



Agri-Food Logistics



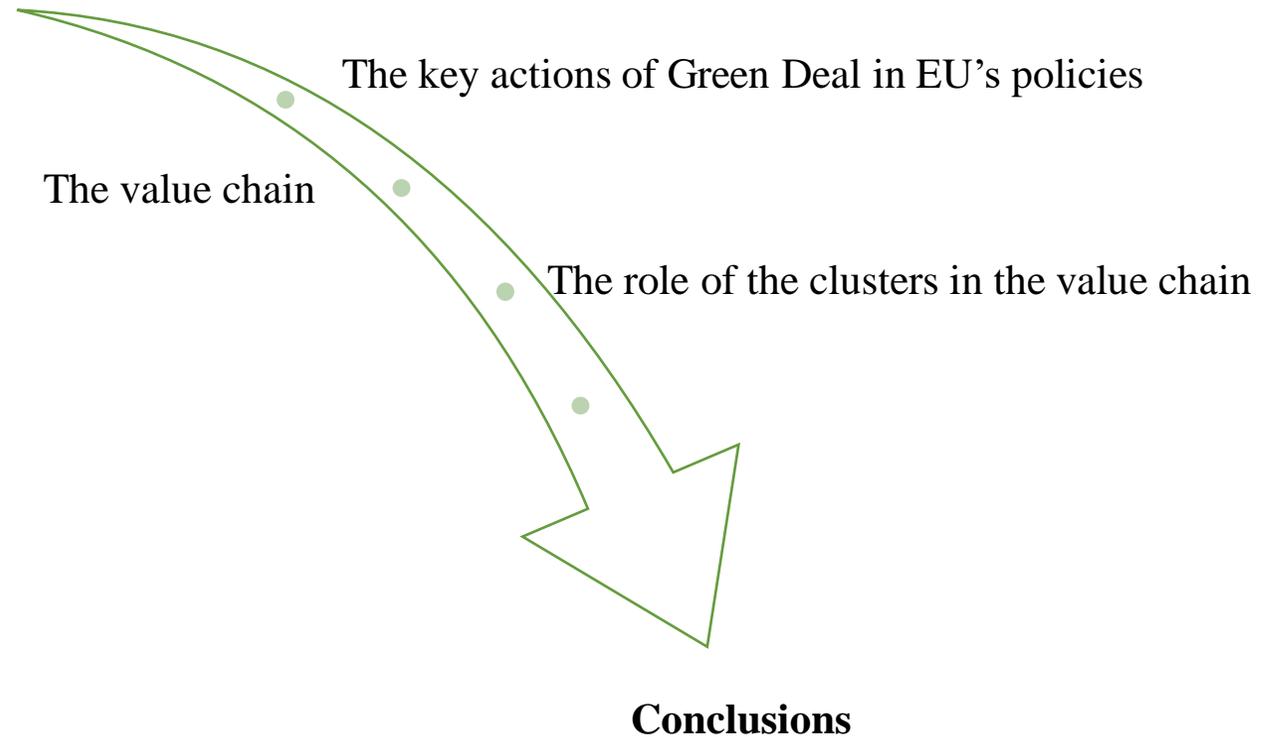
THE ROLE OF CLUSTERS IN IMPROVING THE FUNCTIONING OF THE AGRI-FOOD VALUE CHAIN

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4th International Forum on Agri-Food Logistics

‘Entrepreneurship, Innovations and Technologies for Sustainable Development of Agri-Food Supply Chains under conditions of uncertainty’

THE THEMATIC SCOPE OF THE PRESENTATION



**A European Green Deal:
Striving to be the first climate
-neutral continent**

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*Project “Enhancing capacity of universities to initiate and to participate in clusters development on innovation and sustainability principles” (UniClaD)
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THE EUROPEAN GREEN DEAL

