The organisational structure of the French agriculture and supply chains in France.

The French agricultural organisations that are involved in research, advisory and education are divided in private organisations, semi-public organisations, public organisations and interprofessional organisations. The producers and wholesalers are organised in the inter-professional organisations. Via these organisations, producers and wholesalers defend their interests in the national government.

In France, 'supply chains' are better known as 'vertical- partnerships'. The partnerships imply an intense relation laid down in contracts. There is a strict division between 'partnerships' and 'transactions with favouritism'. In contradiction to 'partnerships', 'transactions with favouritism' are based on less strict agreements. A lot of these transactions can be found in the fruit & vegetable sector.

The 'supply chain' Savéol is an example of a 'vertical partnership'. Savéol Is a selling office created by several co-operatives. Agreements between farmers, co-operatives and Savéol are laid down in contracts. The policy of the 'supply chain' is created during general meetings.

Savéol has long term 'transactional' relationships with wholesalers (like Mighirian Frères) and central purchasing offices, belonging to Large Surface Stores (LSS).

One of the wholesalers which has a relationship with Savéol is Mighirlan Frères. Both these actors did not adapt their production process on each other and they do not have common goals. The two partners have daily contact to negotiate the price. They also exchange information about their safes and have meetings during the year to evaluate new developments in the market. Although this close relationship, both actors do business with other partners as well.

Savéol also does business with the central purchasing office Scofel. The relation with Scofel is less intens than the relation with Mighirlan. Savéol and Scofel setup negotiations in order to improve and intensify their relation however they failed to do so. According to a contract between Savéol and Scofel, Savéol is not allowed to supply to some of Scofel’s biggest competitors. In spite of this agreement, both companies do not see their relationship as a 'vertical partnership'.

The retailers (Auchan) who participate in the central purchasing office Scofel do not have to buy their products from this office. The shops can buy their products from wholesalers provided that Scofel agrees on this transaction. Scofel has to guarantee a basic quality provided by the shops. Mighirian Frères has a purely transactional based relation with the Auchan shops.

In the supply chain the use of IT (information technology) is limited to the use of barcodes for Saveol in order to provide product traceability, use point of sale and pay desks at the Auchan shops. Most of the actors would like to use more IT for example EDI to handle orders at Saveol and/or make use of the Efficient Consumer Response concept between the LSS shops Scofel.

Within French supply chains the number of LSS shops is increasing. Partnerships will be developed between producers, producer groups or cooperatives and retailers. Some actors are already negotiating. The wholesaler are put under pressure by the central purchasing offices belonging to the LSS shops and the developing partnerships.

The organisational structure of the Danish agriculture sector (pork) and supply chains in Denmark.

The Danish pork sector is highly focused on export. More than half of the meat products is exported to EU-countries, with Germany and Britain as the main customers. The rest is mainly exported to Japan, USA, Russia and Poland.

The success factor of Danish pork has been the close cooperation of the farmers with their cooperative slaughterhouses. More than 1 00 years ago, the first co-operatives where established. Within the co-operative structure it appeared to be possible to set up a National Price Quotation System. All pig farmers obtain the same price for the same quality no matter which co-operative slaughterhouse they are a member of. The price they get paid represents the market value of the pigs.

The co-operatives themselves work together in Danske Slagterier (The Federation of Danish Pig Producers and Slaughterhouses). Danske Slagterier takes care of certain tasks on behalf of the industry as a whole. The organisation can be seen as the co-ordinating factor of breeders and porker farms within 'The Danish Pork Supply Chain'. Therefore it gathers market information which for example is delivered by processing companies and trade organisations.

This market information is translated by Danske Slagterier into information that can be used by:

- breeders for the selection of the breeds;
- pork farmers for using the right housing system;
- the co-operative slaughterhouses for sorting the pork in a uniform way.

Because of the National Price Quotation System and the co-operatives that are organised in Danske Slagterier the 'Danish Pork Supply Chain' managed a to develop a standardised meat product. This product is of high uniform quality that can be delivered in large volumes and exact cuts, at any ti*me al* 1 over the world.

Getting reasonable prices for all parts of the pigs the co-operatives have to process certain parts of it. Some of the co-operatives finance process factories by co-operating together and inviting institutional investors. Other co-operatives finance the process factories all by themselves, while they are afraid of a conflict of interest between the institutional investors and their members. To improve the development of new products from the standardised pig, the processing industries often work together with their customers.

Some of the co-operatives also collaborate in trade organisations, while others have their own trade organisations. The co-operatively owned trade organisations are situated all over the world close to their customers. From all over the world the trade organisations buy and sell pork. The pork from 'The Danish Pork Supply Chain' appears to be an intermediary product, that is not able to fulfil the demands of all the customers.

To be able to react better to the demands of the market, the co-operatives have started to produce laiternative pigs' specially developed for a small segment of the market. By introducing these alternative pigs in the co-operative system it appears hard to overcome problems of unequal treatment of co-operative members who produce different kinds of pigs. Most of these projects are still concentrated on the home market and some are still in an experimental phase.

In the near future, the Danish co-operatives will probably still work together in the production of a standard product in 'The Danish Pork Supply Chain'. Besides that, the four co-operatives will also try to develop alternative pigs for niches on their own market. Close collaboration with the customers will therefore be necessary.

The organisational structure of the German agriculture sector and supply chains in Germany.

