



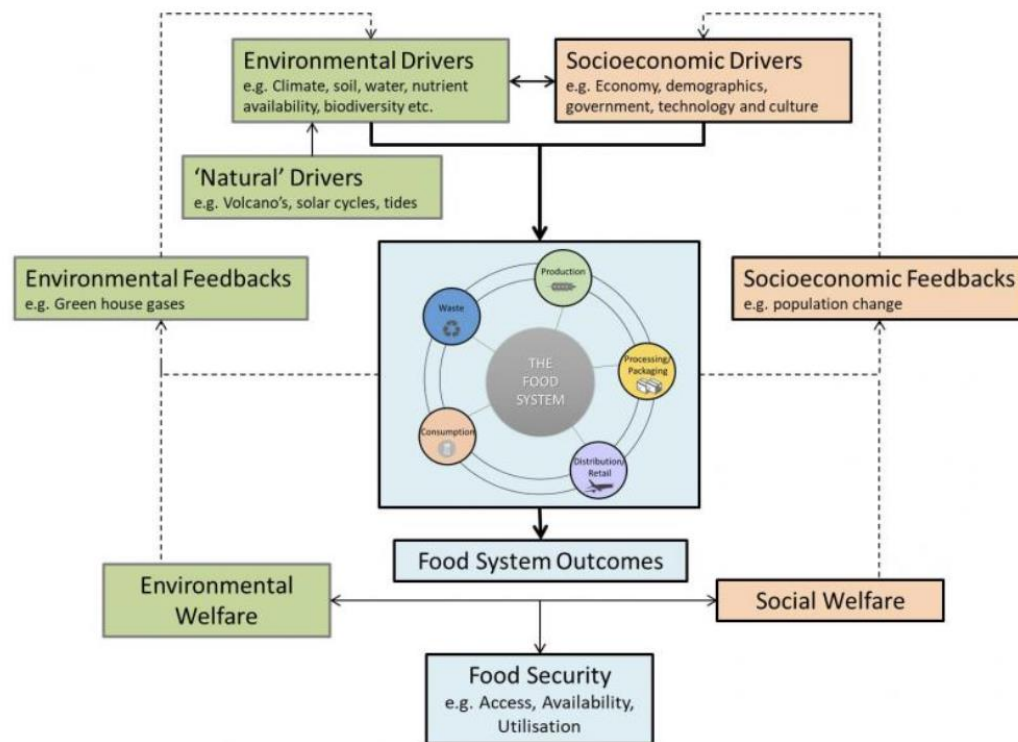
MODULE 1
SUSTAINABLE AGRO-LIVESTOCK FARM AND ANIMAL WELFARE:
METHOD, TECHNIQUE, AND EXPERIENCES

UNIT 1
Agricultural multifunctionality and sustainable farm

VALUE CHAINS

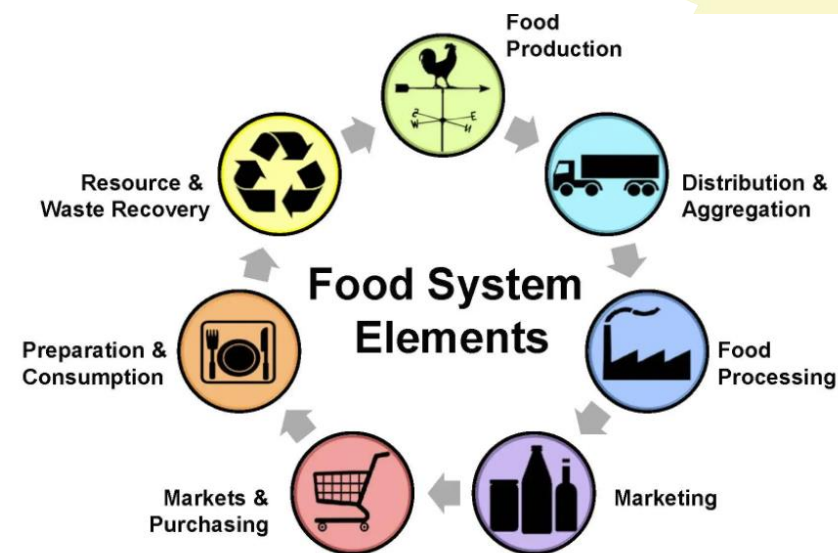
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What is the food system?

