

Developments in EU supply chains: Setting the agenda for skills needed

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Introduction

- The farmer

“We have to move fast, otherwise the world around us moves faster than we do”

- The policy maker

“We need more entrepreneurs”

- The researcher

“Weight on occupational prerequisites shifts from craftsmanship to management to entrepreneurship”

Trends in EU agri-food supply chains (1)

■ Globalisation

- WTO negotiations → global competition
- Increases in scale in various stages of the chain
- Concentration or collaboration to gain market power
- Multi-national operations, (s)emigration
- Higher diffusion rates of innovations

■ EU expansion

- Larger common market, especially in agriculture
- Impact on the labor market

Trends in EU agri-food supply chains (2)

■ Consumer concern

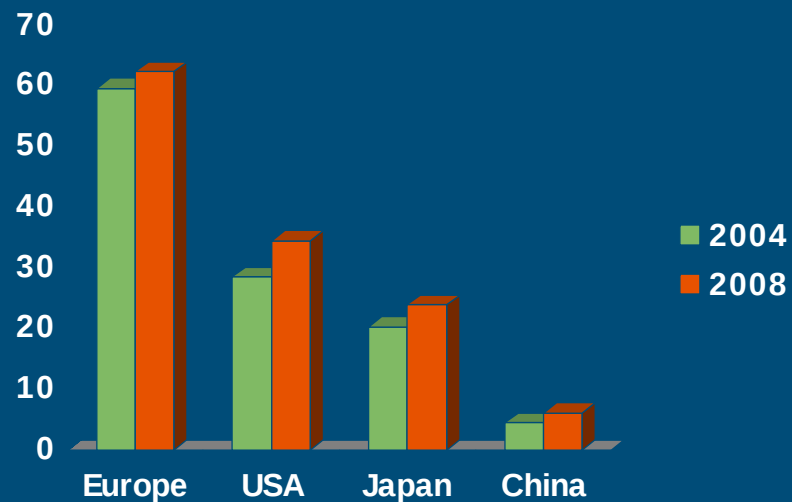
- From *supply* chain to *demand* chain
- Vertical co-ordination / efficient consumer response
- Certification schemes, e.g., Eurep-GAP
- From bulk production to niche products / added value

■ Non-trade concerns / externalities

- Increased legislation on environmental issues
- Spatial limitations “NIMBY”

Trends in retail

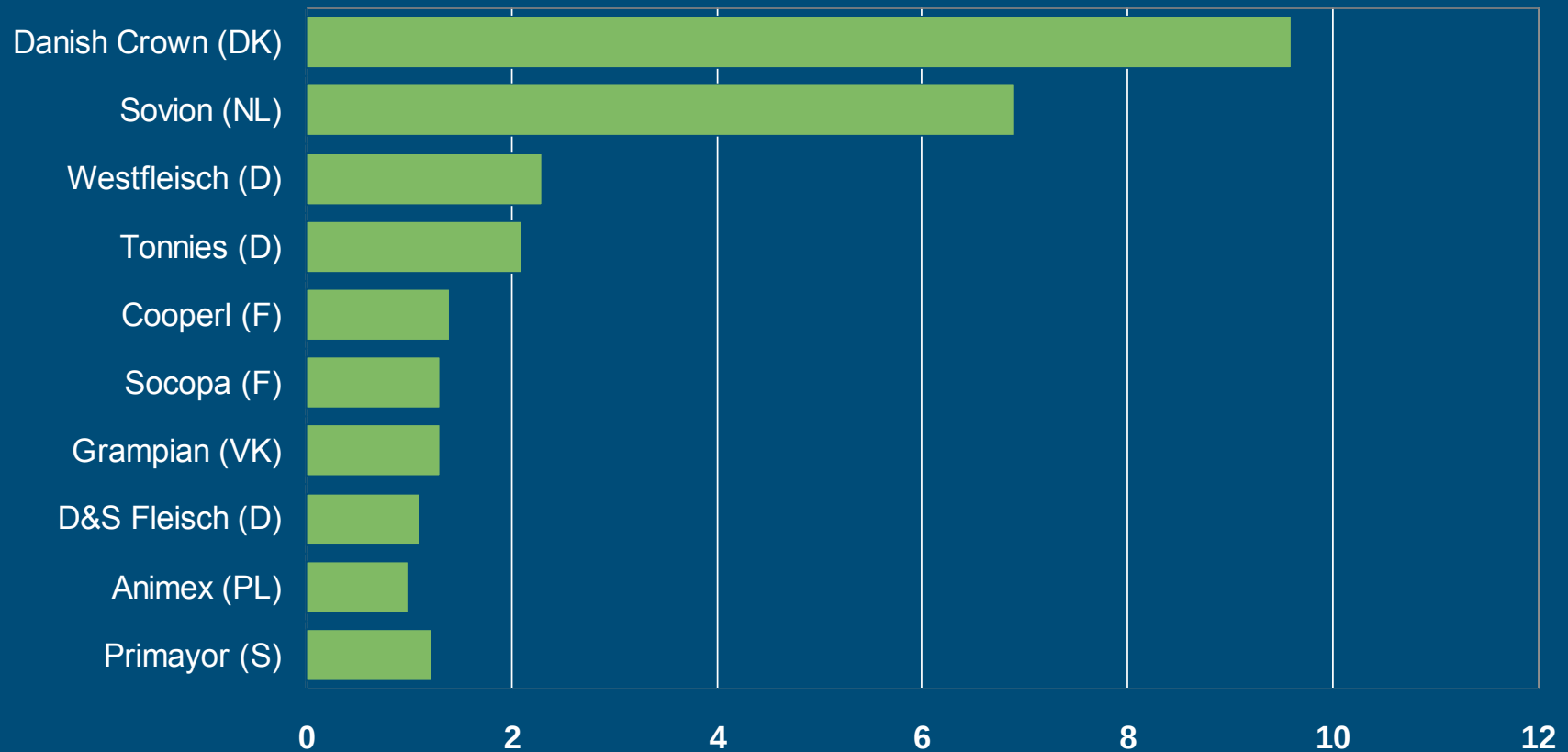
Concentration levels (% share of top 5 retailers)



