

A2.4 Policy goal: Viable and socially balanced EU agri-food business

The EU food system is built on a great number of highly diversified agri-food businesses of **different sizes** working **from local to regional to global scales**.

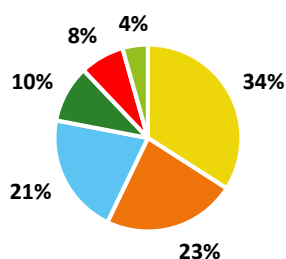
A viable agri-food business is a CAP objective as well, directly linked to the Commission general objective 1 “A new boost for jobs, growth and investment” as a large number of jobs in agriculture, food processing, food retail and food services depend on it. A key tool for reaching it is the fostering of a balanced territorial development that includes rural areas where most farmers live. From a social point of view, however, growth induced by increasing the long-term productivity can gradually lead to rural job losses in the agri-food sector, thus risking making it less socially balanced.

Subgoals

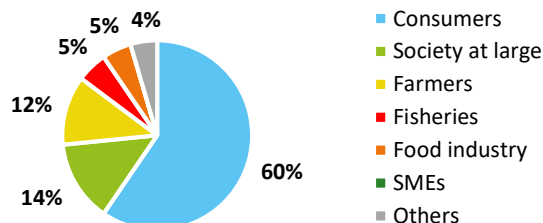
- ❖ **Competitiveness** (79%), defined as the ability of a firm, sector or nation to offer products and services that meet the quality standards of local and world markets, at prices that are competitive in relation to the offers of other firms or nations (EC, 2016).
- ❖ **Market regulation** (21%), in particular European directives regarding import/export arrangements, licenses, tariff quotas, specific market standards, common catalogues and related requirements for food products.

Proportion of mapped agri-food business policies by ULTIMATE BENEFICIARY

'Viable and socially balanced EU agri-food business' goal



All goals



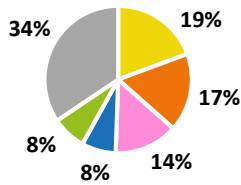
The majority of the mapped agri-food business policies addresses **farmers** (34%), followed by the **food industry** (23%).

Half of the economic turnover and value added and $\frac{2}{3}$ of the employment opportunities in the agri-food sector are generated by **SMEs** (FoodDrinkEurope, 2018).

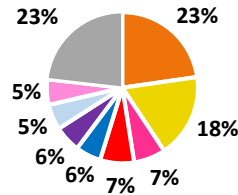
*Should they benefit more from agri-food policies to increase their **competitiveness**?*

Proportion of mapped agri-food business policies by PRIMARY TARGET

'Viable and socially balanced EU agri-food business' goal



All goals



- Food industry
- Farmers
- Import/export companies
- School food services
- Research sector
- Public authorities
- Fisheries
- Industry-based research
- Farmers & Food industry
- Others

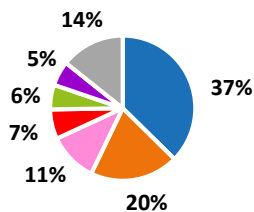
In comparison the all-goals level (6%), here the **research sector** plays a prominent role in enhancing the viability of the EU agri-food business (21%). However, the most relevant policy targets remain those who are simultaneously benefitting from the policies in question: **farmers** and the **food industry**.

From our mapping, some food policies incentivising the creation of **cooperative business models** have emerged with the aim to aggregate supply and reach additional markets, and the view of facing consumers' increased demands in terms of food quality, variety and traceability.

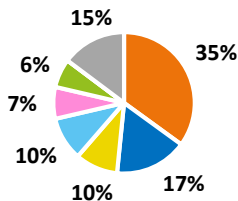
*Could the integration into cooperatives of differentiated sizes and activities provide agricultural producers with **better and more stable revenues**? Could they help smaller farm and food industry realities to achieve greater **competitiveness**?*

Proportion of mapped agri-food business policies by INSTRUMENT

'Viable and socially balanced EU agri-food business' goal



All goals



- Regulation
- R&I
- Information measure
- Labelling measure
- Income support
- Others
- Food and agricultural standards
- Border measure
- Income support
- Others

In the context of this goal, policy makers are able to exploit the potential of **R&I** as a policy instrument (37%). The different specific tools into which the R&I instrument can be divided generally aim at identifying the beneficiary's research needs and, on this basis, providing support for investments, projects, trainings, transfers of knowledge, etc.

To reach this goal, the mapping highlights an underutilisation of **information measures** as a policy instrument. *Are they useful for SMEs, for example, to increase competitiveness?*