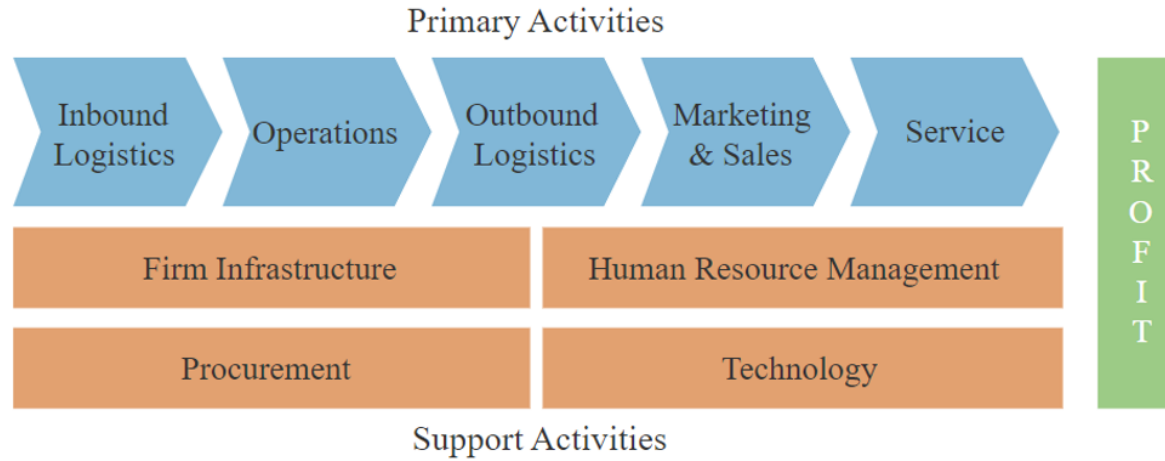


The food system and its drivers. Adapted from Ericksen 2008

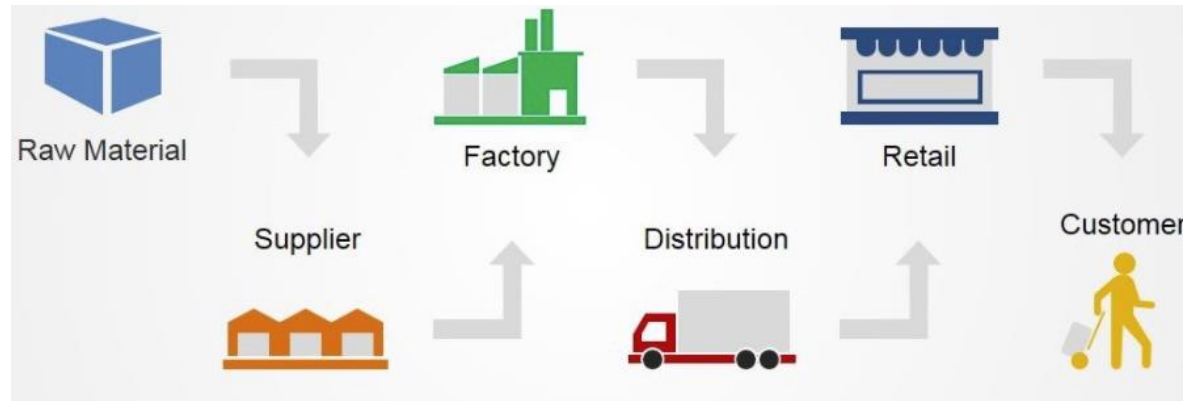
<https://www.futureoffood.ox.ac.uk/what-food-system>



