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Innovation Networks for Cork, Resins & Edibles
in the Mediterranean basin

Policy Forum "Untapping the potential of non-wood forest products for Europe's green economy"

16th - 17th March 2021
Online event

#NWFPpolicy
www.incredibleforest.net

**Competitive and equitable WFP value chains,
challenges and opportunities**

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Outline

- Definition and characteristics of WFP value chains
- Development paths in WFP value chain organization
 - a. Self-consumption
 - b. Local economy (stabilized and transitional)
 - c. Global Value Chains
 - d. Service-based value chain
- One final remarks



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Definition of value chain (from Kaplinsky and Morris, 2000 modif.)

The *value chain* describes the full range of activities which are required to bring **a product or service from production**, through the different phases of harvesting, processing, delivery **to final consumers**, and final disposal after use.

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Characteristics of WFP value chains

- The first step in the value chain (i.e., the **design**) is missed: Nature is designing WFP! (take it as a competitive advantage – wilderness – not as a limitation!)
- **Very diversified** value chain typologies
- Frequently Wild Forest Products are commodities associated to **regulatory and cultural services** (biodiversity protection, landscape conservation, recreation, tourism, ...)
- Special final **consumers** (in Europe)

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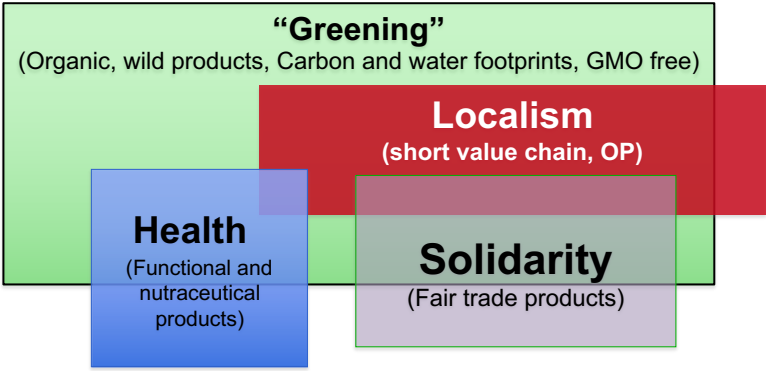
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LOHAS (Lifestyle Of Health And Sustainability) consumers:

4 reference values



- "Greening"**
(Organic, wild products, Carbon and water footprints, GMO free)
- Localism**
(short value chain, OP)
- Health**
(Functional and nutraceutical products)
- Solidarity**
(Fair trade products)

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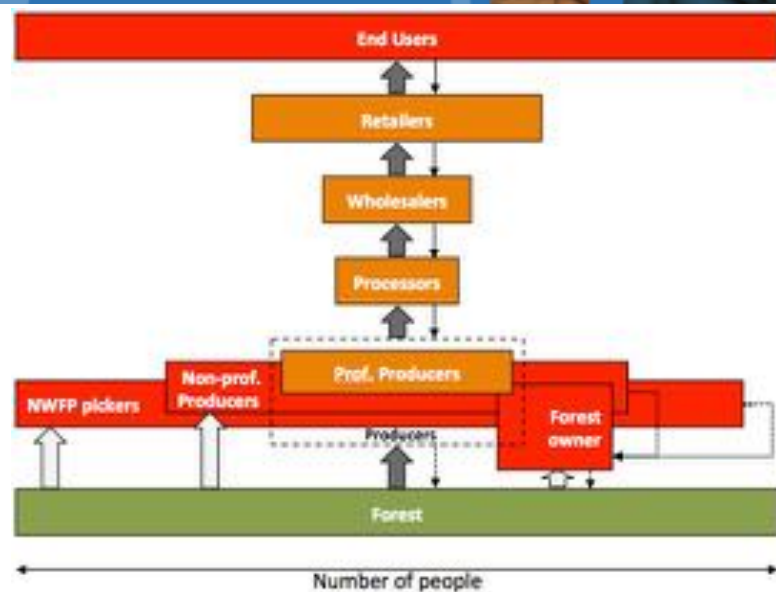
Why to work on supply chain?

- **Positive analysis:** understanding the structure and dynamics of value chains, the distribution of revenues, the employment impacts in each link, the identification of activities subject to increasing/declining returns

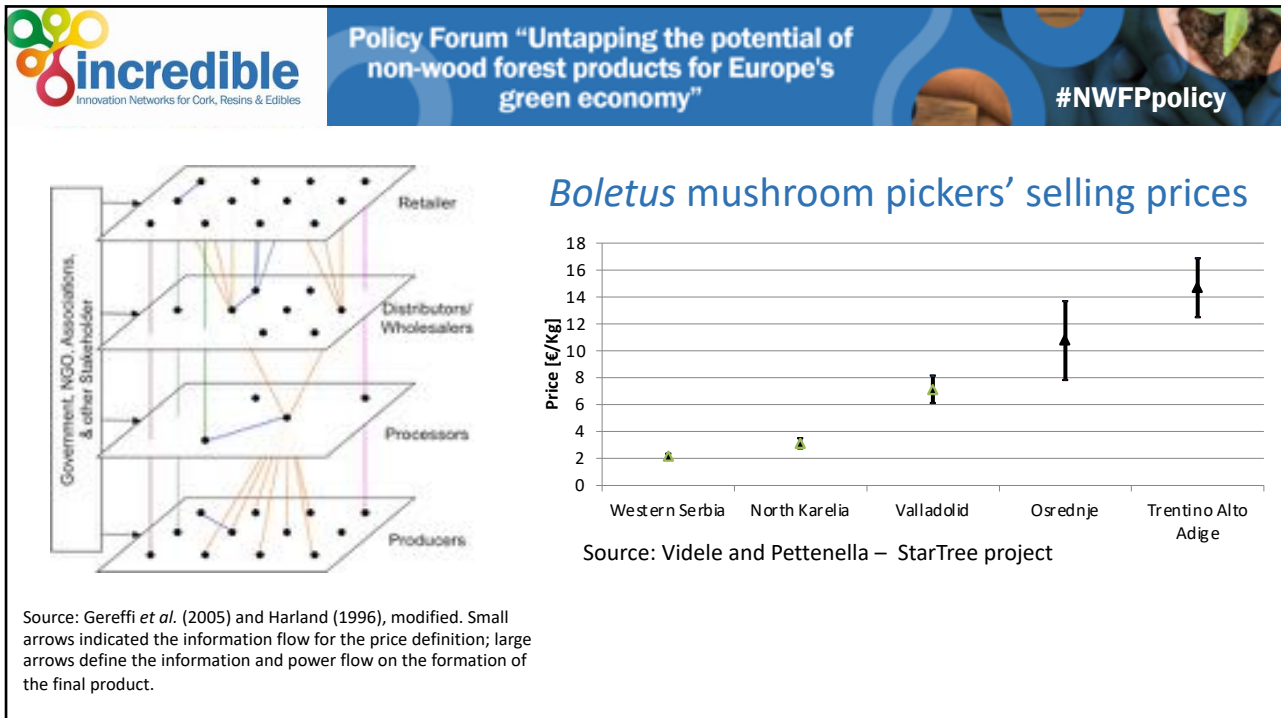
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The hourglass structure



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Why to work on supply chain?

