimal. They can be face-to-face, when consumers buy a product directly from the producer/processor (eg on-farm sales, farmers' markets); sales in proximity, when products are produced and retailed in the region of production (eg food co-operatives, specialist retailers, public procurement, catering, supermarkets); or sales at distance, when products are produced outside of the region of purchase (eg PDO, PGI, internet sales, box schemes).

Microcredit and microfinance: Options enabling people to obtain small loans at reasonable interest rates, receive remittances from relatives working abroad, safeguard their savings and set up small businesses. For example, Crowdfunding aims to pool rather small amounts of capital from a large number of people, primarily through fundraising platforms, and has grown in importance as a financing tool.

Social innovation: The assembling of practices that allow agri-food businesses to collect ideas from an external environment that trigger innovation processes and increase their competitiveness, while meeting social needs. For example, the share of agri-food co-operatives in the EU is rising, as they increasingly offer employment

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opportunities and hold substantial market share in industries. Platforms for surplus food recovery and redistribution are spreading in EU countries as well.

EXPECTED IMPACT

New policies and management of the agricultural system can lead towards a new food revolution in the supply chain, and use resources for a more sustainable trade from the primary producer to the final consumer. This will remove margins gained by middle-men and provide a more balanced equity on costs of production. Such new business models have the capacity to re-socialise or re-specialise food, thus allowing consumers to make value-judgments about food. They affect food systems by generating greater employment opportunities, increasing retention of money within the local economy, increasing access to healthy, nutritious, and safe food, and encouraging farmers to adopt more ecologically sound production systems.

MARKET OPPORTUNITIES / CHALLENGES

- Crowdfunding and crowdsourcing provide opportunities for individual investors and consumers to become more directly involved in earlier stages of the food production cycle.
- Short value chains allow for a different consumer engagement where food has added value besides quality and price, such as environmental footprint, regionality or cultural heritage.
- Challenges arise in the current framework for food safety and quality regulations. Often the models followed by the new value systems have difficulties for this adaptation.
- The current distribution system, where big retail supermarkets hold most of the market, puts pressure on gross margins and the final prices that can be achieved, limiting potential consumers.

EXAMPLE REFERENCES

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ASSOCIATED TRENDS IN FIT4FOOD2030 (URL)

- Trends aligned (with URL)
- Demographic change
- Migration
- Economic globalisation
- Changes in farm structures
- Responsible consumers
- Concentration in food retail markets.
- Short food supply chains
- Chain clustering along the food supply chain

ASSOCIATED CASES IN FIT4FOOD2030 (URL)

- Kipster
- Be-Farm
- Foodmeters
- Followfish
- Parkslope Food Coop
- Slowfood Europe

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