

1.2. Circular economy business models in food supply chain

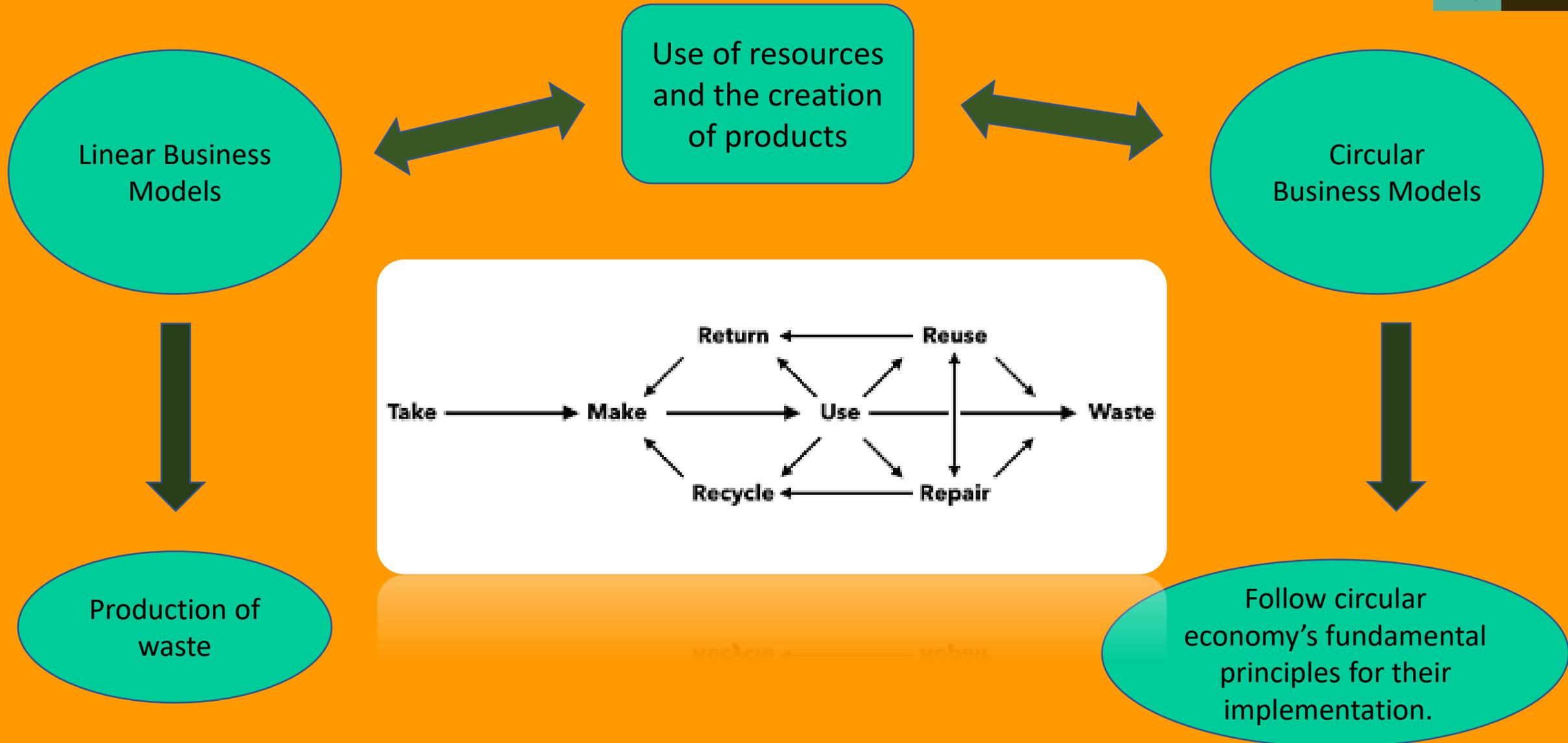
How to adopt and use the business models in CE



e-module 1 Circular economy and food supply chain
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How circular economy works



DEVELOPMENT AND IMPLEMENTATION OF CIRCULAR ECONOMY BUSINESS MODELS

- The development and implementation of circular economy business models also require some principles which constitute branches of circular economy and guide businesses and organizations that want to follow a sustainable way of operating:

1. Source products and materials from the economy, not from ecological reserves

To enhance circular economy and sustainability, businesses ought to choose materials, products, equipment that already exist and probably are used in the economy, rather than using newly produced materials from new sources.

2. Create value for customers by adding value to existing products and materials

Value is not created only by new products or services. Businesses can deliver value to customers by adding financial value to products and/or materials that are already in the market. Upgrading, upcycling, repair, sorting, processing are some of the processes that might be used for the transformation of existing products so that their value will increase.

3. Create valuable inputs for businesses beyond your customer.

Another important stakeholder in the circular economy is the natural environment. Its preservation should define many of the procedures defined by the business models. Thus, the value of the materials and products developed must also serve the environmental and societal impact, besides direct clients, and this can be achieved by not transforming them into waste.

CIRCULAR ECONOMY IMPLEMENTATION IN THE AGRI-FOOD SECTOR



- ✓ Based on the Systematic Literature Review conducted by Esposito et al. there have been some important conclusions regarding circular economy implementation in the Agri-Food sector
- ❑ Stakeholders within the food supply chain and consumers is regarded necessary to leave linear economy behind.
- ❑ Food waste and loss reduction, two possible outcomes from sustainable supply chains, should be investigated from historical, political, and cultural aspects and according to their implications
- ❑ The reduction of environmental costs and the management of environmental impact might contribute to global energy efficiency through local strategies and policies
- ❑ These might also contribute to ensure safety requirements and develop controlled systems for the collection and management of food surplus.
- ❑ The complexity of the Agri-Food sector which does not allow the existence of a universal tool for circular management and for this reason every supply chain should be handled differently.

However, a common framework or common assessment tools should be established for the evaluation and comparison of circular performances and practices among different supply chains and involving all the actors of the Agri-Food sector.

- ❑ Businesses are increasingly realizing the importance of switching to a circular model of goods and services creation in order to remain competitive
- ❑ The concept has also gained popularity among policymakers, affecting local, national, and international governments and intergovernmental agencies
- ❑ Transitioning to a CE provides numerous potential for the entire agri-food system to become more resource-efficient

By 2050, it will be necessary to ensure adequate nutrition for the entire population while also reducing the harmful effects of agricultural systems.



- ❑ Governments, businesses, research institutes, and NGOs are looking at innovative ways to reuse items, their components, or waste material through CE and recover more of its valuable resources and energy.
- ❑ The implementation of closed loop systems that strive toward greater economic and environmental sustainability is required for the development of circular economy
- ❑ The most important activities are:
 - focused on increasing investment in specific value chains,
 - allowing the development of strategic value chain groupings to support upscaling,
 - replication of CE practices and,
 - developing legislative frameworks.
- ✓ There is universal recognition in the agri-food field that clean technology and eco-innovation are critical to achieving a win-win situation, and that this change necessitates coordinated policies and a variety of incentives.





TRAIN-CE-FOOD project

<https://trancefood.si/en/home-english>

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