NEW GROWTH STRATEGY

securing a fair deal and a stable economic future for farmers

setting higher ambitions for environmental and climate action

safeguarding agriculture's position at the heart of Europe's society

SPECIFIC OBJECTIVES



Ensure a fair income
for farmers



Climate change action



Support generational
renewal



Increase
competitiveness



Environmental care



Foster vibrant rural
areas



Rebalance the power
in the food chain



Preserve landscapes
and biodiversity



Protect food and
health quality

Source: https://ec.europa.eu/info/food-farming-fisheries/key-policies/common-agricultural-policy/future-cap_en

Article 6

Specific objectives

1. The achievement of the general objectives shall be pursued through the following specific objectives:

(a) support viable farm income and resilience across the Union to enhance food security;

(b) enhance market orientation and increase competitiveness, including greater focus on research, technology and digitalisation;

(c) improve the farmers' position in the value chain;

(d) contribute to climate change mitigation and adaptation, as well as sustainable energy;

(e) foster sustainable development and efficient management of natural resources such as water, soil and air;

(f) contribute to the protection of biodiversity, enhance ecosystem services and preserve habitats and landscapes;

(g) attract young farmers and facilitate business development in rural areas;

(h) promote employment, growth, social inclusion and local development in rural areas, including bio-economy and sustainable forestry;

(i) improve the response of EU agriculture to societal demands on food and health, including safe, nutritious and sustainable food, food waste, as well as animal welfare.

KEY STATEMENTS

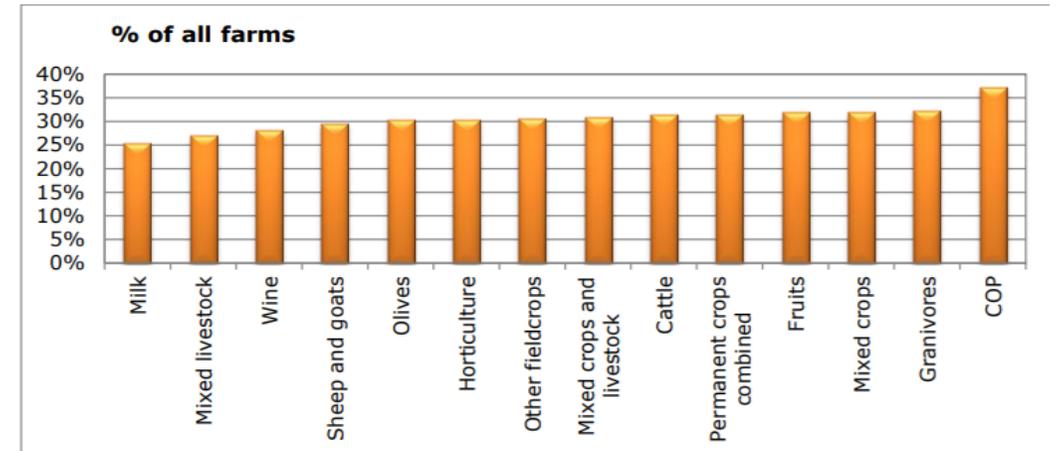
EU farm income is still significantly below the average income of the economy, despite this gap decreasing as a result of structural change driven by the outflow of labour from agriculture during the last decade.

The food supply chain plays a relevant role in the EU economy connecting sectors such as agriculture, food processing industry and the distribution (*van der Ploeg, Ventura, Milone, 2016*).

EU food supply chain is characterized by increased concentration of downstream stages and imbalanced distribution of value added.

Increasingly complex forms of coordination, integration and contracts, within and between different stages, lead to different kinds of food supply chain.