- **Positive analysis:** understanding the structure and dynamics of value chains, the distribution of revenues, the employment impacts in each link, the identification of activities subject to increasing/declining returns
- **Normative analysis:** to identify new lines of action
 - For the policy makers: appropriate policy response
 - For the operators: investments, quality assurance: tracking corporate commitments to reducing costs and negative impacts in production and marketing

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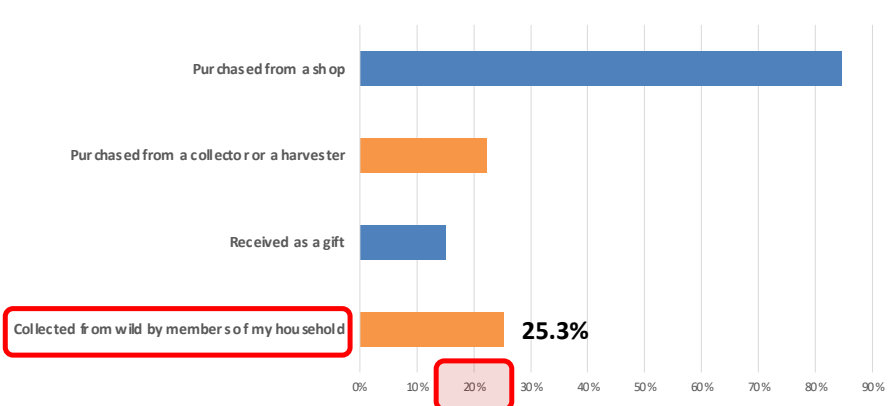
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Development paths in WFP value chain organization

Forest

↓

Harvesting
&
Consuming

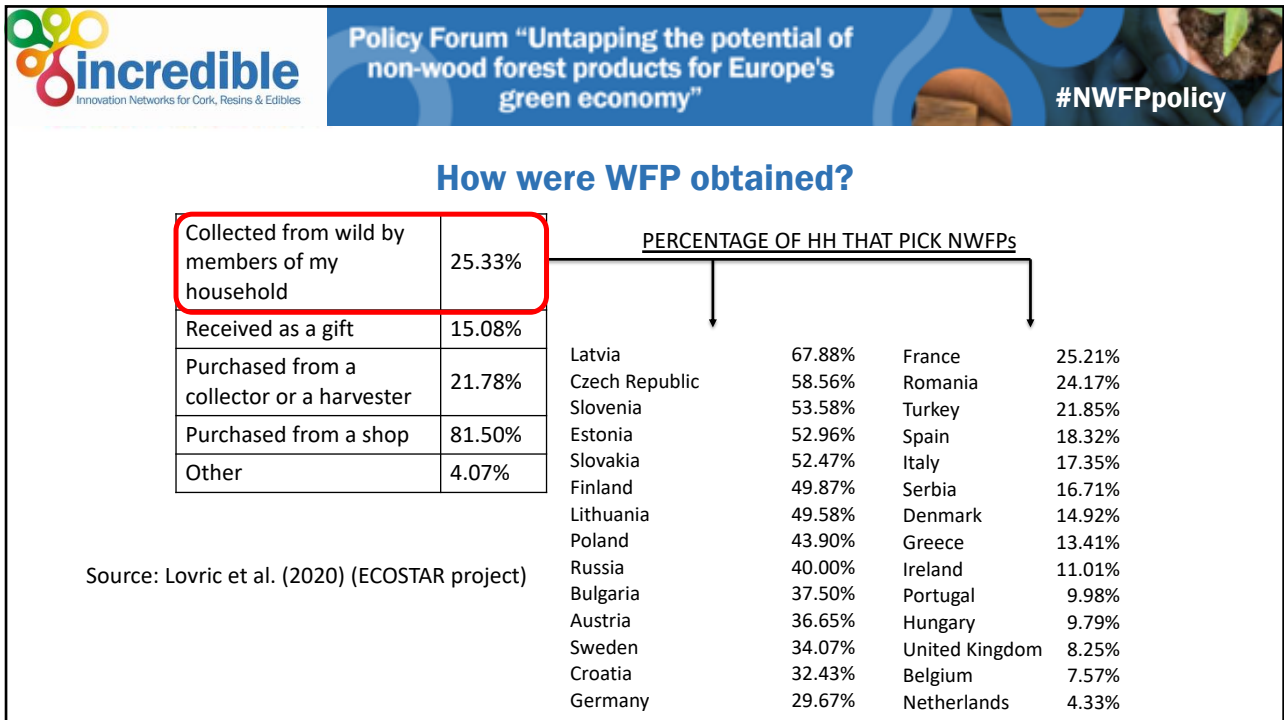


Development Path	Percentage
Purchased from a shop	~85%
Purchased from a collector or a harvester	~25%
Received as a gift	~15%
Collected from wild by members of my household	25.3%

