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**PROMSTAP**

## FoOD-Dynamo

### *Designing demand-driven food chains*

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## Presentation outline

1. Introduction
2. Designing demand-driven chains
3. Demand-driven pork chains in North Rhine-Westphalia (NRW)
4. Demand-driven olive oil chains in Liguria
5. To conclude

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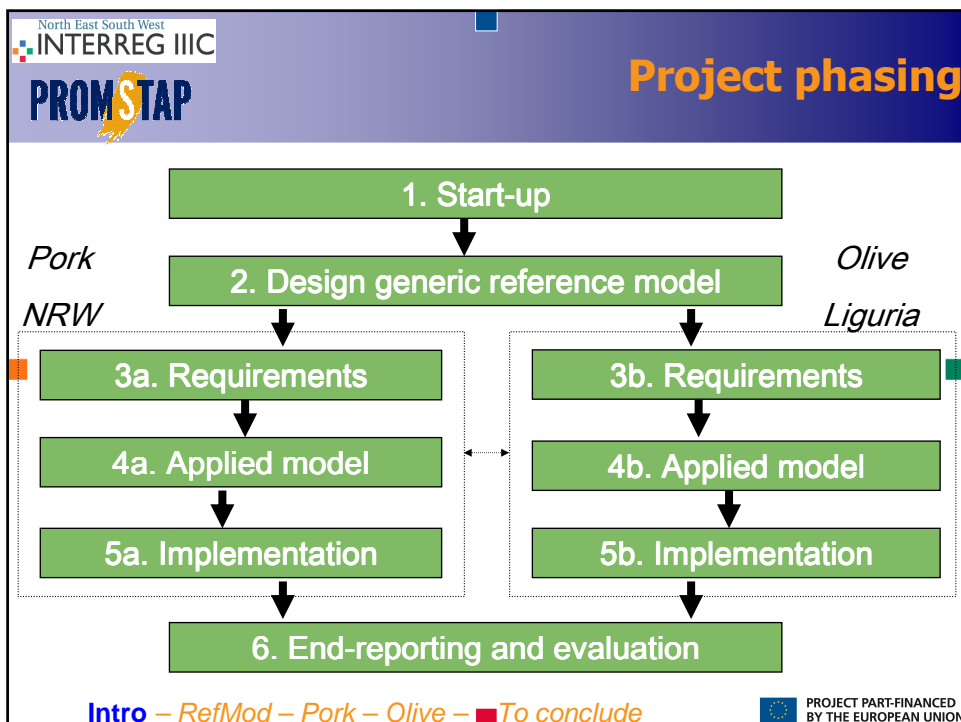
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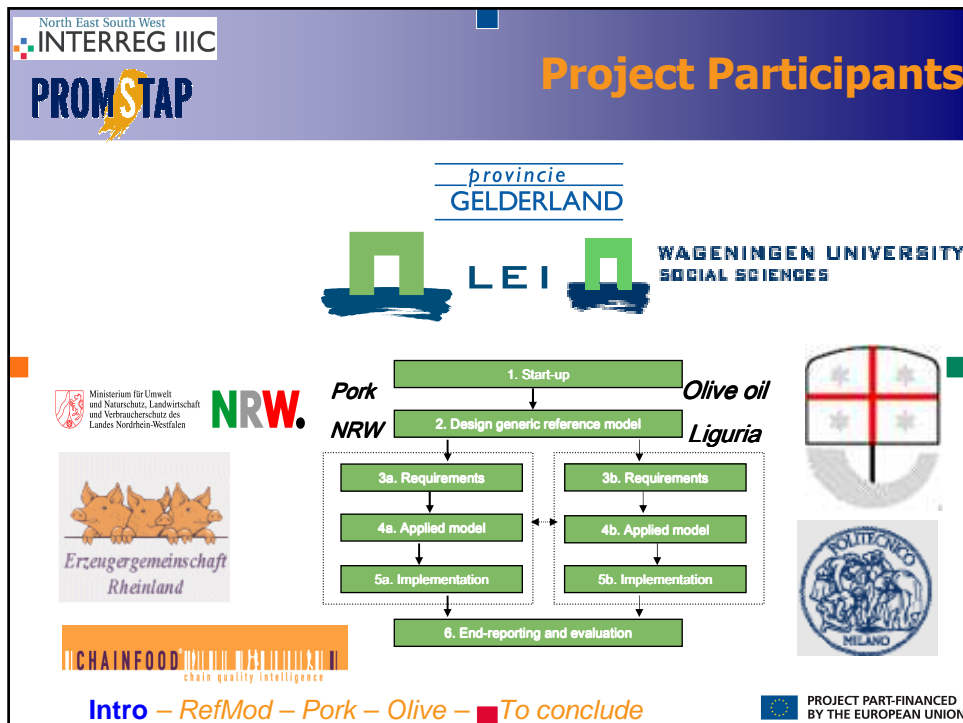
Objectives