Farms with annual income drop above 30% (average of 2007-15)

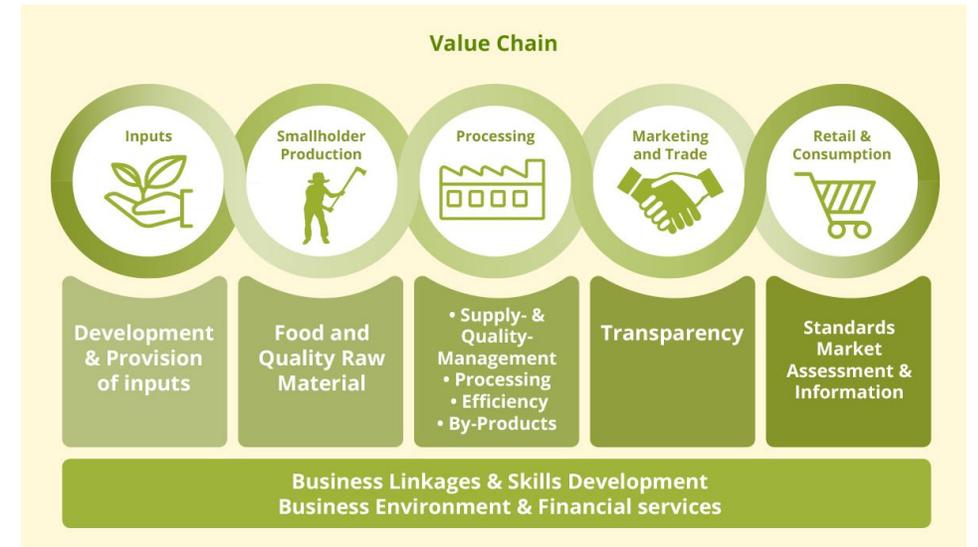


Source: DG Agriculture and Rural Development, based on FADN.

KEY STATEMENTS

It is essential

- to strengthen the position of farmers in the food supply chain,
- to ensure fair competition within the single market using fair and transparent rules that take into account the specific nature of agriculture in relations between production and other parts of the food supply chain, both upstream and downstream,
- to provide incentives to prevent risk and crises effectively, including active management tools that are able to better match supply with demand and can be deployed at sector level and by public authorities



Source: <https://www.a4sd.net/our-work>.

THE AIM OF THE RESEARCH

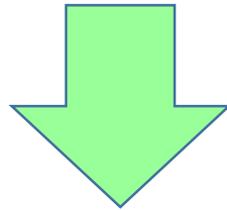
The purpose of the research was to identify:

- the legal determinants of clusters' development
- the role of clusters in improving value chain performance in the agri-food sector

DEFINITIONS

A '**value chain**' identifies the set of actors and activities that bring a basic agricultural product from the field to final consumption and add value at each stage of the production process (FAO 2005; Cattaneo 2013).

A value chain can be a vertical link or a network between various independent business organizations involving processing, packaging, storage, transport and distribution.



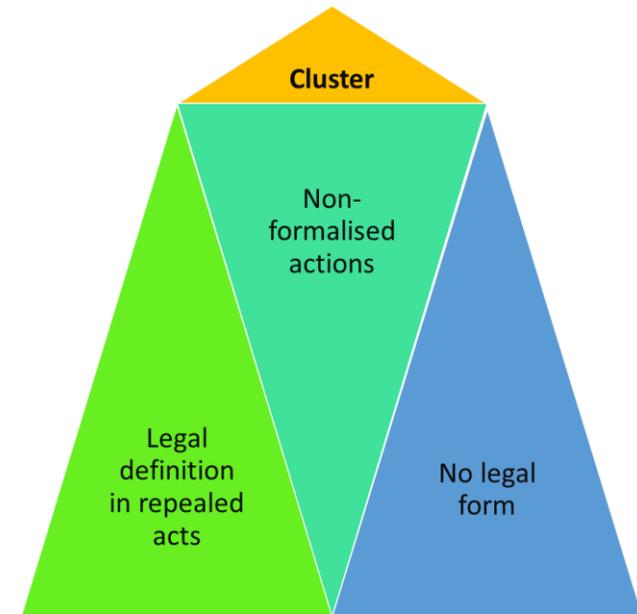
A '**cluster**' is a geographic concentration of interrelated companies, specialized suppliers, service units, companies operating in related sectors, and related institutions (universities, research units, standards and industry associations) in particular fields, competing or cooperating with each other.

