

## WP2

### Problems, barriers & needs of the SFSCs

*Andras Sebok,  
Agnes Szegedyne Fricz,  
Kinga Varsanyi*



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- **Identify explicit and hidden SFSC problems, barriers & needs of**
  - consumers (citizens)
  - chain actors (policy maker, farmer and cooperative, industry and retail, technology provider)



## Typical problems, barriers & needs of the SFSCs (1)

1. Limited volume
2. Perishability of products
3. Limited access to resources (material, infrastructure, technology, financial)
4. Limited labour availability
5. High cost of logistics/products
6. Poor direct access/links to consumers – low consumer awareness
7. Lack of consumer trust

## Typical problems, barriers & needs of the SFSCs (2)

8. Low negotiating power with retailers, large service providers, large customers, intermediaries, municipal government
9. Relatively high price- low adaptation capability to price competition
10. Lack of information and knowledge of product development skills, advanced technologies, marketing, awareness of public funding opportunities, understanding of and compliance to legal requirements
11. Lack of collaboration with peers, other SFSC members

# Need 1. Limited volume

## Description of need

High uncertainty, fluctuation of product volumes

Unpredictable supply of raw materials

High cost of meeting retailer requirements



# Need 2. Perishability of products

## Description of need

Post-harvest decay caused by plant pathogens, spoilage organisms, moulds, reducing shelf-life

Short shelf-life



# Need 3: Limited access to resources

## Description of need

Lack of raw materials

Lack of IT system

Lack of financial resources (liquidity)

Lack of production infrastructure (building, machinery etc.)

Lack of legal information



# Need 4: Limited labour availability

## Description of need

Difficulties to employ people because of weekend and holiday work

Difficulties in time management

Lack of seasonal workforce





# Need 5: High cost of logistics/products

## Description of need

High cost of transport due to small volume, simplifying and streamlining logistics because of small scale, low margin

Lack of efficient cold chain



# Need 6: Poor direct access to consumers

## Description of need

Lack of information on consumer needs, market trends

Limited access to market (time, cost, visibility caused by the national legislation)

Lack of information to consumers about the products

Lack of marketing knowledge



# Need 7: Lack of consumer trust

## Description of need

Lack of consumer understanding of the benefits offered by SFSCs

Lack of consumer trust in food safety, product authenticity

Bad image of agriculture in society, low trust



# Need 8: Low negotiating power

## Description of need

Fluctuating prices throughout the season

Limited negotiating power with big retailers, incoherent promotion

Lack of requirements of direct sales

Limited negotiating power to achieve fair price



# Need 9: Relatively high price – low adaptability to price competition

## Description of need

Lack of ability to validate value in price

Lack of cooperation for joint selling to retailers

Lack of competition strategy

Lack of differentiation strategy instead of price competition



# Need 10: Lack of information and knowledge

## Description of need

Difficulties to ensure compliance to food safety, animal welfare, phytosanitary requirements

Difficulties in protecting authenticity

Lack of knowledge to prepare labels to comply legal requirements

Lack of product process/tecnology development skills

Lack of marketing and management skills



# Need 11: Lack of collaboration with peers, other SFSC members

## Description of need

Lack of collaboration with peers, other SFSC members

Lack of understanding of the impact of voluntary standards and certification

Lack of understanding of the market potential of products with unique characteristics

Lack of understanding the enablers of digital technologies



# Summary of case study problems, barriers&needs

- Most related to **individual value chain steps**:
  - marketing concepts, legal requirements
- Few related to **the overall SFSC**:
  - supporting authenticity & transparency, food chain management, business modelling, certification

## Conclusion:

SFSCs are not aware of the benefits of solutions which can be applied to the operation of food value chains as a whole.





# WP2 partners