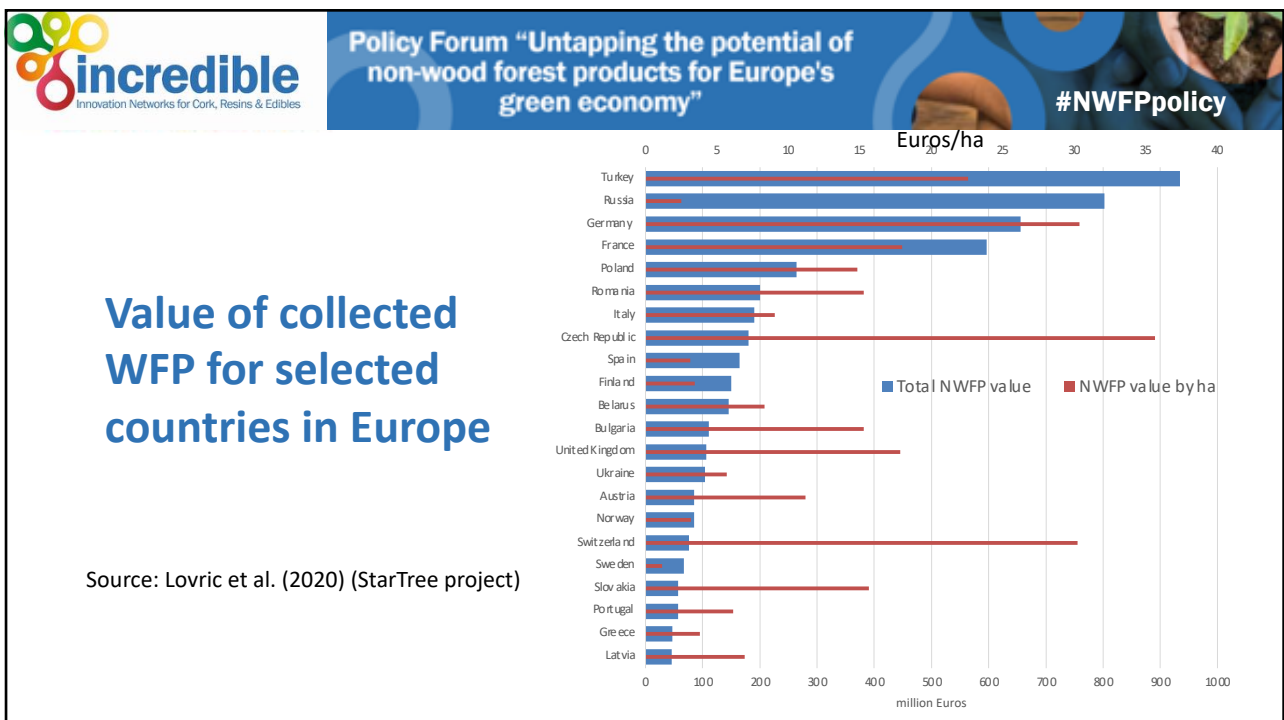
a. Self consumption

Source: Lovric et al. (2020) (StarTree project)

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Development paths in WFP value chain organization

```

graph TD
    subgraph a [a. Self consumption]
        F1[Forest] --> HC[Harvesters & Consumers]
    end
    subgraph b [b. Local economy]
        F2[Forest] --> H[Harvesters]
        H -- Direct sales --> FC[Final consumers]
        H --> M[Middlemen]
        M --> S[Sellers restaurants, open markets, small processors, local shops....]
        S --> FC
    end
  
```

Fresh products (herbs, berries, wild mushrooms, ...):

- "primitive" value chains: no standards, no labels
- frequent informal economy
- good local (food) traditions
- integrative revenues for rural people
- sometimes very lucrative

a. Self consumption **b. Local economy**

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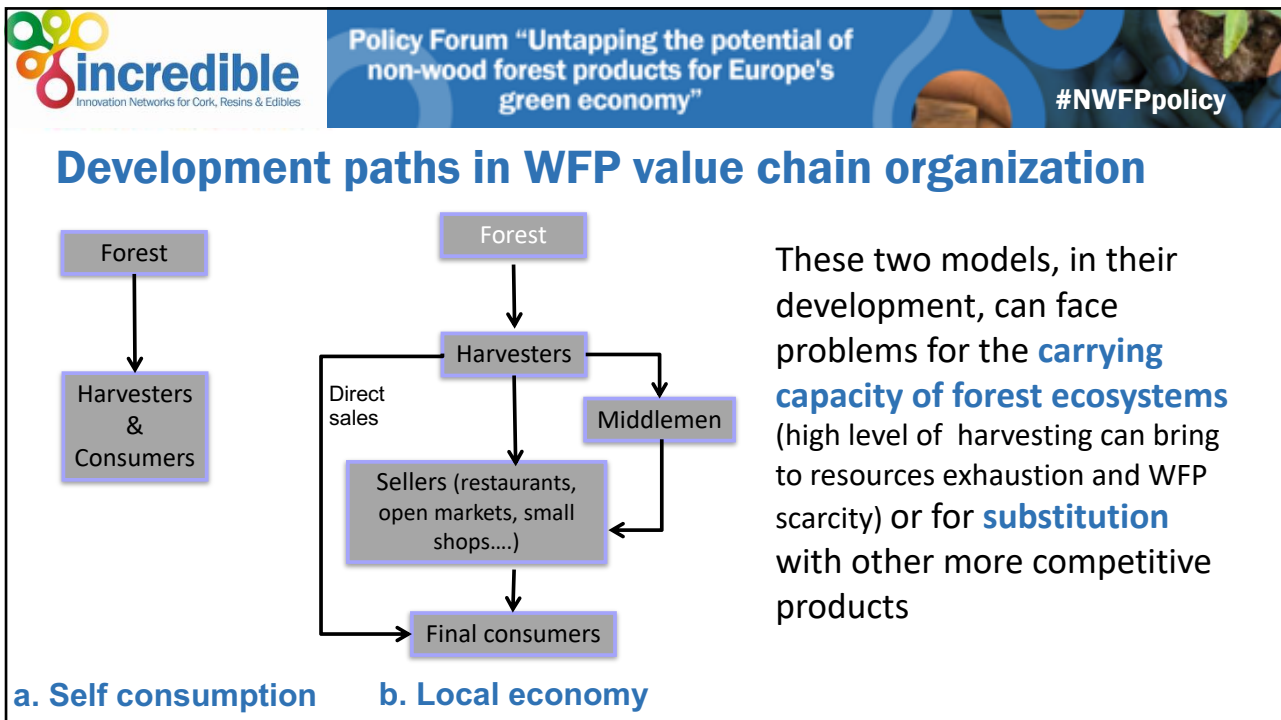
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«Forest eggs»

