

DEVELOPING EFFECTIVE AND RESILIENT SUPPLY CHAINS

EFFP work with the UK Fresh Produce sector to enable businesses to compete successfully in challenging times

‘There are not many with the expertise that EFFP have in this area; they understand fresh produce, they understand the food industry and they understand retailers’.

William Burgess,
Chief Executive Officer,
Produce World Ltd

Summary

During the last four years EFFP has increased their involvement in the Fresh Produce sector to help solve some of the fundamental challenges relating to the long-term sustainability of current supply arrangements.

Working at a micro level with a range of end-users, food companies, packers and grower groups has resulted in the development of new supply chain models and improved ways of working. Working at a macro level with Defra, the RPA and Levy Bodies has led to supply chain issues coming to the fore in a Defra sponsored Fruit and Vegetable Task Force report.

The business challenge

Over the last decade we have witnessed a fresh produce supply base that is in decline or at best losing considerable market share to imports.

Growers and businesses from overseas continue to target our domestic markets and organise themselves into integrated supply chains which are able to successfully compete within the UK and evidence suggests that we will see yet further consolidation of fresh produce supply chains across the EU.

Moreover, we have an industry which has not utilised the EU Fruit and Vegetable Aid Scheme in the way intended, to support the change

that arguably is required. As a consequence other EU growers have been able to secure a competitive advantage by using funds available through the scheme that UK growers have not embraced.

For growers and packer/processors the challenge has been to maintain an acceptable margin whilst operating in a highly competitive retail sector. For food service operators and manufacturers the challenges are different but equally daunting – how to ensure long-term access to affordable material at the optimum specification for their needs and not be subject to the huge volatility existing in today's market.

Inflationary pressures, the effects of climate change, legislation and the impact of the general economic situation are all working to compound the situation.

How we helped:

EFFP has worked with numerous individual businesses across the Fresh Produce sector to develop new business models which bring the supply chain closer together. Once these closer relationships between parties have been established it becomes much simpler to work together on issues such as equitable pricing mechanisms, transparent 'end-to-end' sales and order processes and bespoke specifications

back to source. We have successfully helped to create innovative responses to many of these challenges.

EFFP's understanding of the Fresh Produce sector has given us the ability to challenge existing practices and has provided our partners with the confidence to develop and adopt dynamic strategies for the sector.

The outcome:

EFFP has succeeded in raising the profile of supply chains issues within the Fresh Produce sector and in identifying a range of potential solutions:

- The development of more effective relationships resulting in more constructive and committed supply chains.
- New approaches to procurement amongst food businesses.
- Better communications between marketing intermediaries, growers and grower groups.
- Development of Producer Cooperatives including improved governance, board performance, customer relationships and mergers.
- Development of Producer Organisations including strategy, governance and compliance with EU scheme rules.

We continue to work with major businesses to implement these new approaches.