



## About FPI

Innovation, Marketing, International Affairs for the value-added chain of food in Northrhine-Westfalia

No other line of business is facing with such a dynamic change of target markets and steadily growing demands as the food sector. The Food-Processing Initiative e.V. supports Northrhine-Westfalian food producers in managing those demands and use their chances to full capacity.

An expert network comprising the whole of the value-added chain is in place, and projects around the subjects of innovation, marketing and international affairs are started up.

## Significant Economic Factor

Northrhine-Westfalia with its richness in agricultural economy, food processing, trade and gastronomy, forms a significant location for the food sector in Germany. 50.000 agrarian enterprises, 1.000 food-industrial enterprises with over 100.000 employees, more than 700 enterprises in the upstream and downstream lines of industry such as plant construction, logistic and packaging industry – for this county, the food industry with its variety of enterprises from small and medium-sized enterprises (SME) to global players signifies an important location factor and an enormous economic power.

Food industry is, according to business volume, the fifth important industrial branch in Northrhine-Westfalia. About 27 bn. Euro of turnover in this county in 2003 accounted for the food sector. Additional to a variety of high-output and innovative small-scale enterprises, about 27 % of the 40 top-selling German food-industrial enterprises are located in Northrhine-Westfalia (NRW).

Big enterprises located in NRW are the Coca-Cola Ltd., Dr. August Oetker limited partnership, Humana Milchunion eG, HARIBO L.P., Intersnack Knabber-Gebaeck L.P., bofrost Dienstleistungen L.P., Westfleisch Vieh- und Fleischzentrale Westfalen eG, Warsteiner Brauerei Haus Cramer L.P. etc. In addition, 8 of the 10 biggest German trading houses are located in NRW, such as the Edeka group, Rewe, Metro, Aldi andTengelmann.

The character of the Northrhine-Westfalian like the German food industry is largely stamped by small-scale enterprises. Therefore, an estimated 80 % the target group of NRW's enterprises fulfil the official



criterion for small and medium-sized enterprises (up to 250 employees). Easy and clear-cut structures catered to the owner or chief executive officer are characteristic for small-scale enterprises.

The significance of the food industry does not only result from hard economic facts. Not only the number of enterprises, the turnovers and jobs, key words such as retraceability and security or the new target market abroad do determine the significance of the food industry - it is existing traditions and emotions, which mainly add to the real value of this line of business!

Especially in the field of regional food specialities there is a huge latent potential for the location of NRW: the emotional power of culinary experience of our county! This potential can be used to promote the identities of the different NRW regions and to strengthen the positive image of NRW in Germany and abroad.

Outstanding sausage products like the "Westfaelischer Knochenschinken", excellent bakery products such as "Printen" or "Pumpernickel", fine cheese products, and last but not least the famous renowned beer specialities of Koelsch, Alt and Landbier - NRW has much going for it! Projects of FPI have comprised many regional specialities. These delis could serve as "culinary ambassadors" to the world.

Only change is stable - this saying is especially true for the food line of industry. The current challenges for the sector are manifold: Internationalization of markets, fragmentation of the value-added chain with a strong focus on trade, standardization and differentiation as the main trends in food retail industry, new and health foods or security and retraceability etc.

The successful management of adaptations to the market is of special relevance to small and medium-sized enterprises. Nevertheless, this is an area which requires also special efforts. Overcoming resource bottlenecks and creating synergetic effects through associations form one key to success. This is where FPI e.V. comes into play.

5 of the 10 biggest German universities are located in NRW, among them the university of Cologne as the biggest in Germany. The total of 55 NRW universities have got over 500.000 students. NRW hosts the Federal Research Centre for Nutrition and Food (BFEL), which is located in East Westfalia - Lippe near the university of applied sciences Lippe and the town of Hoexter. Students are able to achieve Bachelor or Master degrees at almost every university. The food line of industry educates



their prospective personnel at 6 universities and 3 universities of applied sciences. The offered study courses range from nutritional science and home economics, food chemistry, food engineering, food and consumer education, business operations of agrarian and food economy to consumer sciences. The University of Bonn is the only one to offer nutritional science and home economics, food chemistry and food engineering at one location. Course offers are completed by 3 technical schools, confectionery specialists for example are educated at the technical college of Solingen.