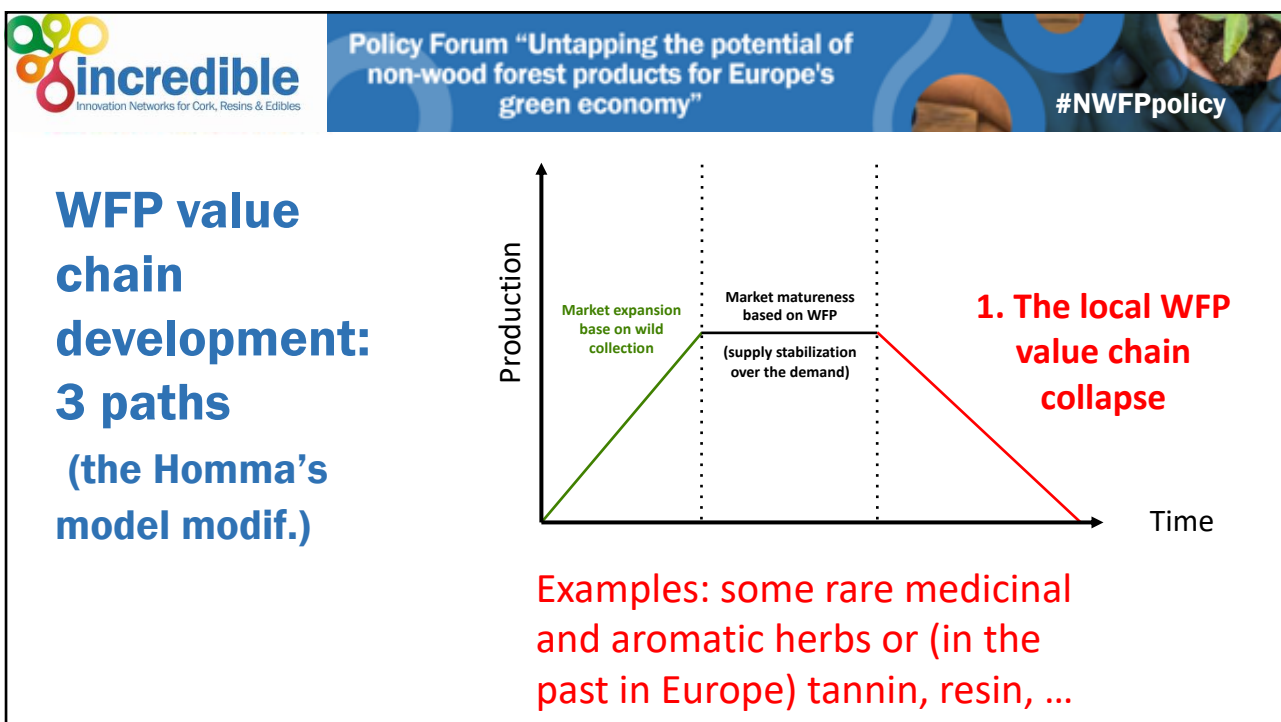
<http://www.uovodiselva.it>

L'uovodiselva è un uovo biologico prodotto in Valtellina, nella Valle del Bitto in un bosco di castagni a 600 metri di altitudine.

