

# OrganicNet

## innovative solutions for Short Food Supply Chains

Campden BRI Hungary

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**Project code: 773785**

**Project acronym: Smart Food Supply Chains**

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**Internal template:**

**Template for good practice cases**

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**Work package number: T2**

**WP leader: CBHU**

**Work package title: Technological and non-technological innovations**

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| <b>Dissemination Level</b> |  |  |
|----------------------------|--|--|
| <b>PU</b>                  | <b>Public</b>  |  |
| <b>PP</b>                  | <b>Restricted to other programme participants</b>        |  |
| <b>RE</b>                  | <b>Restricted to a group specified by the consortium</b> |  |
| <b>CO</b>                  | <b>Confidential, only for members of the consortium</b>  |  |

**1. Title of the case description**

OrganicNet

**2. Indicate your role in the Smart Food Supply Chain:**

- individual member of the chain:
- chain operator:
- network operator:
- association:
- technical, scientific, or management expert:
- advisor:
- policy maker:
- other: .....

**3. Indicate the region (if applicable):**

#### 4. WP2 Cross-reference table

Please indicate with an X in the relevant box of the matrix for which needs and the steps / functions of the supply chain the described innovative solution is applicable

|                                      |                                   | Individual steps of the SFSC |   |   |   |   |   |   | Short food supply chain as whole |   |    |    |    |    |    |
|--------------------------------------|-----------------------------------|------------------------------|---|---|---|---|---|---|----------------------------------|---|----|----|----|----|----|
|                                      |                                   | 1                            | 2 | 3 | 4 | 5 | 6 | 7 | 8                                | 9 | 10 | 11 | 12 | 13 | 14 |
| Needs of the consumers<br>(citizens) | food safety                       |                              |   |   |   |   |   |   |                                  |   |    |    |    |    |    |
|                                      | food quality                      |                              |   |   |   |   |   |   |                                  |   |    |    |    |    |    |
|                                      | trust                             | X                            | X |   |   |   |   | X | X                                | X |    | X  |    |    |    |
|                                      | ethical aspects                   | X                            | X |   |   |   |   | X | X                                | X |    | X  |    |    |    |
|                                      | accessibility                     | X                            | X |   |   |   |   | X | X                                | X |    | X  |    |    |    |
| Needs of the chain actors            | fair price                        | X                            | X |   |   |   |   | X | X                                | X |    | X  |    |    |    |
|                                      | increased negotiating power       | X                            | X |   |   |   |   | X | X                                | X |    | X  |    |    |    |
|                                      | shared use of available resources |                              |   |   |   |   |   |   |                                  |   |    |    |    |    |    |
|                                      | product development support       |                              |   |   |   |   |   |   |                                  |   |    |    |    |    |    |
|                                      | access to markets and consumers   | X                            | X |   |   |   |   | X | X                                | X |    | X  |    |    |    |
|                                      | access to infrastructure          |                              |   |   |   |   |   |   |                                  |   |    |    |    |    |    |

- 1: Farming**
- 2: Primary production**
- 3: Transport**
- 4: Processing and packaging**
- 5: Storage**
- 6: Logistics**
- 7: Sale**
- 8: Product integrity, authenticity, transparency**
- 9: Marketing concepts**
- 10: Food chain management and networking for enhancing cooperation among chain actors**
- 11: Business modelling**
- 12: Policy environment**
- 13: Legal requirements**
- 14: Labelling**

## 5. Short description of the innovative solution

- **Describe the specific need or problem being addressed by the case and please explain what is the novelty of this innovative solution**

It is hard for consumers to find organic or natural food on the market. Supermarkets are usually the only place but in most supermarkets in Serbia there is one uninviting shelf of semi rotten and massively overpriced products. Lots of food is bought on open markets but people don't trust the sellers. All producers and tradesmen generally claim to have organic produce.

Producers are getting more and more aware of the business opportunity in the organic food market. However, it is difficult for most producers to find the market for their goods and they have no means or knowledge to market themselves. Often the pricing is determined by the large supermarkets and profits are very low, not enough for a sustainable production.

### Food producer

Access to Market: difficult to find the market for their goods

Marketing: No means or knowledge to market themselves.

