



European Commission

# AGRI-FOOD INDUSTRIAL ECOSYSTEM



The agri-food ecosystem is responsible for the diversity of foods and drinks we consume every day. It comprises of different actors in the food supply chain – from farmers and fishers and its cooperatives, the food and drink industry, food retail and wholesale, food service and suppliers of seeds, fertilisers, machinery as well as those involved in packaging, logistics, research and public authorities. All of these contribute to the manufacturing of food and beverage, as well as crop and animal production, hunting and related services. Besides its economic importance, the ecosystem also has important social and cultural implications.

## KEY FACTS AND FIGURES



Brings **€602.9 billion** or **4.9%** in gross added value to EU economy



Consists **291 000** food and drink enterprises, of which **99%** SMEs



Creates **16 million** jobs in EU



SMEs are responsible for **almost half of the sector's turnover** and employment

## KEY CHALLENGES



**Adapting and mitigating climate change impacts:** Climate change has a big impact on the environment and changing crop yields and sea outputs. This affects farmers' and fishers' incomes, impacts the viability of rural areas and influences sustainable and healthy diets.



**Changing societies:** The agri-food ecosystem is market by low generational renewal, with less young people attracted by the food sector. Finding a skilled workforce is increasingly challenging even for large food companies.



**Rising costs:** The agri-food ecosystem has been affected by large increases in input costs, especially energy and volatility of raw material prices. Rising costs also increase the risks for global food security, while in EU, food affordability is an issue for low-income groups.



## MAKING THE AGRI-FOOD SYSTEM GREENER, MORE DIGITAL AND MORE RESILIENT

The European Commission, together with agri-food stakeholders, has published a Transition Pathway for the agri-food industrial ecosystem in March 2024. This document has a set of actions to support the green and digital transition of the agri-food ecosystem, while improving its resilience. The plan addresses issues like sustainable competitiveness, investments and funds, needed research and innovation, adequate skills, required infrastructure, public governance and international trade and cooperation. To make the transition pathway a reality, a Transition Pathway Stakeholder Support Platform will be set up to help stakeholders use and exchange information.

## SUPPORTING THE TRANSITION



### SECURING RELEVANT SKILLS

To address the gap in skills in the agri-food sector, the Commission and sectorial associations led by Copa-Cogeca and FoodDrinkEurope created a large-scale skills partnership in February 2022. Part of the EU Pact for Skills initiative, the partnership brings together companies, national federations, universities, trainings centres and others to deepen research into the skills gap, create training programmes and other activities to promote careers in the agri-food sector.



### CREATING AN ENABLING REGULATORY FRAMEWORK

The EU's Common Agricultural and Common Fisheries Policies provides a key framework for the agri-food sector. In addition, the Farm to Fork and the Biodiversity Strategies from 2020 are the two central elements for the transformation of the EU agri-food system. The agri-food sector also benefits from sectorial strategies such as bioeconomy strategy, the sustainable blue economy, the SME strategy, or the Circular Economy Action Plan.



### PROMOTING SUSTAINABLE BUSINESS PRACTICES

To promote sustainable food production and distribution, the agri-food industry, supported by the Commission launched the EU Code of Conduct on Responsible Food Business and Marketing Practices. The initiative brings together more than 140 partners representing food and drink companies and retailers, as well as SMEs from the sector, to jointly work on improving healthy and sustainable diets, supporting a climate neutral food chain, reducing food loss and making food sourcing more circular and sustainable.



### SUPPORTING SMALL AGRI-FOOD BUSINESSES

The European Cluster Collaboration Platform is an important initiative to support businesses, helping them to cooperate with other local businesses to improve productivity, innovation, internationalisation and efficient use of resources. Similarly, the European Enterprise Network provides support for SMEs, including advice by dedicated Sustainability Advisors which can help SMEs identify best ways to benefit from sustainable business models.