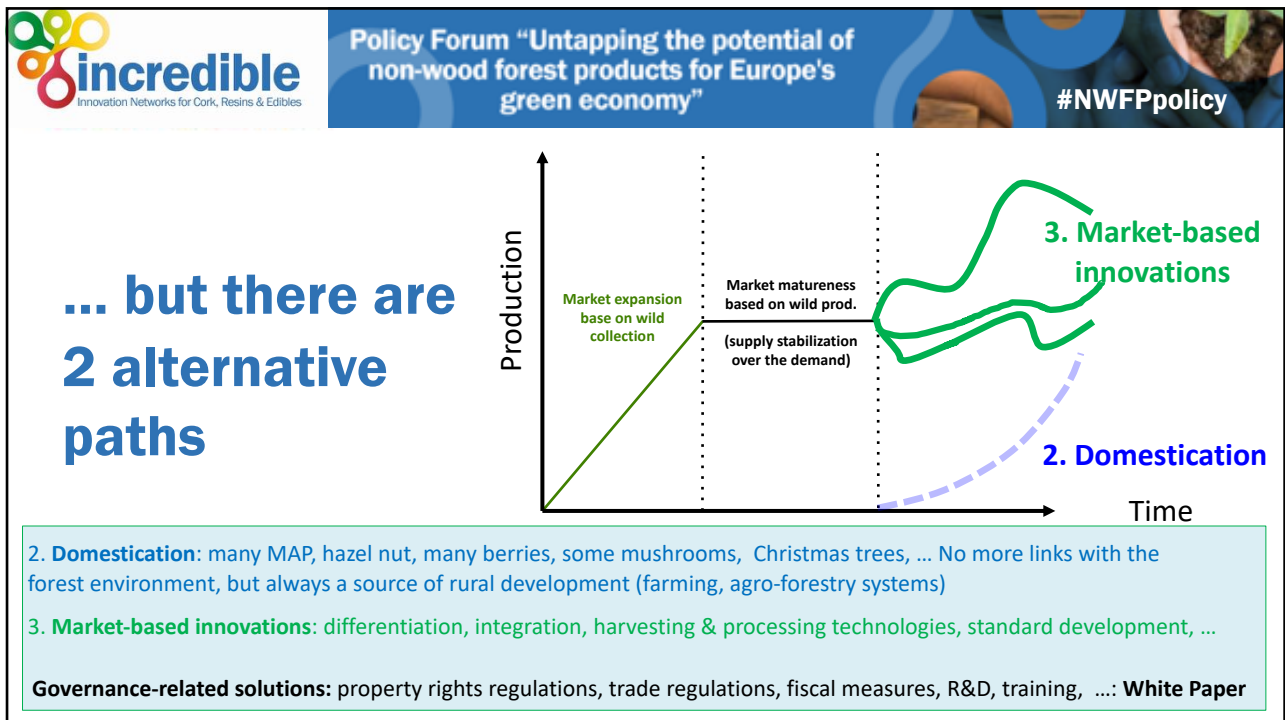
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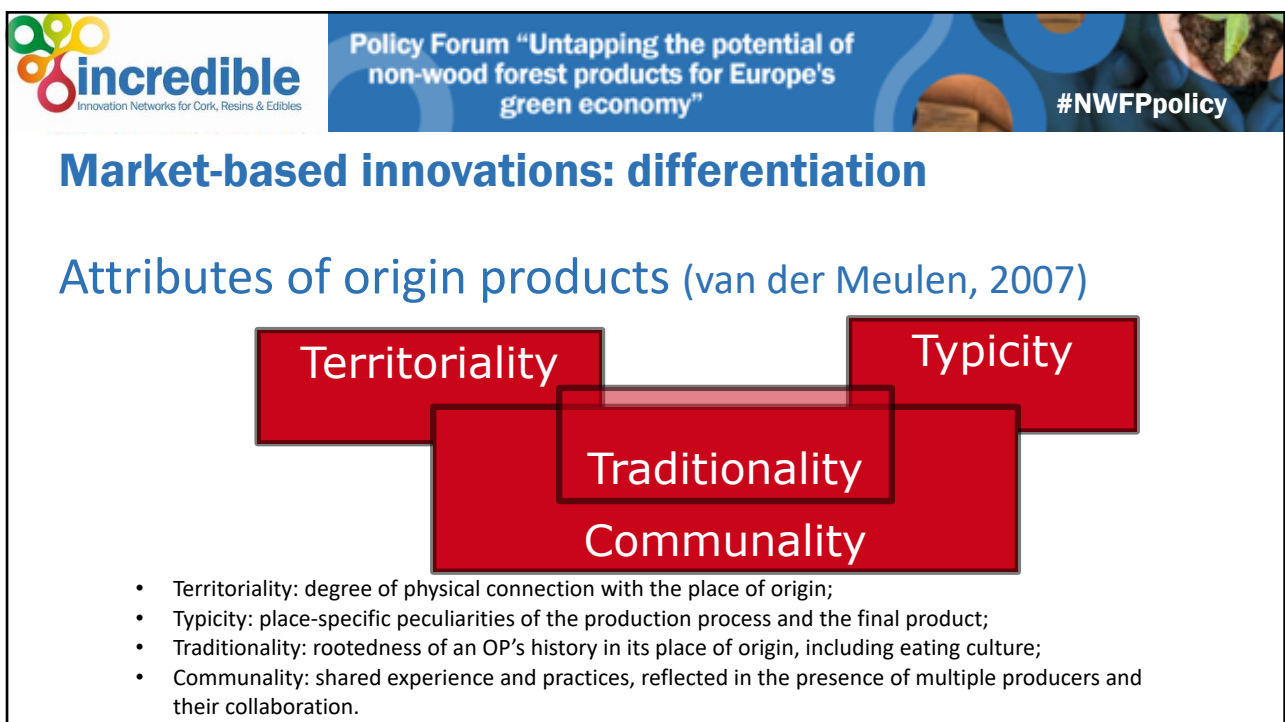
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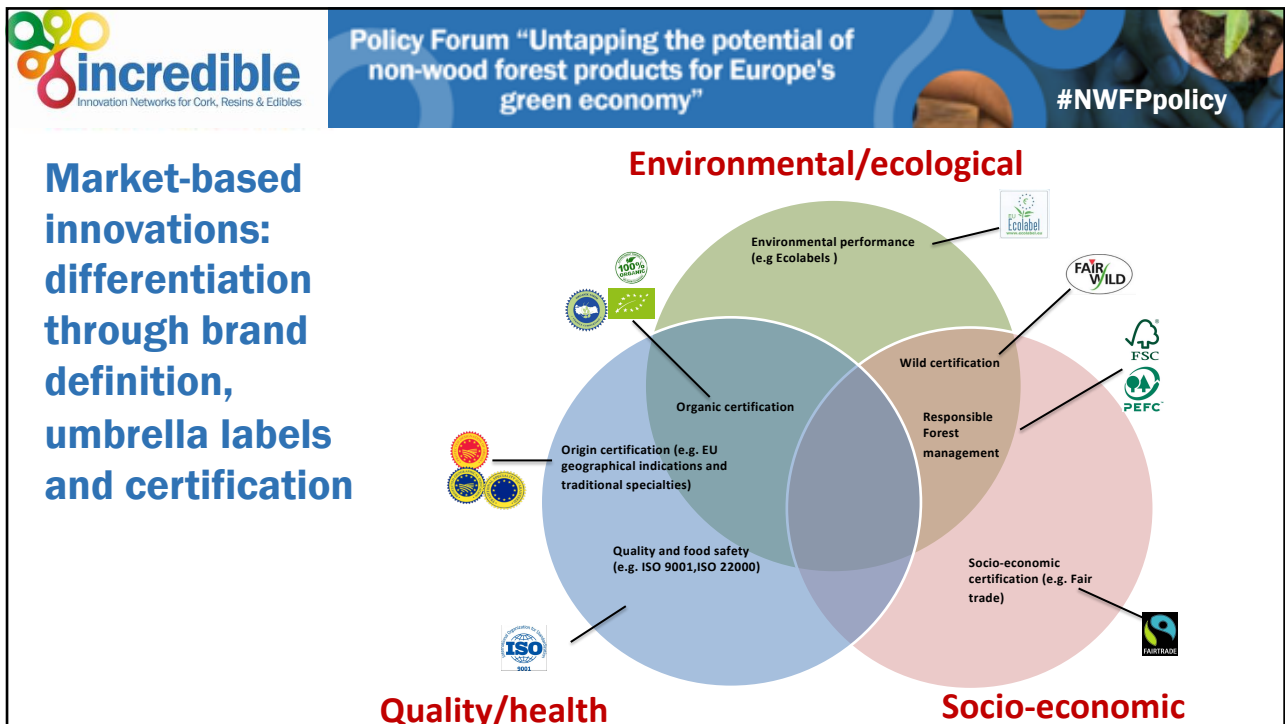
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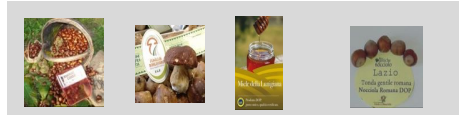


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The 5 main scopes of WFP certification

Origin and traditional specialties certified WCP

Assessment of the origin and the traditional know-how



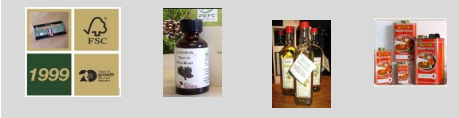
Wild certified WCP

Assessment of sustainable wild harvesting



Sustainable Forest Management Certified WCP

Assessment of Sustainable Forest Management



Organic certified WCP

Insurance of organic production (e.g. no use of pesticides, not contaminated areas)



Fair Trade certified WCP

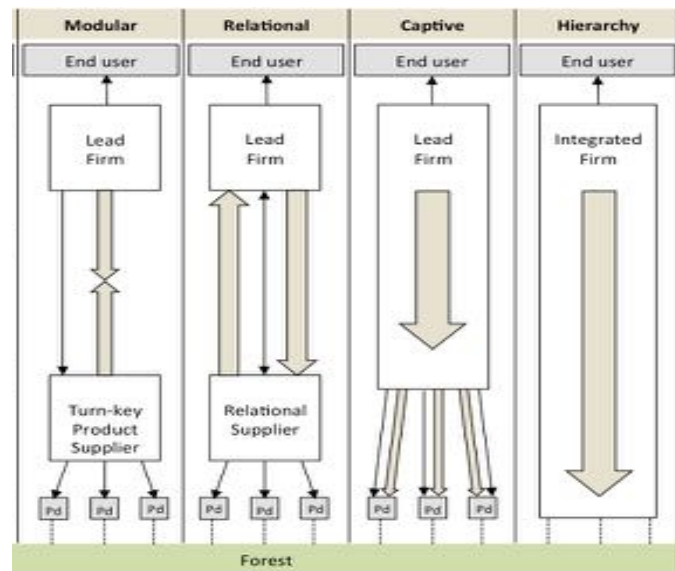
Assurance of fair prices and empowerment of producers



