

European Cluster Alliance Against Coronavirus

Friday 22th May, 2020 at 8.30

[Link to registration of the session](#)

Monday 25th May, 2020 at 8.30

Working format is based on “Gilles Rules” (designed to allow everybody to speak and share, optimizing time)

[Link to registration of the session](#)

Topic of the day: **Approaching the European Industrial Ecosystems: Agri-food** **CONCEPTUAL FRAMEWORK**

Today was a brainstorming session composing an analysis of the **Disruptions in the Agri-food Ecosystem across different countries** during the period of the COVID crisis.

The main challenge, for all the companies, is try to reinvent their business in a short amount of time.

The disruptions are registering not only in the supply chain but also in the management and in the organization of the **workforce**.

In order to survive a lot of companies experiment **with e-commerce** and try to increase the **level of technology** because they need to meet the **new way of distribution** and working security.

Also, there are several problems on the market as reported by [SMART food cluster](#).

Indeed, the abroad markets are closed with the consequence of a high level of **competition on the local markets** and **high logistic costs** for the export.

It was interesting the contribution of the [Digital Innovation Hub in Lithuania](#) that helps farmers to manage the business in a more efficient way through the use of big data. **Cross-regional and cross-border innovation** have to be mandatory for the UE.

[EU Biodiversity Strategy](#)

[EU Farm to form Strategy](#)

IDENTIFICATION OF DISRUPTIONS

Logistic (SK, GR, IT)

As a consequence of borders closure, logistic for agrifood ecosystem is becoming **slower** and more **expensive**.

Commerce disruptions (SK, ES, PT, IT, LT)

- The **closure of abroad market** lead to create **bigger local competitions** and **local markets saturated**: the big producers need to export
- Local supermarkets have experienced a general **20% increase in purchases**, finding themselves unprepared
- Ecommerce is needed for local producers /sellers to stay alive, to keep the supply chain open and to have the product reach the market and not to be cut away from the market
- **Alcohol and wine sector** are experiencing a decrease in consumptions that generate different problems such as an increase stocks of unsold products and storage problems
- **Tourism disruption** has impacted the agrifood chain connected to touristic services (restaurant, bars, cafeterias...) and decrease in consumptions
- **Liquidity problems**. HORECA sector is struggling (in Spain having the same point of deliveries as the whole rest of EU together); people not working still have to pay the rent; risk for the majority is **not to reopen**, as today expectation of tourism is very low
- **Consumption problems** for season's products because of limited capacity of certain locations. Chocolates and sweets have dropped (of 40/50%)

Shortage of products using alcohol

- Plexography made with ink increased 20 % of price and it is not sustainable for packaging sector.
Source: Aaron Cabrera, Packaging Cluster, Navarra (Spain).

Shortage of critical supply of plastic material (SK)

Consumers behaviors are changing and food deliveries services are more than ever asked to local markets and this fact has

- **increased the number of plastic bags** used to satisfy consumers requests (I.e. all the food delivery new services of restaurants and food shops)
- generated **waste increasing**

Reliability and certifications (ES, IT)

People are actually scared about products **reliability** or buy products coming from big companies. Consumers prefer sourcing from local producers.

Problems about **Covid19-free certification** for food (seem being solved quiet rapidly, as the science told there are not problems, but still creating needs of more clear communication, need of a better agrofood system management).

Traceability today is still a tricky thing to implement. Traceability have to be reorganized because of the boarder problem and high level of raw materials coming from abroad.

Traditional model of just in time is not the solutions anymore: **lean manufacturing system** has to be told deeply and the stock management is becoming more and more important.

Working conditions (ES)

Workers in food processing context (I.e. slaughter houses) not having minimal protection, working in difficult condition and having minimal distances.

Lack of workers (ES, PT)

Disruption in the way with farmers access to workforce. Due to restricted measures to contain the health emergency, the producers experience lack of **food collector workers**. Some platforms emerge trying to face facilitate demand/offer as well as acceleration of technologies reducing the need about manual workforce.

Digital tool (LT)

Producers are facing different kind of difficulties showing fresh agrofood products by using digital technologies. Problem of rapidly reinventing activities and services, and difficulties for actors in helping companies on how to do business

IDENTIFICATION OF NEEDS

- **(ALL)** A more efficient way to collect food is needed
 - **(IT)** Guarantee consumer safety, reliability products and be ensure the products are not contaminated
 - **(LT)** There is the need of not stopping product traceability
 - **(ES)** Resolve the conflict between Covid19 and packaging
 - **(LT)** Find new enabling technologies for real time monitoring of tracking processes
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SOLUTIONS

- Promote European food in **export** markets
- Promote and deliver **genuine products** (also coming from countryside) by using ecommerce platforms for local market
- Complementary currencies can be used to **boost eco-food production**
- There is space for **eco labelling** production
- Supply chain management skills are good investment, for a proper management of the processing lines
- **Blockchain** technology can be used for **products tracking**, transparency and reach more information on ingredients for customers. All the system is gathering data to check that the food is good to be exported
- Incentive the use of electronic labels and **touchless systems** to avoid contaminating the products, also by using “touch free” or smart labels
- Updated **skills** in supply chain challenges
- Use Big Data and Artificial Intelligence to **improve** the performance
- Increase the use of **technology** to reduce workforces
- Increasing technology about managing the farm, working from remote

