



The World's Largest Open Access Agricultural & Applied Economics Digital Library

This document is discoverable and free to researchers across the globe due to the work of AgEcon Search.

Help ensure our sustainability.

Give to AgEcon Search

AgEcon Search

<http://ageconsearch.umn.edu>

aesearch@umn.edu

*Papers downloaded from **AgEcon Search** may be used for non-commercial purposes and personal study only. No other use, including posting to another Internet site, is permitted without permission from the copyright owner (not AgEcon Search), or as allowed under the provisions of Fair Use, U.S. Copyright Act, Title 17 U.S.C.*

No endorsement of AgEcon Search or its fundraising activities by the author(s) of the following work or their employer(s) is intended or implied.

Transparency in Food: A Challenge for Research and Sector Initiatives

Gerhard Schiefer

University of Bonn, Germany
schiefer@uni-bonn.de

Received August 2011, accepted November 2011, available online December 2011

ABSTRACT

Transparency in the Food Sector and especially towards consumers is an issue which receives increasingly attention in public and research. There is widespread agreement that the present state of transparency is not sufficient and needs engagement by research and the sector to move forward. A Strategic Research Agenda on Transparency (SRA) identifies opportunities and challenges for research to contribute to improvements in transparency supporting consumers' trust in food and the society's interest in food that is safe and considers the evolving environmental and social concerns

Keywords: transparency, food chains, research

The challenge

Transparency is driven by *needs* and is meant to *create awareness* on the issues society, consumers and enterprises in the food sector are interested in, involving information on the safety and quality of products and processes, and increasingly on issues around environmental, social, and ethical aspects. Consumers' trust in food, food production, the origin of food, and the actors involved is a core requirement for the functioning of food markets and the competitiveness of industry. However, trust is a sensitive 'product'. Various interest groups are increasingly demonstrating the divergence between claims (representing statements on product characteristics that are not directly apparent to consumers upon visual inspection) and reality contributing to the public push towards increased transparency. Enterprises all along the chain which involves retail and industry but may reach back to agriculture and beyond may be influenced in their procurement and production decisions by consumers' transparency interests. This asks for sector wide efforts to improve on transparency linked to consumer food products.

However, improving on transparency is one of the most complex and fuzzy issues the sector is facing. The complexities are due to complexities in food products and processes but also due to the dynamically changing open network organization of the food sector with its multitude of SMEs (small and medium sized enterprises), its cultural diversity, its differences in expectations, its differences in the ability to serve transparency needs, and its lack of a consistent appropriate institutional infrastructure that could support coordinated initiatives towards higher levels of transparency throughout the food value chain and on a global scale.

One of the challenges in the sector is to reach a level which can be accepted by a majority of stakeholders in a certain market as sufficient, whatever background and in whatever situation and perception. Reaching this state is however a challenging and ongoing task considering the dynamics in market developments, market differentiations, scenarios and needs.

This opens a broad variety of research needs that could contribute to reaching an understanding on

- a) what could be considered as present or future 'best practice' in a certain market environment and
- b) what are knowledge deficiencies that limit developments and required research to overcome.

Transparency builds on appropriate *signals* which integrate available *information* and communicate a certain '*message*' to recipients (e.g. 'food is safe'). The provision of information could involve a broad range of alternatives depending on opportunities but also on the ability and willingness of consumers and decision makers to grasp, interpret, and process the information as needed. Transparency does not need to build on the communication of an ever increasing number of information items. The sector has developed many approaches for suitable aggregations and certifications along the way which provide built-in information that could be disaggregated and utilized where needed.

It is obvious that research alone cannot provide transparency. It requires the preparedness of actors in the field, including policy, enterprises, and service operators to act. Furthermore, as transparency builds on information from throughout the food chain (incl. agriculture), action requires cooperation and coordination. In a sector with an open network situation and a majority of SMEs (CIAA, 2006), a coordinated development path is difficult to reach. Research can facilitate and focus developments, reducing risks of failures.

Furthermore, the design of appropriate transparency systems requires a suitable IT (information technology) infrastructure on which information can be moved towards retail and the consumer. The IT infrastructure is the critical success factor in the scenario as without its base any further agreements in the sector on the development of transparency is without a realistic chance of implementation. This asks for interdisciplinary research initiatives (as e.g. in www.smartagrifood.eu).

The realization of transparency is not just an issue of information collection and provision but depends on a balanced consideration of the interests of all stakeholders involved. While the provision of transparency may create benefits to recipients, it may well be (at least potentially) to the disadvantage of the provider. Furthermore, its realization depends on information that needs to be collected, processed, and be prepared for provision, i.e. activities that create costs. A balanced consideration of the different interests requires the sector (and research) to develop appropriate schemes for information exchange as e.g. *information markets* of whatever kind (see, e.g. the '*book and claim*' initiative, www.bookandclaim.co.uk) that could support the balance of interests towards improvements in transparency.

To sum it up, to moving towards improved transparency requires knowledge on where and how to move but also action by stakeholders of the food chain. Both lines depend on research for support.

As a base for further discussions on research needs, the European Commission had initiated a project aimed at summarizing the state-of-the-art and challenges in transparency research (www.transparentfood.eu). The resulting 'Strategic Research Agenda for Transparency' (Transparent_Food, 2011) specifies research needs that could, if followed, facilitate developments towards transparency. The initiative goes back to a Strategic Research Agenda of the European Technology Platform 'Food for Life' (CIAA, 2006) where '*transparency in the food chain*' was mentioned as one of the priority areas for competitiveness of the European food sector that required dedicated research initiatives (Fritz and Schiefer, 2008).

References

- CIAA (2006). Strategic Research Agenda 2007-2020. European Technology Platform on Food for Life. Available at <http://etp.ciaa.be> (Nov. 2011).
- Fritz, M., and Schiefer, G. (2008). Food chain management for sustainable food system development. A European research agenda. *Agribusiness* **24** (4): 440-452.
- Transparent_Food (2011). Strategic Research Agenda on Transparency. Report to the European Commission. Available at www.transparentfood.eu (Jan. 2012).