

## **Managing Sustainability in the EU Food Industry: The High Level Forum for a Better Functioning Food Supply Chain**

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### **Abstract**

In recent years, prices along the European food supply chain have fluctuated widely: agricultural commodity prices rose, resulting in increasing customer food prices and a higher overall inflation level, raising concerns about the functioning of the food supply chain. The supply chain connects agriculture, the food processing industry, and the distribution sector, all of which are important sectors of the European economy, with more than 5% of the European value added and 7% of all employment. Since food represents more than 15% of European household's expenditures, the functioning of the food supply chain has an increased importance in the path towards recovery from the global financial and economic crisis. In this study, the incentives of the European Union to monitor and improve the performance of the European food supply chain were analyzed while highlighting the overlapping responsibilities and differentiating the activities of authorities, groups, and institutions established by the European Union in forming a union-wide working food supply chain. The results of the study revealed that the European Union has formed different streams in order to monitor and improve the food supply chain performance, such as forming the High Level Group on the competitiveness of the agro food industry in 2008, to identify factors, future challenges, and trends influencing the food supply chain, and formulating short and long term actions in public policy. To overcome the major challenges faced by the European food supply chain promoting sustainable and market based relationships between stakeholders and the food supply chain, increasing the transparency along the food supply chain and to foster the integration and competitiveness of the European food supply chain were defined as key priorities. To ensure consistency between the various initiatives of the European Union, the High Level Forum for a Better Functioning Food Supply Chain was established in 2010. The forum is composed of high level personalities, representing the member states, agricultural sector, agro food processing and distribution sectors as well as non-governmental organizations with expertise in the food supply chain. The forum shall assist the European Commission with the development of industrial policy in the agro-food sector, working together with the European Commission and other working groups and control groups that have been established to improve the food supply chain performance. The latest meeting of the forum at end of 2010 showed that most members have different views on the priority areas of debate and action for the forum. The main challenge for the forum is to ensure that all members follow the framework communicated by the European Commission and formulating corresponding objectives, actions, and measures not harming each other. For that reason, working methods and an action plan have to be adopted. The template road map for managing different monitoring and performance improving activities, as developed in this study, could support the adopting of working methods and an action plan to ensure unitary development in the European food industry. The further performance of the High Level Forum for a Better Functioning Food Supply Chain remains to be seen.