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Market-based innovations: integration, collective contract agreements

Source: Vidale and Pettenella
 Ecostar project



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Market-based innovations: new products or rediscovery of old products

See: repository of
<https://incredibleforest.net>



Stone pine
 new clones



Expanded cork

Resin



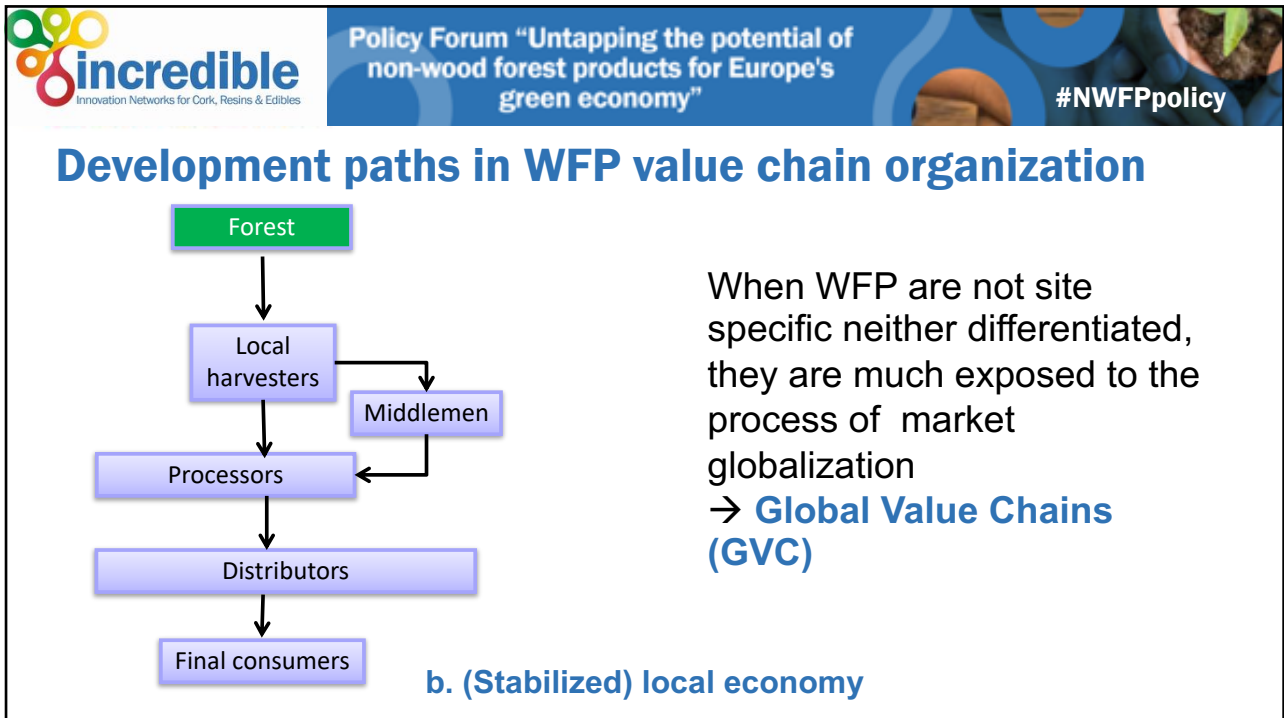
Birch sap



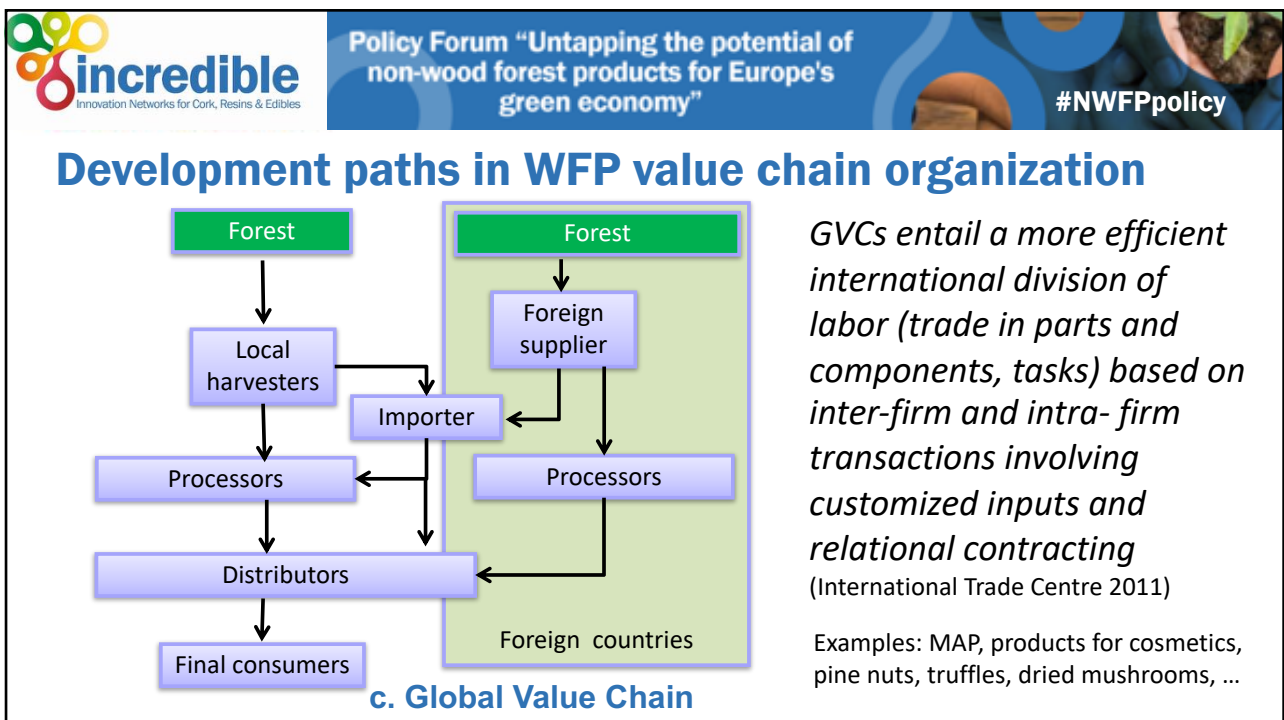
Truffle for cosmetic use



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Global Value Chains - Definition

A global value chain or GVC consists of a series of stages involved in producing a product or service that is sold to consumers, with each stage adding value, and with at least two stages being produced in different countries.

