



Final Conference Event 21/09/2021

Food Systems Dynamics

VALUMICS H2020 PROJECT - Understanding food value chain and network dynamics

Policies and governance impacting upon food value chain dynamics: some messages for the EU's Farm to Fork Strategy

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This project has received funding from the European Union's Horizon 2020 research and innovation programme under grant agreement No 727243

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Contents

1. EU Policies & Governance - concepts
2. Policy & governance impacts on Food Value Chains (FVCs)
 - ✓ Fairer Trading Practices
 - ✓ Food Integrity: Safety & Authenticity
 - ✓ Sustainability collaborations along FVCs
3. Governance of European Food Value Chains
4. Stakeholders' views
5. Relate findings to the current Farm 2 Fork Strategy: some messages

NB: Initial work on policy & governance impacts 2017-2018

= Analysing policy while it is changing and evolving e.g. Unfair Trading Practices; introduction of Green New Deal; Farm 2 Fork Strategy.

EU policies & governance

- EU Treaty-led *policy competencies* = legal authority → broader strategic policies or programmes
- *Legislation*: regulations, directives and agreements
- *Non-legislative* policy instruments = ‘*soft law*’ = *modes of governance* → Commission to seek policy influence beyond direct regulation:
 - ✓ Voluntary agreements with key stakeholders
 - ✓ Pilot activities to steer stakeholders in a policy area to change their actions → shared learning based upon evidence & ‘good practice’ generated
- *Multilevel governance* through national level laws and/or state led governance actions & at regional-local levels.

Governance modes incorporate stakeholders from the private sectors of business & industry, professions, NGOs & CSOs

Food Value Chain governance

- *Asymmetries of power & information* actors in FVC relationships e.g. buyers & sellers
→ *Unequal distribution of the value* of the final product to the different actors along the chain.
- *Investigated selected FVCs for*
 - ✓ *societal, political & policy contexts and interventions*
 - ✓ *the relationships* between actors and businesses along the value chains
 - ✓ *policy and governance dynamics* = iterative process of negotiation and compromise entailing power relationships between actors, and across governments and public agencies, private sector & civil society.

Governance of European Food Value Chains

Food Value Chains:

- Dairy cow to liquid milk: France, Britain & Germany
- Beef cattle to steak: Britain & Germany
- Farmed Salmon from Norway
- Wheat into bread in France
- Tomato to processed tomatoes in Northern Italy

Factors:

- Value chain structure & product flow
- Industry structure & concentration
- Contractual arrangements
- Price negotiations
- Trade & consumption patterns

- Different EU & state-led regulatory interventions
- Governance initiatives originating from corporate and societal actors.

FVC stakeholders want policy to go further (2018)...

- *Fairness*
 - ✓ nationally set Minimum Wage levels
 - ✓ special laws to protect seasonal or other precarious food chain workers
- *Food integrity:*
 - ✓ addressing food fraud main (food safety broadly seen to be effective)
- *Sustainability collaboration*
 - ✓ *EU Competition barriers to further progression: collusion & anti-competitive*
 - ✓ *Strong support for a combination of 'hard' & 'soft' approaches (i.e., regulations coupled with voluntary measures such as Codes of Conduct) beyond just CSR*
 - ✓ *Most agreed that actors were not taking sufficient action to measure environmental performance in their chains, &*
 - ✓ *Uncertainty over the adequacy of methodologies to measure environmental impacts - retailers were unconvinced*

Stakeholders across the selected FVCs (2018-19)

- *Views on fairness* focused on *price-setting* and the *means by which pricing decisions are made* – e.g. how **standards were interpreted** and priced by processors and/or retailers
- Rarely mentioned generic contract criteria in UTP Directive
- *Subjectivity* in the views of stakeholders over issues such as price negotiations that must be considered when assessing fairness in value chains.
- *Differences* according to sector and *sub sector*: e.g. Beef from Salmon etc.

Farm 2 Fork Strategy – some messages from our research -1

Fairer trading practices & the work force

- F2F Strategy *“to ensure that the key principles enshrined in the European Pillar of Social Rights are respected, especially when it comes to precarious, seasonal and undeclared workers”*.

BUT

- *Means* by which these aims will be delivered will demand detailed attention from European law-makers e.g.
 - ✓ Numerous existing national derogations in existing EU “soft law” initiatives
 - ✓ Proposed amendments to the CAP would make subsidies conditional upon farmers’ upholding working & employment standards → proving to be controversial with farming stakeholders

Farm 2 Fork Strategy → some messages - 2

Food Integrity

- **Food fraud** → Strategy's aims include scaling up and strengthening "*the powers of control and enforcement authorities*" with stricter "*dissuasive measures*", and better import controls, and to "*examine the possibility to strengthen coordination and investigative capacities of the European Anti-Fraud Office (OLAF)*" .
- Will still need *adequate investment and budgets for national enforcement authorities from member states*, as well as careful monitoring from the Commission in order to be successful

Farm 2 Fork Strategy → some messages - 3

- **Sustainability Collaboration**
- *F2F strategy - clarification of competition rules* for collective initiatives that promote sustainability
→ DG Competition's call for how competition policies can support the Green New Deal
- *Needs a public interest goal?*
- *F2F Strategy* proposes:
 - ✓ sustainable labelling framework covering nutritional, climate, environmental & social aspects of food products.
 - ✓ EU Code of Conduct for Responsible Business & Marketing Practice, accompanied by a monitoring framework.

BUT

- Requires coordinated & transparent *measurement & monitoring*
- Specific policy for the *costing the negative externalities* into the *pricing* of the food and drink products

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European Union's Horizon 2020 research and
innovation programme under grant agreement
No 727243

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