§ 13. 2

A cluster is understood as a **spatial and sectoral concentration** of entities operating for the benefit of **economic development or innovation** and **at least ten entrepreneurs**, doing business in one or more neighboring voivodeships, **competing and cooperating** in the same or related industries and linked by an extensive network of **relationships of a formal and informal nature**, with **at least half** of the entities operating within the cluster **being entrepreneurs**.

Source:

Resolution of the Minister of Economy of 2 December 2006 on granting financial aid not related to operational programmes by the Polish Agency for Enterprise Development, Journal of Laws of 2006 No. 226 item 1651.



Less formalisation

No legal personality

With no legal subjectivity the cluster is not considered a taxpayer

Functions

to organise and animate the development of interactions links, knowledge flows and cooperation in the cluster

to provide specialised services to companies and other entities operating in the cluster

to represent the cluster in external relations, deals with its current administration and performs other functions necessary for the proper functioning of the cluster

Commission Regulation (EU) No 651/2014 of 17 June 2014 declaring certain categories of aid compatible with the internal market in application of Articles 107 and 108 of the Treaty Text with EEA relevance OJ L 187, 26.6.2014, p. 1-78.

‘innovation clusters’ means structures or organised groups of independent parties

(such as innovative start-ups, small, medium and large enterprises, as well as research and knowledge dissemination organisations, non-forprofit organisations and other related economic actors)

designed to stimulate innovative activity through promotion, sharing of facilities and exchange of knowledge and expertise and by contributing effectively to knowledge transfer, networking, information dissemination and collaboration among the undertakings and other organisations in the cluster

Article 68

Investments

1. Member States may grant support for investments under the conditions set out in this Article and as further specified in their CAP Strategic Plans.
2. Member States may only grant support under this type of interventions for tangible and/or intangible investments, which contribute to achieving the specific objectives set out in Article 6.

DRAFT OF NATIONAL STRATEGIC PLAN

Aims to:

- stimulate collective action among farmers through various forms of cooperation and collaboration,
- promote alternative value chains, including short food chains related to with production of high quality products,
- develop cooperation within the value chain, including through engagement of agricultural producers in the processing of agricultural products and improving its competitiveness and innovativeness,
- support the development of organized forms of trade,
- counsel, coach, cooperation with science and business leaders,
- promote solutions supporting supply contracts between farmers and processing industry,
- use of digital technologies in accessing financial services, market information and improving supply chain.

Article 68

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Investments in agricultural holdings to enhance competitiveness (financial instruments)

The eligible costs of operating aid for innovation clusters shall be the personnel and administrative costs (including overhead costs) relating to:

- (a) animation of the cluster to facilitate collaboration, information sharing and the provision or channelling of specialised and customised business support services;
- (b) marketing of the cluster to increase participation of new undertakings or organisations and to increase visibility;
- (c) management of the cluster's facilities; organisation of training programmes, workshops and conferences to support knowledge sharing and networking and transnational cooperation.