In Germany education and research is mostly supplied by governmental organisations. Advisory services are supplied by governmental organisations as well as private organisations. On federal level only long-term advisory plans are developed. The agricultural advisory services are deregulated on the level of individual states which have much autonomy in the agricultural policy. In several states, the State Ministry of Agriculture takes care of agricultural advisory and research. In other states an Agricultural Chamber takes care of this. Special support programs for 'supply-chain'cooperation supported by the government have not been found.

An important private organisation for marketing of agricultural products is the 'Central Marketinggesellschaft der Deutsche Agrarwirtschaft' (CMA). Programs for special brands can result in cooperation-projects, such as the Ackergold-program.

lnstead of 'supply chains' the term 'vertical integration' is more common in cases of a co-operative effort of several autonomic organisations with a common goal. In most cases of 'vertical integration', agreements are laid down in written contracts. The group contract system is often found in the German agricultural sector. In this system farmers' associations (Erzeugergemischaften) conclude contracts with agri-industries for delivering a certain agricultural product. The memberfarmers of such associations are obliged to produce and deliver this product. This contract system also appears in the three described cooperationships.

The first case describes a barley-malt-beer-chain, whereby the maltery concludes contracts with a farmers' associations for delivery of barley that is produced under certain conditions. These conditions are described in the contracts. The maltery also concludes contracts with breweries for the sale of the malt. Main purpose of this chain **is** to guarantee the quality of the product. A closed quality-system exist through the direct relation between farmers and the maltery.

The second case describes a branded pork chain. In this chain the processing industry, in this case the slaughtery, concludes contracts with a farmers' association for delivering pork that s produced under conditions mentioned in the contract. Purpose of this chain is to get a higher price for the pork through the production of quality meat.

The last case describes the Ackergold project. This is a chain for producing and selling potatoes from ecological integrated cultivation. The CMA is the coordinating organisation in this chain and composes conditions for contracts that are concluded between farmers' associations and dispatchtrade firms. Furthermore the CMA issues licenses onto dispatch-trade farms and trade firms. The contracts and licenses takes care for the quality ensuring of the potatoes. Purpose of the program is to obtain a higher price for the potatoes. At this moment the program is reconstructured by the CMA due to bad resuits.

In Germany motives for co-operationships between farmers and processing industry is that farmers are certain to sell their product for a fixed price and for the industry "3 get enough raw

materials with a certain quality. The retail fulfil an inconspicuous role. This is mainly the result of the classical buyers attitude of the retailers, which is focused on prices.

Developments in German agriculture is the quality ensuring through ISO-certification. Therefore the farmers also need to be certificated.

The organisational structure of the English agriculture sector and supply chains in the UK.

In the United Kingdom a whole multitude of organisations is involved in research, advisory and education. Provided services are free, fee-paid or partially charged.

The Ministry of Agriculture, Fisheries and Food (MAFF) supervises research, advisory and education and gives financial support. By doing so it can influence the organisations who take care of these services. A considerable reduction of the financial support of research has taken place over the last fifteen years.

Boards, Associations, Federations and Unions can be considered as quasi-governmental organisations and are financed by levies from their members. They undertake research and advisory. Beside public organisations private organisations exist which are involved in research and funding (f.e. funding projects at universities).

Organisations have been established in order to coordinate research, advisory and education. The 'Independent Priorities Board for Research and Development in Agriculture' coordinates research and the 'National Rural Education and Training Strategy Group' coordinates education and business advice. It also informs and influences policy makers about changing needs.

LINK-programmes link institutes and agri-business. MAFF, industries, research instituties and universities undertake research on a shared basis within these programmes. LINK-programmes stimulate co-operation in working on projects in scientific areas and assist the development of new products, processes and services.

Supply chains in the United Kingdom are built up by intensifying relationships with buyers and/or suppliers. Retailers started direct links with their suppliers. Suppliers are directly involved in production or have direct links with growers within the fresh produce supply. Relationships have been built up within the whole process from production till retail. Agreements are verbally made.

Within the brassica market, which has been researched, direct relationships exist. These are build on trust and this makes it possible that retailers and suppliers in the market use coordination instead of competing with each other in supplying products to the consumer. This has created the opportunity to realise more efficiency. A characteristics of a well developed relationship is that information with regard to what is best for the consumer from retailer to grower in the field is passed on. This is called Efficient Consumer Response. By passing on information about consumers' behaviour and needs and in consequence of this tune business and product processes, possibilities to serve consumers better and the realisation of more added value for actors in the chain are created. Passing on information within the brassica chain happens by exchanging requirements which are formulated by retailers. These requirements establish how produce has to be treated during the process from growing until it is bought by the consumer. Requirements can be considered as the leading thread of relationships in the brassica chain.

Environmental influences such as market, legislative, technological and other developments have driven actors to take part in linkages, which exist in the chain. Actors say that more awareness of consumer needs has existed and more efficiency has been realised. However, there are still problems which has to be solved. Quality of produce decreases too much between the moment it leaves distribution centres of retailers and it is bought by consumers. Another problem is that individual growers still are very product oriented.

As main development and future challenge within the brassica chain can be considered that retailers think about to push more activities to suppliers and at the same time suppliers pursue to finalise produce as near as possible to the field. A practical implementation of this thought could be that suppliers are made responsible for their produce on the shelves in the supermarket and growers select and pack produce, following specific requirements of retailers.