<https://www.discoverfoodsys.cornell.edu/>



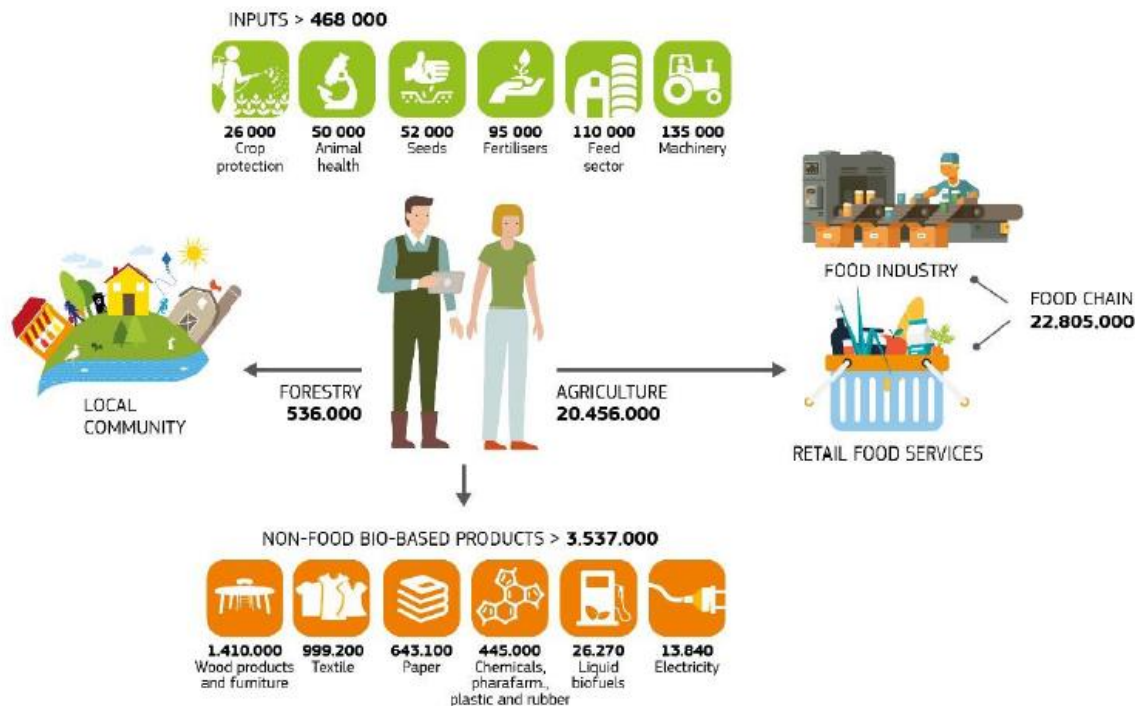
Porter's value chain model



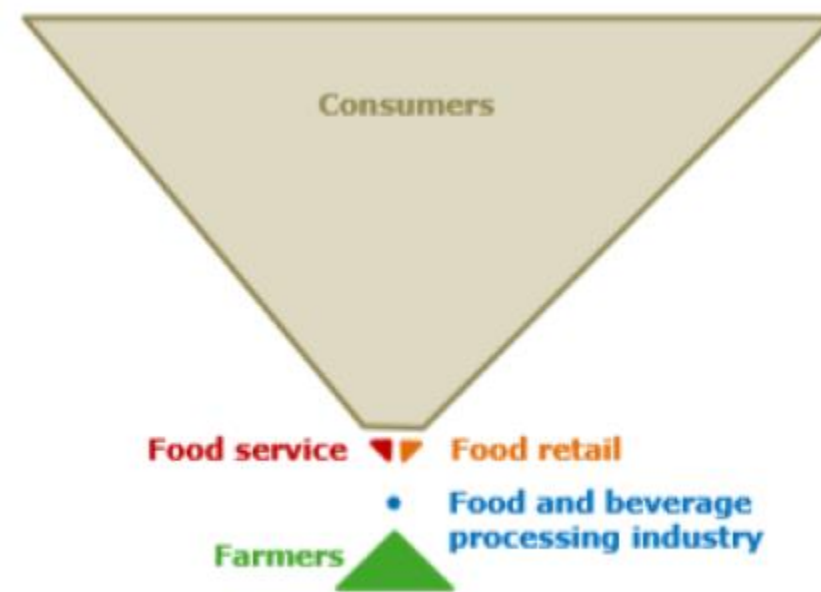
Supply chain

- System approach:
- ✓ interdependency
 - ✓ propagation
 - ✓ feedback
 - ✓ synergy