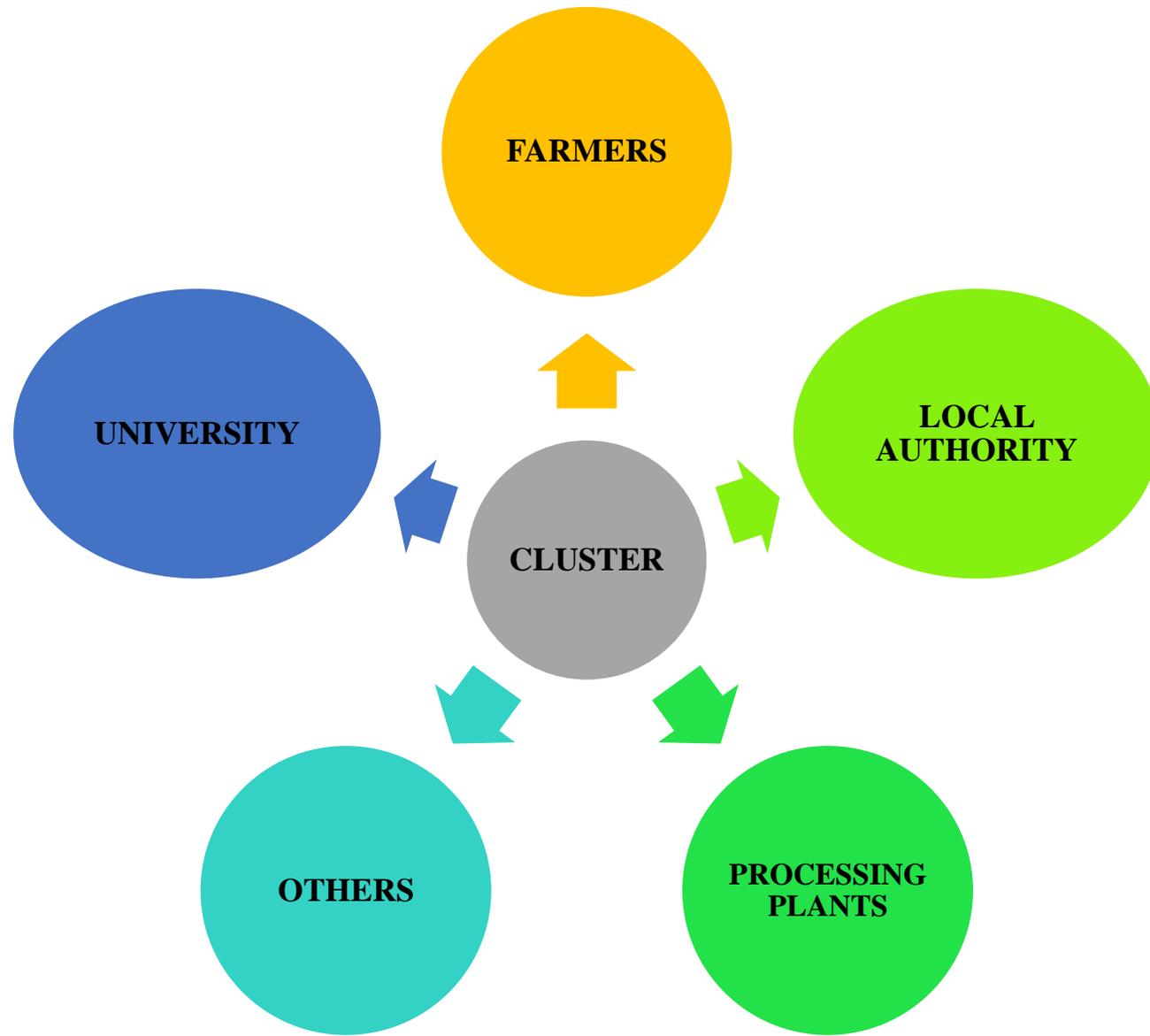




FOOD CLUSTER LESZCZYŃSKIE FLAVOURS

www.leszczynskiesmaki.pl

- A **network** enabling the production and promotion of traditional food produced in the region under a common brand
- It covers meat and cold cuts, dairy products, prepared meals, processed vegetable and fruit products and sweets
- The cluster integrates the food industry, science, business environment institutions, local authorities and establishes cooperation with foreign partners
- Leszczyńskie Centrum Biznesu Limited liability company
- Agreement on cooperation within the "Leszczyński smaki" Cluster since 2010
- No legal personality



DEFINED ADVANTAGES



INFORMATION AND COMMUNICATION

- access to industry expertise,
- access to new technologies,
- increased exchange of experience with other entrepreneurs,
- information flow establishing closer cooperation with business environment institutions and adjusting their service offer to the needs of cluster participants,
- effective influence on the environment, including educational institutions, local or regional authorities,
- joint problem solving in the food sector (quality, safety, hygiene, legal regulations).