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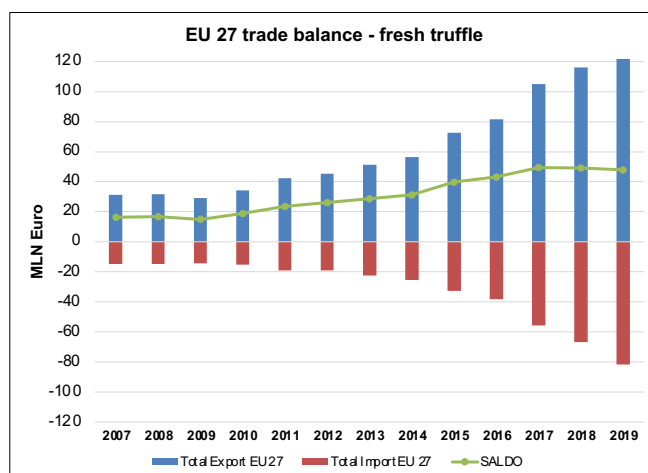
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*The typical «Made in» labels in
 manufactured goods have become
 archaic symbols of an old era.
 These days, most goods are «Made
 in the World»*

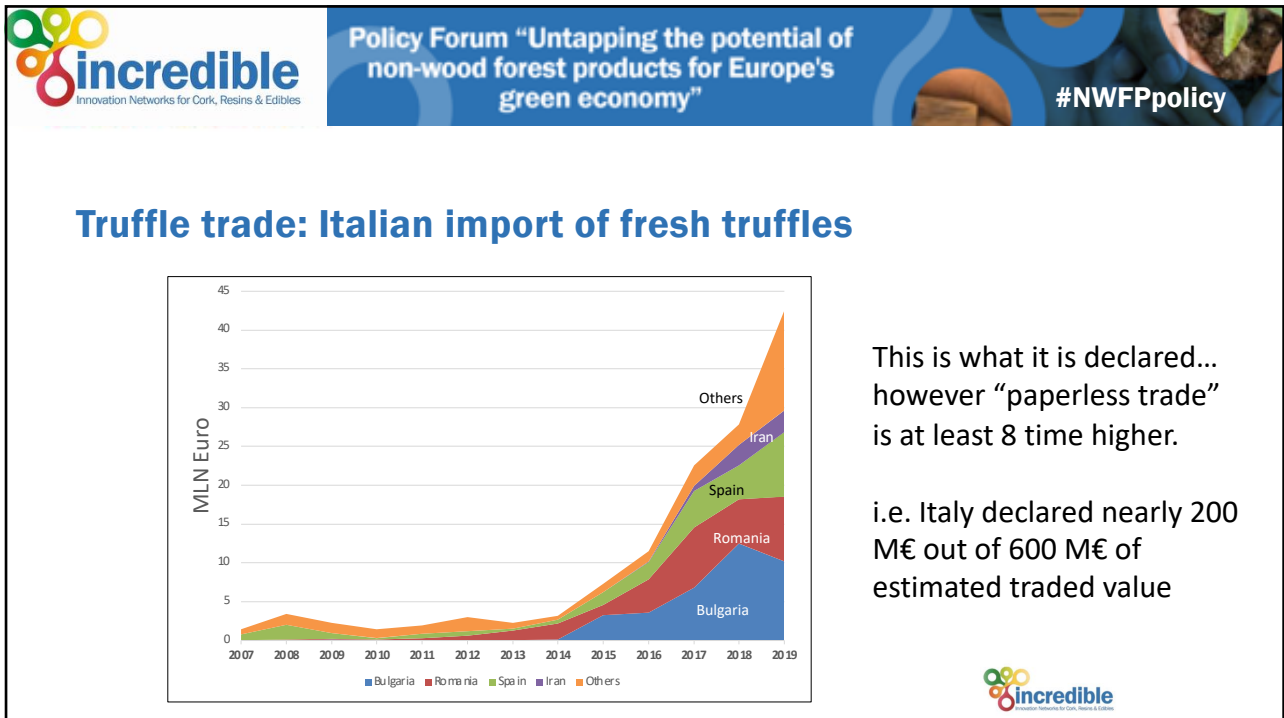
(Pol Antras, 2020)

Market globalization

Truffle trade: trend and data



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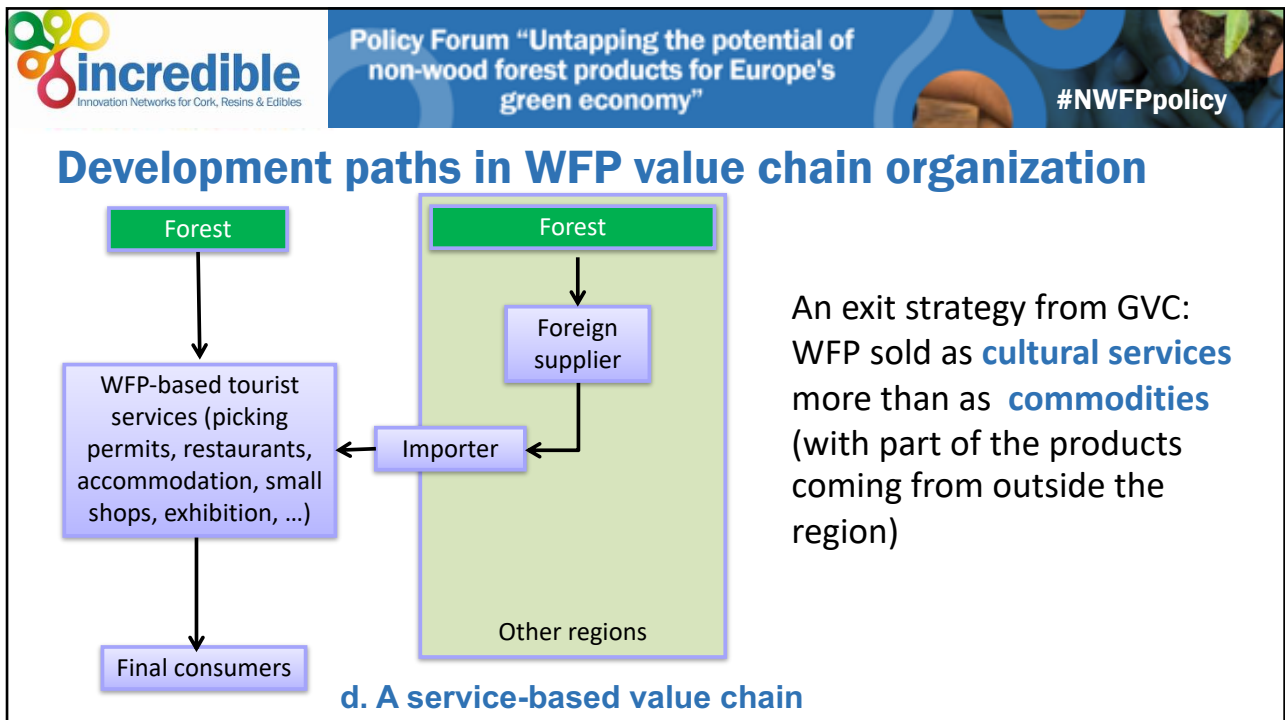
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Impacts of Global Value Chains