Stakeholders involved in the food chain (43 million Jobs)



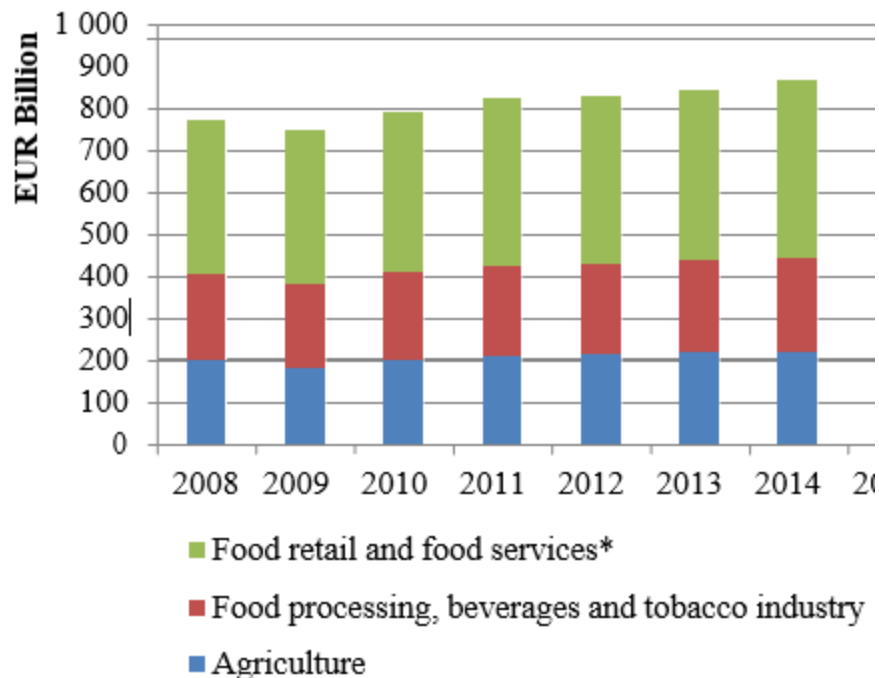
Synthetic and approximate representation of the food chain in the EU by actors involved



Figures provided indicate the number of jobs in the corresponding sector
 Source: DG AGRI elaboration based on Eurostat data – Bioeconomics, European Commission / Joint Research Centre IPTS and neva Institut

Source: DG Agriculture and Rural development based on Eurostat; the number of holdings/enterprises per food chain stage and number of consumers are represented by the size of each shape.

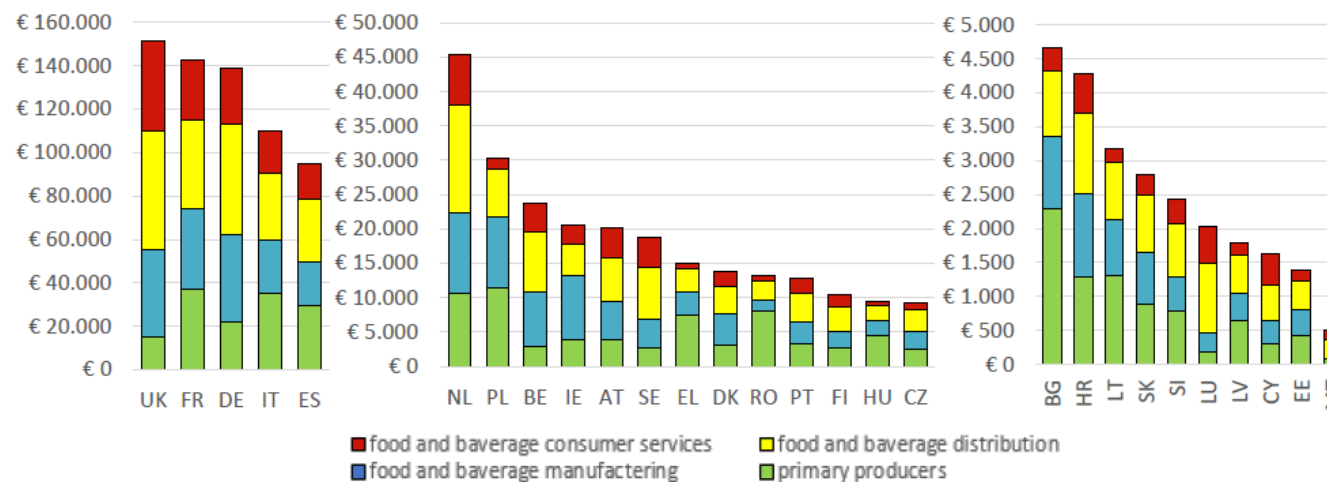
Distribution of gross value added per food supply stage in the EU