DEFINED ADVANTAGES

COORDINATION AND COOPERATION

- establishment of contacts between potential project partners,
- easier access to new markets through promotion of the network as a whole,
- round table meetings with companies interested in cooperation,
- increased competitiveness of the company in relation to companies not participating in the network,
- strengthening the company's position on the market as a result of participation in the network,
- improved business relations with other network participants,
- know-how on trends and technologies,
- cooperation with R & D and educational institutions,
- opportunity to influence the content and quality of education in selected professions at secondary and undergraduate level,
- establishing closer cooperation with business environment institutions and adjusting their service offer to the needs of cluster participants,
- accelerated development of the company,
- lowering the costs of company operations.



DEFINED ADVANTAGES

MARKETING & PR

- organization of promotional events,
- the website of the "Leszno flavours" network,
- improving the company's image and its positioning in the local, regional and supra-regional market,
- strengthening the image of the industry,
- support for small food production companies in finding distribution partners,
- establishing cooperation with the local authorities.



PROJECT TITLE	IMPLEMENTATION PERIOD	SOURCE OF CO-FINANCING	AMOUNT OF CO-FINANCING (IN PLN)	OWN CONTRIBUTION (IN PLN)
Transfer of knowledge and technology to companies from the Leszno Food Cluster	07.05.2018 - 19.10.2018	Competition "Cooperation of IOB-BIZNES- SCIENCE" Edition 2018	55 000,00	0,00
Innovations in the Leszno Food Cluster	21.11.2017 - 11.12.2017	Competition "Cooperation of IOB-BIZNES- SCIENCE" Edition 2018	55 000,00	0,00
New and improved products of the Leszno Food Cluster	02.02.2015 - 03.04.2015	Human Capital Operational Programme 8.2 Measure	60 000,00	0,00
Voucher for cluster initiatives 2014 "New and improved products of the Leszno Food Cluster"	1.12.2014 - 15.04.2015	Human Capital Operational Programme, 8.2 Measure	60 000,00	0,00
The Leszno Flavours Cluster - promotion and cooperation for the highest quality, tradition and modern technologies in the food sector in south-western Wielkopolska	01.01.2014-31.12.2014	Wielkopolska Regional Operational Programme, 1.6 Measure	199 665,00	35 235,00
Voucher for cluster initiatives 2014 „New design and packaging for products of the Leszczyńskie Smaki cluster”	16.06.2014 - 20.10.2014	Human Capital Operational Programme, 8.2 Measure	60 000,00	0,00
Creation of "Leszno flavours" network as an opportunity to increase innovation of food sector companies in south-western Wielkopolska	01.01.2011- 31.12.2013	Wielkopolska Regional Operational Programme, 1.6 Measure	699 969,05	123 523,95
Voucher for cluster initiatives 2013 "Developing a strategy for entering the food cluster "Leszczyńskie Smaki" on the German market"	23.09.2013 – 22.11.2013	Human Capital Operational Programme 8.2 Measure	60 000,00	0,00
Participation of the representative of the Leszczynski Flavours cluster in the ANUGA 2013 fair	04-09.10.2013	Wielkopolska Regional Operational Programme, 1.5 Measure	2 795,00	1000,00
Voucher for claims initiatives 2012 "Effective distribution of products sold under the brand Leszczyńskie smaki"	21.09. – 03.12.2012	Human Capital Operational Programme, 8.2 Measure	50 000,00	0,00

GENERAL CONCLUSIONS

- The European Green Deal launches a new growth strategy for the EU and its actors
- All EU actions and policies should pull together to help the EU achieve a successful and just transition towards a sustainable future

SPECIFIC CONCLUSIONS

- The new or well organize rural value chains within the bioeconomy can benefit rural areas in terms of potential economic growth and employment
- The important role of clusters has been recognized by the legislator in the drafted CAP
- Undoubtedly, despite the regulatory looseness, clusters strengthen the value chain in the agri-food sector
- The value can be considered in terms of utility, and it manifests itself, among other things, in the concentration of competing entities in a given region, their specific specialization, as well as strengthening cooperation horizontally and vertically

Stagnation in action or has the role of the cluster already been fulfilled?



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