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Governance structures in agri-food supply chains

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- Joint work
- Contribution of several teams, mainly from:
- Belgrade, Milano, Newcastle, Wageningen and Warsaw

Objectives

- To study governance structure which coordinate vertical integration in the agro-food supply chain
- To study the relationship between product quality & export performance in food sector
- To improve our understanding about power relationships within the agro-food chain

Approach

- Both qualitative and quantitative methods used
- Studies focusing on a particular country as well as studies encompassing EU as a whole
- Third countries also included

Research questions

- What are the consequences of a radical reorganisation of supply chains' coordination mechanisms?
 - We investigate the case where it led to at least 20% reduction in output
- What factors make farmer-processor relationship more resilient
 - Smaller farm fragmentation, worse outside options for farmers to sell their output

Research questions (2)

- How can we explain the relationship between buyer-seller power, buyer trustworthiness & supplier satisfaction?
 - buyers are more trustworthy where there is greater competition for supplies;
 - buyer trustworthiness also positively correlated with both the size of a supplier, as well as a supplier being a member of a marketing cooperative
 - Buyer trustworthiness has a positive impact on suppliers' satisfaction (regarding their relationship with their main buyer) and enhances the quality and quantity of suppliers' output

Research questions (3)

- What are the determinants of the provision of supplier support measures & the role that these measures play by stimulating investment by suppliers
 - degree of exclusivity of the buyer-supplier relationship, initial capital of the supplier, co-operation between suppliers, and foreign ownership of the buyer
 - Support measures such as loans, physical inputs, and guaranteed prices facilitate supplier investments

Research questions (4)

- How do the farmer-processor and farmer-input supplier relationships look like?
 - Qualitative study shows that farmers are vulnerable to arbitrary behaviour of contractors
 - The picture from quantitative study rather inconsistent with a popular opinion arguing that farmers are being “squeezed” by other stages in the food chain
 - The way farmers perceive themselves in the relationships with their contractors is a good predictor of prices they receive/pay

Research questions (5)

- How did the 2008-2009 crisis affect export performance?
 - No evidence that higher quality goods experienced a stronger export reductions compared to low-quality ones
- To what extent the reduction of import tariffs as a measure of import competition affects the quality upgrading of the food products exported to the EU?
 - varieties close to the world frontier seem to be more likely to upgrade quality in response to an increase in import competition
 - there is a strong positive relationship between the diffusion of EU voluntary standard and quality upgrading



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Thank you for your attention