Education & know-how: Lack of information and know-how for improving the production

Pricing and profitability: Pricing determined by the large supermarkets and profits very low

### Consumer

Availability: hard to find organic or natural food on the market.

Price: semi rotten and massively overpriced organic products in supermarkets.

Trust: open market tradesmen who claim to have organic produce, but how to trust them?

- **Describe the enabling function(s) and the practical benefit(s)-(e.g. for which types of problems and opportunities is used and can it be used, and how)**

A social marketplace and knowledge sharing platform to connect organic food producers with consumers

- **Describe the method/procedure/technology/solution implemented. (Please explain, whether the innovative method is a product / service / process / marketing or organisational / management innovation) After completing the description, please indicate, whether this innovation is a technological or non-technological one.**

OrganicNet is an online social marketplace connecting people who produce organic food with those who are looking for organic food to buy in the local area and wider. Through their experiences on OrganicNet, organic food producers and consumers build real connections with real people in their local area. By seamlessly connecting producers to consumers through our online platform, we make organic food more accessible, opening up more possibilities for consumers and more business for producers. OrganicNet is also a knowledge sharing platform where producers can find information aggregated from relevant sources via intelligent system and ask and answer questions about any aspect of agriculture which will help to spread best-practice learnings and accelerate business development.

technological

non-technological

- **Describe the business, which implemented the innovated solution (size, country, region, location, type of food)**

Target: organic food producers

- **Describe the distribution channels of the product(s)**
- **Describe what makes the innovation work.**

- **Describe the specific prerequisites for the business related to the implementation of the method and/or related to the location, method, procedure, solution**

**a: List the relevant necessary resources (including the estimated cost) for the specific innovation.**

**Please list the relevant ones only (list is annexed)**

- human: labour force: size, knowledge & skills (production, technical, marketing, managerial, ICT, financial, etc.)
- information, reputation, brand, trust

**b: List the relevant necessary capabilities for the specific innovation.**

**Please list the relevant ones only (list is annexed)**

- **trust:**
  - ability to ensure product integrity, authenticity and transparent information for the consumers (including systems, tools);
  - ability to access external trust enhancers (third party certification, internal certification system, participatory guarantee systems);
  - application of the labelling rules and branding (mandatory and voluntary);
  - ability to meet third party certification requirements
- **ethical aspects**
  - ability to understand consumer needs for ethical behaviour related to the specific product(s) of the SFSCs;
  - culture for ethical food production and supply;
  - ability to implement necessary measures to ensure ethical food production and supply;
  - ability to access the consumer willingness to pay for products meeting ethical aspects
- **accessibility to consumers:**
  - ability to organize logistics efficiently and to exploit innovative solutions and distribution channels;
  - efficient, innovative sales methods;
  - ability to develop and implement new business models for ensuring access of consumers to products and augmented services;
- **fair price:**
  - collecting marketing information;
  - ability to enhance and maintain cooperation among chain actors including the combined use of available complementary resources, capabilities, competences of SFSCs actors, networking, understanding the principles of food value chain management;

- ability to define, develop or maintain unique quality of products and augmented services;
- ability to develop and implement new business models;
- ability to access the consumer willingness to pay for fair price

**6. Describe the results, achievements and typical failures**

**7. Summarize what makes the case to a good practice for the members of the SFSCs (e.g. lessons learned)**

**8. Aspects, methods for transfer of methods for other SFSC members**

**9. Recommendations for members of other SFSCs for further applications**

.....  
**10. More information is available at (web), if it is relevant**

<http://www.finish-project.eu/projects-funded-by-finish/>

## **Annex**

### **1. Checklist for necessary resources (tangible and non-tangible):**

- materials (access to: raw materials/ ingredients - including volume, land – including size, packaging materials)
- human: labour force: size, knowledge & skills (production, technical, marketing, managerial, ICT, financial, etc.)
- technology: patents, know-how, trademarks, copyrights, trade secrets
- infrastructure, equipment, facilities, - size, minimum volume of production/sales, IT infrastructure
- information, reputation, brand, trust
- financial\*

\*: estimated cost:

0 - 10 000 Eur  
10 001 - 50 000 Eur  
50 001 - 100 000 Eur  
100 001 - 300 000 Eur  
300 001 – 1 000 000 Eur  
1 000 000 Eur above –