- To support SMEs to participate in agile chains that are driven by market intelligence information
- Reference model as vehicle of knowledge transfer, and cross-industry learning

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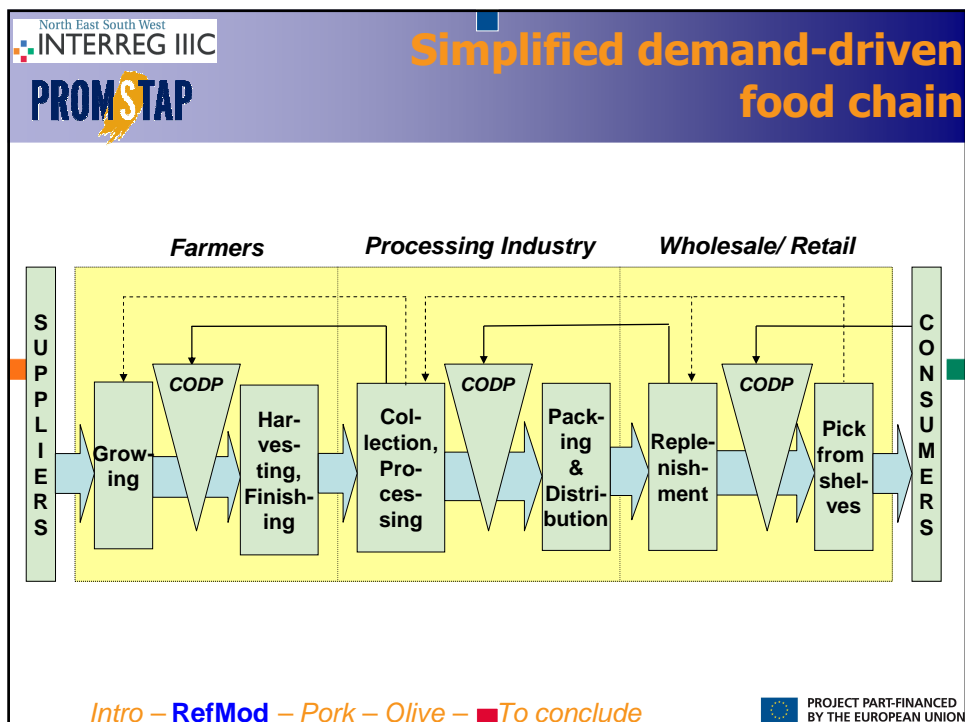
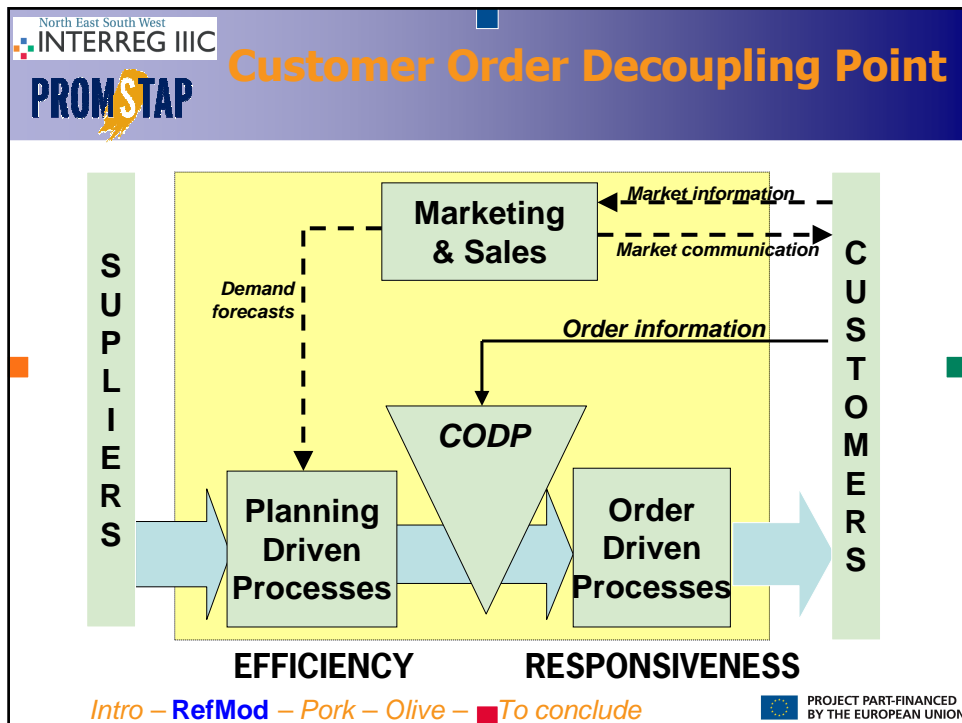
## Reference model