Source: Planet Retail

Trends in processing

Market share of pork processors in the EU (%)



Source: Rabobank, 2005

Trends in EU woodworking/forestry chains (1)

■ Globalisation

- Boost in Chinese import of raw materials (incl. wood)
- Boost in Chinese domestic consumption and export of processed wood (furnitures)
- US furniture companies have production facilities in China
- Concentration: Large tracts of forestland to investment groups

Source: Unece / FAO, 2006

Trends in EU woodworking/forestry chains (2)

- Non-trade concerns / externalities
 - Deforestation
 - Illegal logging
 - Global warming (Kyoto)

- Consumer concern
 - Recycling of used paper and other wood products
 - Certified forest products, e.g., FSC certificate
 - Wood energy / biofuel instead of fossil energy

Conclusion on trends

- Comparable trends in agri-food and woodworking / forestry
 1. Concentration / scale / niche markets
 2. International orientation (production and consumption)
 3. Licenses to produce, to deliver, and to sell

- These trends ask for entrepreneurial skills
 1. Opportunity skills
 2. Intercultural skills
 3. Negotiation skills

An agenda for opportunity skills

■ Why ?

- Higher diffusion rates of innovations
- From bulk production to niche products / added value
- Vertical co-ordination / efficient consumer response

■ What focus ?

- Environmental scanning
- Translating developments to opportunities for your firm
- Willingness to deviate from 'logic' pathways
- Developing plans to exploit the opportunities

An agenda for **intercultural** skills

■ Why ?

- Global competition
- Multi-national operations, (s)emigration
- Efficient consumer response (to foreign customers)

■ What focus ?

- Identifying the group you are 'dealing' with
- Trying to understand cultural codes and connections
- Finding out if and how far you need to accomodate
- Defining a strategy to deal with cultural differences

An agenda for **negotiation** skills

■ Why ?

- Increased legislation on environmental issues
- Spatial limitations “NIMBY”
- Increasing scales → increased capital requirements
- Collaboration to gain market power

■ What focus ?

- Being prepared
- Questioning and active listening
- Getting agreement
- Creating support and building trust
- Seeking and giving constructive feedback

Overall conclusion

- Trends in agri-food and woodworking / forestry ask for entrepreneurial skills
 - Opportunity skills
 - Intercultural skills
 - Negotiation skills
- **Outlook:** Identifying types of skills is one side of the coin; the other side is to:
 - Define specific needs for a given context
 - Define (authentic) tasks to train
 - Create an inspiring learning environment

Thank you for your attention

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