Source: Eurostat

Gross value added is the value generated by any unit engaged in the production of goods and services.

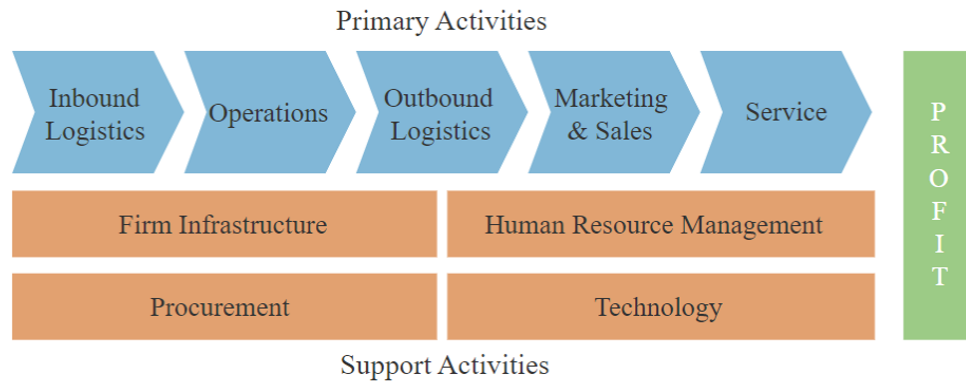
Value added in the food chain in million EUR – EU Member States



Source: DG Agri based on Eurostat

Value Chain Analysis (VCA)

Porter's value chain model



Two different approaches for two types of competitive advantage

Cost advantage	Differentiation advantage
<p>This approach is used when organizations try to compete on costs and want to understand the sources of their cost advantage or disadvantage and what factors drive those costs. (good examples: Amazon.com, Wal-Mart, McDonald's, Ford, Toyota)</p>	<p>The firms that strive to create superior products or services use differentiation advantage approach. (good examples: Apple, Google, Samsung Electronics, Starbucks)</p>
<p>Step 1. Identify the firm's primary and support activities. Step 2. Establish the relative importance of each activity in the total cost of the product. Step 3. Identify cost drivers for each activity. Step 4. Identify links between activities. Step 5. Identify opportunities for reducing costs.</p>	<p>Step 1. Identify the customers' value-creating activities. Step 2. Evaluate the differentiation strategies for improving customer value. Step 3. Identify the best sustainable differentiation.</p>

<https://strategicmanagementinsight.com/tools/value-chain-analysis/>



Four Types of Competitive Strategy: Michael Porter's
Four Generic Strategies



iEduNote.com

Specific Strategies

- Strategic alliance
- Collaborative partnerships
- Merger
- Acquisition
- Vertical integration
- Outsourcing strategies
- etc.



1. Da Silva, C. A., & de Souza Filho, H. M. (2007). *Guidelines for rapid appraisals of agrifood chain performance in developing countries*. Rome: Food and Agriculture Organization of the United Nations.
2. Fearne, A., Martinez, M. G., & Dent, B. (2012). Dimensions of sustainable value chains: implications for value chain analysis. *Supply Chain Management: An International Journal*.