- other specific necessary resources for the application of the specific innovation

## 2. Checklist for the necessary capabilities

- **food safety:**
  - basic skills to comply with the EU food safety regulations
  - ability to understand what makes the product safe (the key controls, which ensure the safety of the product – biological, chemical and physical hazards, providing the safety shelf life of perishable products)
  - food safety culture (motivation, responsibility for food safety) and basic skills for the implementation of HACCP
  
- **food quality:**
  - ability to define the target segments of consumers for SFSCs
  - ability to define the product characteristics which are (tacit) basic requirements for the target segment(s) of consumers;
  - ability to define which product attributes/levels and augmented services represent an added value for the target segments of consumers;
  - food quality culture (motivation, responsibility for food quality);
  - production experiences which help to provide the expected quality reliably, uniformly;
  - ability to provide distinguishable quality which meets the needs of the targeted consumer segment;
  - meeting (local) legal requirements, application of the labelling rules;
  - ability to access the consumer willingness to pay for specific products of SFSCs.
  
- **trust:**
  - ability to ensure product integrity, authenticity and transparent information for the consumers (including systems, tools);
  - ability to access external trust enhancers (third party certification, internal certification system, participatory guarantee systems);
  - application of the labelling rules and branding (mandatory and voluntary);
  - ability to meet third party certification requirements
  
- **ethical aspects**
  - ability to understand consumer needs for ethical behaviour related to the specific product(s) of the SFSCs;
  - culture for ethical food production and supply;
  - ability to implement necessary measures to ensure ethical food production and supply;
  - ability to access the consumer willingness to pay for products meeting ethical aspects
  
- **accessibility to consumers:**
  - ability to organize logistics efficiently and to exploit innovative solutions and distribution channels;
  - efficient, innovative sales methods;

- ability to develop and implement new business models for ensuring access of consumers to products and augmented services;
- **fair price:**
  - collecting marketing information;
  - ability to enhance and maintain cooperation among chain actors including the combined use of available complementary resources, capabilities, competences of SFSCs actors, networking, understanding the principles of food value chain management;
  - ability to define, develop or maintain unique quality of products and augmented services;
  - ability to develop and implement new business models;
  - ability to access the consumer willingness to pay for fair price
- **increased negotiation power:**
  - collecting marketing information;
  - ability to enhance and maintain cooperation among chain actors including the combined use of available complementary resources, capabilities, competences of SFSCs actors, networking, understanding the principles of food value chain management, cooperation culture;
  - ability to define, develop or maintain unique quality of products and augmented services;
  - ability to develop and implement new business models;
- **shared use of available resources:**
  - ability to enhance and maintain cooperation among chain actors including the shared and combined use of available complementary resources, capabilities, competences of SFSCs actors, networking, understanding the principles of food value chain management, cooperation culture;
  - the level of value chain management culture;
  - ability to access the consumer willingness to pay for food with reduced environmental impacts

- **input for R+D:**
  - ability to monitor, research, evaluate, and understand the needs and wants of customers and consumers;
  - ability to develop new products, processes, packaging, preservation techniques, systems and access to new markets, including in other categories;
  - access to innovative technologies; distribution and marketing solutions and methods. management systems;
  - access to local input for R+D covered by other aspects
  
- **access to markets: and market success**
  - effective promotion, customer service, efficient and innovative sales methods;
  - ability to understand consumer's needs;
  - ability to organise logistics efficiently and to exploit innovative solutions and distribution channels,
  - unique value propositions;
  - ability to develop and implement new business models for ensuring access of consumers to products and augmented services, develop the market accessibility for the suppliers.
  - stock control;
  - ability to access to required raw materials within a restricted geographical area
  
- **access to infrastructure:**
  - ability to use existing own infrastructure in a focused way to serve consumer needs or to combine it with complementary infrastructures of other SFSC actors, cooperation culture;
  
- **management:**
  - to implement management systems for vision, planning, implementing), coordinating, controlling, monitoring, continuously;
  - improving; ability to motivate, authorize staff;
  
- **production, processing:**
  - management system, production experience, specific controlling, monitoring, continuously;
  - willingness to consider and ability to evaluate the adoption of TECI and NTI in the current production processes;
  - any additional specific resources necessary for the application of the specific innovation.