- No one best SCN design ('one size fits all')
- Multiple SCN variants, among others because of
  - Different product-market combinations
  - Different customer requirements
  - Different involved actors
  - Different control arrangements
- Reference model is intended to support this diversity
  - Depicts how processes are driven by market intelligence information
  - In different arrangements of planning- versus order-driven control

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## Characteristics of pork chains in North Rhine-Westphalia (NRW)

- Important characteristics include:
  - Meat belongs to the basic assortment of retailers
  - Strong emphasis on low prices and high quality
  - Divergent processes, highly interdependent product flows
  - Fresh product: decay
  - Utilization of slaughterhouse capacity important issue
  - Different slaughterhouses with specific quality requirements
  - Many small farms
- Strong need for quality alignment between retail, slaughterhouses and farmers

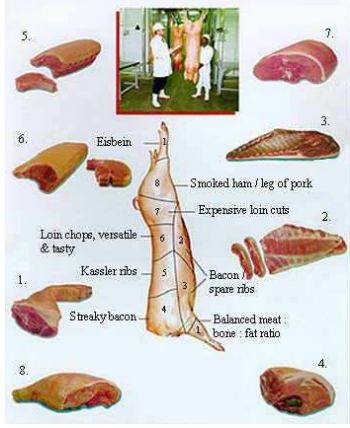
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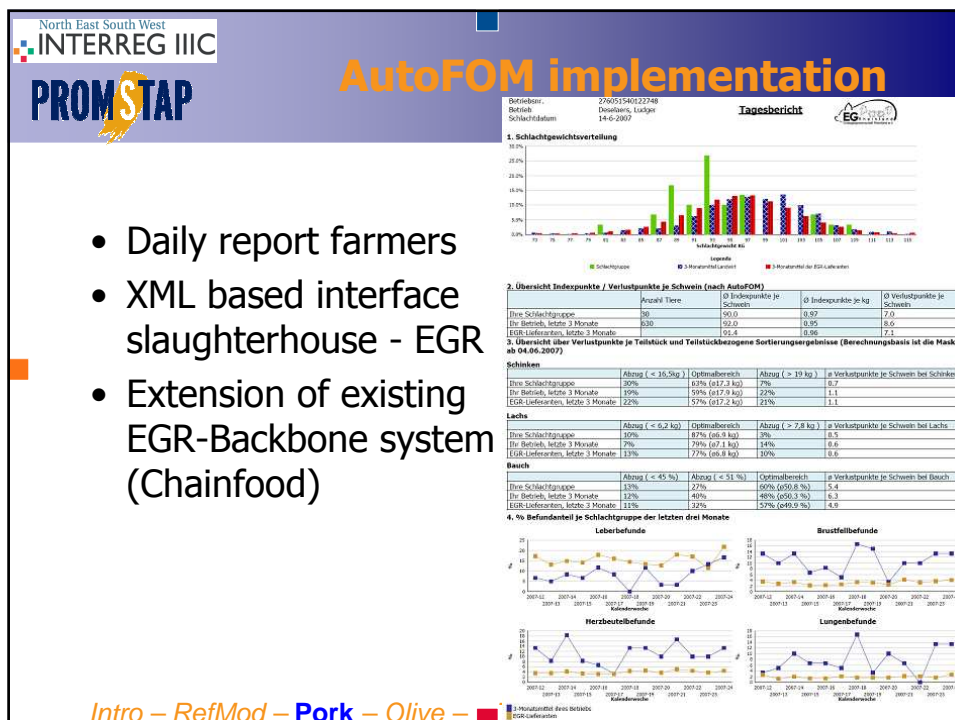
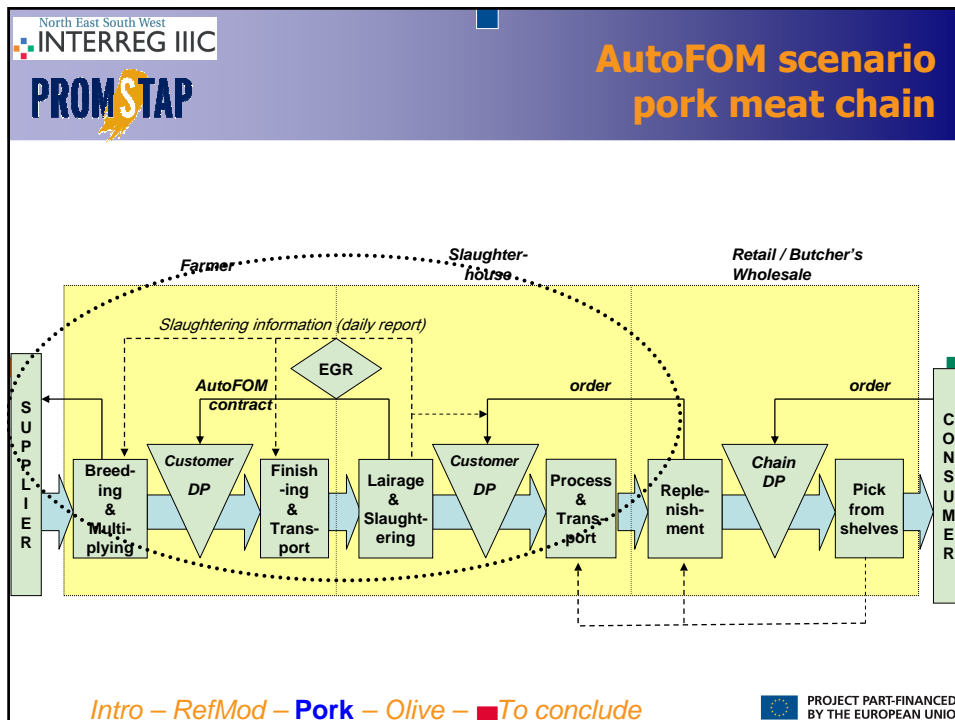
## AutoFOM

- Automatic carcass classification based on ultrasound technology
- Measures
  - Loin (weight)
  - Leg (weight)
  - Shoulder (weight)
  - Belly (lean-meat-ratio)
- Component pricing system
- Better quality alignment with e.g. retail
  - Ham: 16 to 19 kg
  - Leg: 6,2 to 7,8 kg
  - Belly Meat percentage (BMFL) over 51 %



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## Characteristics of olive oil chains in Liguria