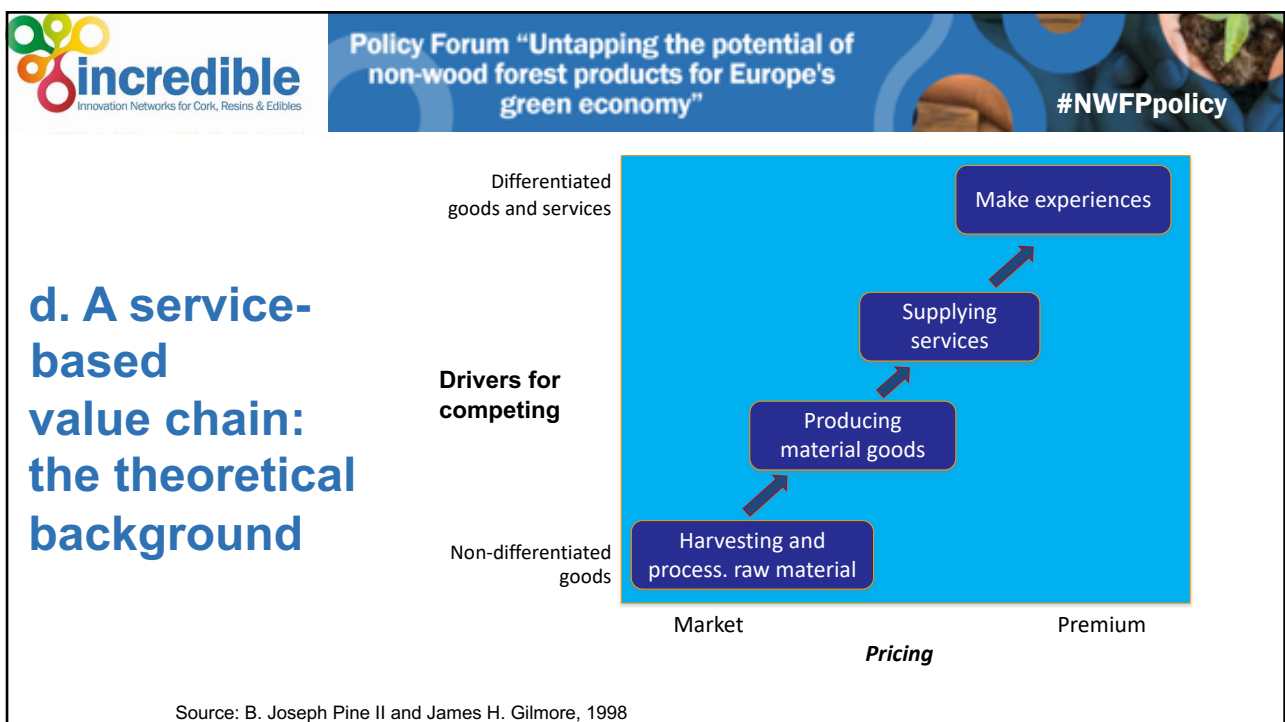
- Increasing EU import of WFPs: negative externalities? **embedded forest degradation?** We speak of the "big 5" (meat, palm oil, soybean, coffee, cocoa); should we speak also of the "500 small" WFP?
- The international integration through trade is affecting the **market power of the different operators**, also because logistics, stock keeping and traceability costs can be considerably higher in GVCs → **Uneven revenues distribution** may further increase along the value chain to the benefit of the retailers and processors
- Globalization = standardisation. The appropriation of the premium for **standard compliance** is normally larger by the retailers

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Micotourism in Castilla y León (SP)




<http://www.turismocastillayleon.com/es/gastronomia-enoturismo/micoturismo>

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d. A service-based value chain

The mushroom-based economy of Borgotato (Parma – IT)



Enterprises: 62 (in 2008); > 100 in 2020

- 15 Agritourisms/ Farm businesses
- 12 Hotels/Guest quarters
- 8 Bed&Breakfasts/Inns/Hostels
- 9 Cheese, sausage and wine growing and producing factories
- 2 Didactic farms
- 3 Museums/Private collections
- 30 Restaurants/Porterhouses
- 26 Typical products sellers



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d. A service-based value chain

<http://www.parcoappennino.it/campionato.mondiale.fungo/Eindex.php>



8TH World Mushroom Championship

dal 15 luglio al 15 ottobre 2020

Ecologia Benessere Bellezza

il Cerca Funghi

Regulation

Programme

Registration

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d. A service-based value chain

WFP: «imago» products or *genius loci* for marketing a territory

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Road, trail, path... the tools for connecting different economic actors

Google search		hits
Strada della castagna	Chestnut road	35,200
Strada del tartufo	Truffle road	361,000
Strada del fungo	Mushroom road	265,000
Strada del porcino	Porcino road	58,900
Strada del marrone	Marron road	78,400



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A silent, fragmented world

- In Europe there are **14 M people** that rely on WFP gathering for at least **50% of their income** (Star-Tree Project Deliverable 3.3)
- Most of the activities connected to value chain are **informal** (i.e., by definition, not much visible)
- There is a need and large potential for creating **associations** among landowners and WFP producers, increasing their **market power, visibility and advocacy services**
- Foresters traditionally are **not skilful communicators**. In the WFP sector communication should be easy and can be effective (key attributes: natural, healthy, diverse, sustainable, traditional products)

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How would you define a



?

... and a Spanish citizen





?

WFP?




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TESAF




E T I F O R




Enrico Vidale



Nicola Andrighetto



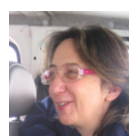
Giulia Corradini




Laura Secco



Mauro Masiero



Paola Gatto



Elena Pisani

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