



DANISH AGRICULTURAL COUNCIL

NOTE

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To whom it may concern

From: The Danish Agricultural Council

Recommendations for the High Level Group on the Competitiveness of the Agro-Food Industry: Knowledge & Research and Innovation Policies

In the most successful countries aquaculture, agriculture and the food industry are based on knowledge and are technology driven. The competitiveness of these countries is based on their ability to participate in research on a high international level, the ability to acquire knowledge and to disseminate this knowledge in their business. In a globalized world the availability of cutting-edge technology and innovations is essential for the future competitiveness of the agro-food industry. It is troubling when only few European countries score above the US in the R&D expenditures in the food industry. Also, it should be realized that knowledge is global. There is no such thing as 'European' R&D, and the R&D policies need to have a global scope. The Danish Agricultural Council therefore recommends the following policy initiatives:

Increased funding for food and agricultural research

The forthcoming evaluation of the 7th framework programme should result in an increase of the funding of theme 2 'Food, Agriculture and Fisheries, and Biotechnology' rather than a reduction. The agro-food industry is one of Europe's most important and dynamic industrial sectors, providing jobs for 4 million people. The current food crisis and increased global competition make the development and funding of the 'Knowledge Based Bio-Economy' even more essential as further research into agriculture, food, fisheries and biotechnology is the only way to improve competitiveness and productivity. This need for increased focus and funding also applies to a future 8th framework programme.

Easier, leaner and simpler research funding

Even though significant improvements have been made from the 6th framework programme it is still a very complicated process for European agriculture and food producers to participate

in European research projects. A simplification is needed, just like the demands regarding the size of the participating companies and the number of member countries should be made more flexible. Furthermore, it seems counter-productive that we have only seen few common calls among the various ‘Cooperation’ themes. It is an exciting opportunity to see a common call between the ‘Food, Agriculture and Fisheries and Bio-technology’ and for instance the ‘Nanosciences’, ‘ICT’ and ‘Energy’ themes. Such common calls should be encouraged by the High Level Group.

Competitiveness throughout the whole chain

If competitiveness is to be achieved research and innovation efforts should be directed to the entire food chain. Development of the primary production is often a precondition for growth and competitiveness of the food industry as the primary production and suppliers of intermediary products play an important role in relation to raw material quality, food safety, the environment, animal welfare, climate, the working environment and ethics. All are elements which highly influence consumers’ preferences and the end product qualities. Therefore it is necessary to apply and secure research and innovation as part of the entire food chain – including the primary production.

Competitiveness through knowledge and technology transfer

Transfer and implementation of knowledge and technology has been and is key in the endeavours to ensure the competitiveness of the food producing industries. We therefore recommend that the high level group examine how the different countries have organised their advisory system – and how they have tried to solve the challenge of how to improve the dissemination of knowledge among research institutions and end-users (farmers and industries).

Rural Development Policy is an important tool

It offers an opportunity to strengthen innovation and knowledge and technology transfer. Huge strides have been made in including innovation in the RDP, but unfortunately, innovation and technology transfer is still not sufficiently prioritized in the Rural Development Policy 2007-2013. To create competitiveness through jobs and growth in the rural areas while fostering a sustainable production, a strong focus on these issues is needed as well as increased funding. Finally, larger enterprises should be allowed to participate more in the RDP innovation projects.

The High Level Group needs to prioritize education

As R&D is essential, it is necessary to focus on the educational level of the primary producers, their employees and the employees in the food industry. The educational level is a substantial competitive parameter as education is decisive for the ability to introduce and employ

new knowledge and technology. Well educated and creative employees are also a vital aspect for the innovation processes to ensure coherence. Schemes that contribute to the promotion of innovative abilities should be taken into consideration, both on university and elementary school level. Therefore, support for education and entrepreneurship, continuing courses and programmes should be high on the agenda. Finally, internationalization of university education is important. It should be easier for young Europeans to pursue studies in other countries, and it should be easier to get your university degree recognized in other European countries. Basically, we need a smooth and well-working internal market for education.

Recognition of the agro-food industry as being both high-tech and low-tech

While it is true that there is still a huge potential for improving the technology level in the agro-food industry, many European food products are very knowledge-intensive and built on major research and innovation efforts. At the same time several European countries operate within technology-driven innovation and not primarily within user and market-driven innovation. On the other hand, we agree that significant parts of the industry are low tech, demonstrating a significant need for research and innovation. We do therefore not fully agree with the November 2007 study, claiming that *'the food industry is a low-tech industry, like textiles or the metal industry'* (pp. 32). We agree that the agro-food industry is also *'well known for the rate at which they implement basic innovations from other industries (like ICT, logistics and management'* (pp.33), but see this as another good reason for investing more in R&D in the agro-food industry. If we focus strategically on food and agricultural research, the European food sector will become significantly more competitive. Increased spending on R&D is essential in this regard.

A holistic approach to research is needed

While the European Technology Platform (ETP): "Food for Life" has delivered excellent recommendations towards delivering delicious food, preventing obesity etc., it does not address all the research needs of the agro-food industry. If we are to answer the challenges from increased global competition on quality, productivity and cost in the agro-food industry, the High Level Group should consider using the strategic research agendas from other ETPs such as 'Plants for the Future', 'MANUFUTURE', 'Global Animal Health' and 'Farm Animal Breeding and Reproduction'. All of these and the Commission's Standing Committee on Agricultural Research (SCAR) offer insights which are invaluable in securing the future competitiveness of the agro-food industry.

European R&D in the agro-food industry in the future

- Focus on the whole value chain – from farm to fork
- From a defensive to an offensive approach

- From risk based research to solution based research
- From national to international outlook/horizon
- Processing and innovation technologies are just as important for the food industry as for any other industry
- Food research should also address the large related industries: technology, health, ingredients etc.