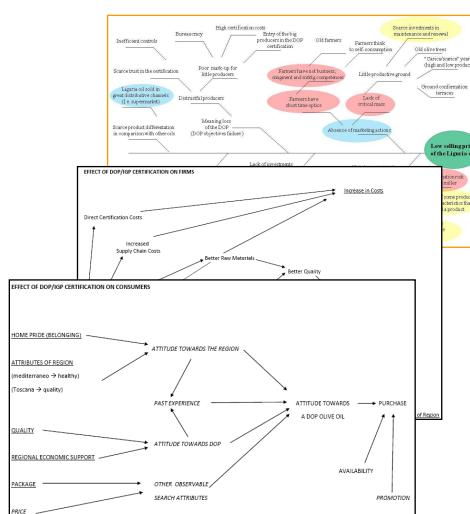
- Important characteristics include:
  - High yield fluctuations
  - Difficult production circumstances
  - Low volume flexibility due to yearly production seasons
  - Olive oil from Liguria marketed as a high-quality specialty
  - Many different chain configurations, e.g. companies that combine growing and processing versus specialized companies
  - Highly fragmented production: many small farmers ( $\approx 20.000$ ) partly organized in cooperatives
  - Production orientation dominant approach for many companies
- Strong need for design of new chain/production systems that help olive companies to be more demand-driven
  - investigation of market orientation in the region
  - defining new supply chain configurations for demand-driven olive oil production

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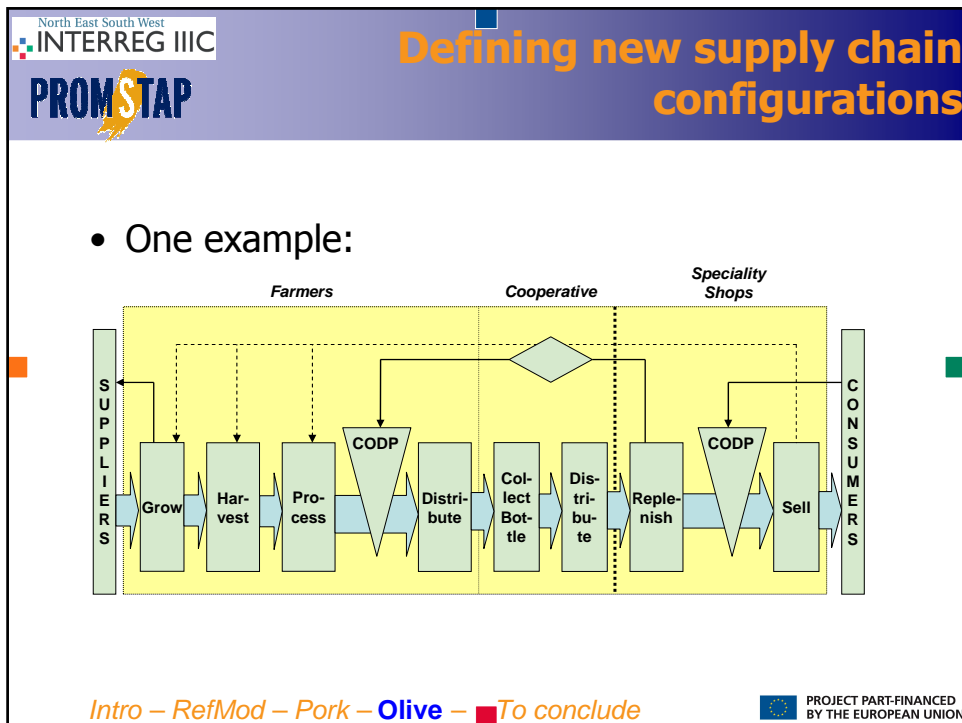
## Investigation market orientation

- Assessment
  - Productive chain
  - Distribution channel
  - Consumers
- Causal maps
  - 1 Overall
  - 2 on DOP certification
    - Effects on consumers
    - Effects on supply chain
  - Delphi analysis



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## Conclusions

- There is a strong need for more demand-driven food chains
- Focus in application differs between involved chains
- Cross-industry reference models based on the CODP-concept are valuable to support diversity
  - Designs of specific chain variants in different food industries
- Good vehicle of knowledge transfer, and cross-industry learning
- Transition towards demand-driven chains is a major operation
  - FoOD-Dynamo project good start
  - To be continued???

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Thank you for your attention!

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*Designing demand-driven  
food chains*