## **Overview over Value-added Chain**

"Building up contacts – identifying potentials - opening up chances - thus strengthening the competitiveness of small-scale food-industrial enterprises in NRW" - this summarizes the objective of the Food-Processing Initiative (membership association). The association located in Bielefeld sees its task in promoting the food industry in and the business location of Northrhine-Westfalia. Its main assignments are the promotion of innovations and new technologies, the creation of strategic alliances and co-operations and the installation of information networks. The association is supported by its members within the food industry and by the state of Northrhine-Westfalia.

FPI, founded in 2000, has become an acknowledged syndicate and intersectoral joint. FPI has established itself as a competent contact and a sought-after intermediary between economy, science and politics. FPI and its member enterprises and co-operation partners represent the whole value-added chain of its line of business - agrarian economy and agricultural technology, plant construction und food producers, producers of additives and packaging, controlling and logistic, trade and gastronomy, universities and research institutes.

## **Know-How & Know-Who**

FPI informs specifically about new ideas, products, technologies, markets, topics and trends. The association arranges contacts to enterprises and experts at home and abroad, identifies partners for projects and co-operations and promotes the transfer of technology between science and business. Thus, FPI supports the implementation of new ideas, products and strategies, and facilitates the development of new markets. In the context of fairs, delegations, seminars and symposia at home and abroad FPI presents and represents the food industry.

The following three areas form the focus of FPI's activities:

#### Food Innovation and Co-operation

Business environment is changing constantly. Globalization, technical advancement and increasingly individualized demands lead to a breakup, reorganization and partition of value-added chains.

To be able to sustain competitiveness, innovative ideas not only on product level, but also in processing and services have to be implemented. Such an implementation of innovative ideas requires large financial, time and human resources, which can often not be supplied by one enterprise in a solo attempt. The decisive step in the future will be for all involved parties over the whole process chain to co-operate with each other and with the sciences in order to generate new products and to establish improved production processes.

Often the best ideas are not implemented because of limited resources. Check the link "Food Innovation" in order to see workshops and seminars offered by FPI regularly. These events touch on current topics such as trends and developments in the food industry, quality assurance or co-operation measures. FPI also supports enterprises with specific intentions of product or process innovation through connection to co-operation partners or advice on financial affairs.

#### Food Marketing

Northrhine-Westfalia with its strong food industry and high-quality products holds a great potential to strengthen its positive image. Bavarian sausages, beer and potato dumplings are commonly represented as typical German specialities throughout the world. NRW food specialities have not yet achieved this status, neither on national nor on international level. The FPI membership association promotes the image of NRW specialities and quality products at home and abroad.

Check the link "Food Marketing" in order to see FPI's projects and events concerned with image promotion of NRW regions. Take a look at the project "nrw tischt auf. Das Forum": FPI organized an intersectoral symposium for the development of new concepts and marketing strategies. Producers of regional speciality foods were informed about trade mark rights according to the European regulation No. 2082/92 and collective marketing strategies.



## Food International

The export of products and services forms a huge latent potential for NRW's food industry. The development of new markets is often accompanied by difficulties such as cultural and linguistic barriers, differing business practices, differing notions of quality and quality standards or different forms of contract. SME can sometimes not take advantage of their chances because of their internal structure.

In the future, the more severe competition with developed and newly industrializing countries in combination with the macroeconomic environment will make it harder for NRW enterprises to sustain their competitiveness. Export business is becoming more and more important especially for SME. Estimations of the German Chamber of Commerce and Industry show that by 2005, the portion of foreign business from the total turnover of SME will have doubled. Check the link "Food International" in order to see how enterprises developing new markets abroad are supported by FPI.

In 2004, FPI installed new international networks by means of delegation excursions and foreign fairs. Examples are the co-operation network FPI - Bulgaria, the co-operation agreements with TNO Nutrition and Food Research in the Netherlands, the co-operation agreements with the Food Experimental Station (LVA) in Austria and the region Dmitrov in Russia.

FPI has organized and conducted activities and projects in all three areas within the last years: a co-operation award, the foundation of associations of speciality food producers, international information networks... You will find a list of reference projects and selected schemes if you check the link "Projects".

More information, queries, specific ideas for a project? Email us or give us a call. The FPI-Team will be pleased to help.