Cluster Management

Set up of an integrated cluster strategy customized to the agro food industry

Definition of a cluster

In the Food Port Project a clear distinction is made between clusters and hubs. Connections between both clusters and/or hubs are provided through corridors. These three main components (clusters, hubs and corridors) form the Food Port system.

A cluster, also called an industrial district, is a geographic location or region in which a group of companies and other entities (such as knowledge institutions) within a given profession are located together. A cluster should be at least **a concentration of activities with a common logistics need** as a main feature. A concentration that results in economies of scope and scale.

Through competition and collaboration within the food cluster one can generate so-called "**Economies of chain**". Both in vertical (within the supply chain) and in horizontal (between supply chains) sense, a combination of competition and collaboration should make the food cluster stronger.

Map

General objectives

This activity defines actions that are all aimed at elaborating an active cluster policy that focuses on the agro-food industry, covering both food production (agriculture, growing, breeding, fishery,…) and food processing. In most of the participating regions, the food sector is one of the top sectors. Over time, the food clusters concerned have developed as rather accidental concentrations of complementary activities in agro-food industry caused by some attractive location factors (fruitful soil, favourable climate, fishery, expertise in agro-food productivity,…).

An appropriate and adequate policy is needed, but is not yet in place. The goal is to set up an integrated and consistent cluster strategy for the agro-food industry; to strengthen the existing cluster activities and to attract new activities and businesses. Clustering and bundling is the future. The advantages and opportunities are clear. Economies of chain are obtained. Companies within a cluster are strengthened through competition and collaboration. In this way these companies are anchored.

Cluster 1 — West Flanders

Description

The agro-food cluster is one of the top clusters in the province of West Flanders. About two-thirds of West Flanders' surface is used for agriculture and horticulture. There are unique climatological conditions, especially with respect to the cultivation of vegetables and potatoes. Besides a strongly developed primary sector, the delivery sector, trade and the processing industry are also dominant economic activities in West Flanders. The most prominent examples are the sectors of frozen vegetables and frozen potatoes. The food cluster West Flanders is a region-wide and product-wide cluster with an adequate logistics service offering.

Cluster targets

The mission of West Flanders is to be a European top cluster in the area of agro-food, with logistics as distinctive lever. Food processing and logistics are considered as equal, value-creating and mutually reinforcing components. West Flanders' vision on agro-food logistics is built around three principles:
- Vertical chain integration guarantees streamlined supply chains;
- Bundling of goods and horizontal cooperation lead to efficient multimodal freight flows and logistics;
- Sustainable corridors lead to a source and destination connected agro-food cluster.

Cluster 2 — Hitra/Frøya - Nordmøre

Description

For the Hitra/Frøya region the fish farming industry constitutes the dominate economic sector and is of crucial importance for the municipalities. The Kristiansund & Nørdmøre Harbour and the region are establishing a new aquaculture oriented cluster in Hitra: Hitra International Seafood Logistics Centre (HISLOC). A possible centre or cluster is discussed in connection to the new port (Hitra Coastal Port) and industrial park to be opened on Jøstenøya/Hitra in 2014 and 2015 respectively.

Cluster targets

The Hitra/Frøya region aims to become a world leader in fish farming. Its mission is to establish an international seafood cluster, with the following focus areas:
- Quality measures connected to the different products;
- Technology connected to production procedures, storage, packaging and handling;
- Logistics connected to the total value chain, transport means combinations and intermodal solutions.

Cluster 3 — Bremerhaven

Description

Bremerhaven is no longer a significant location for landing fresh fish. However, it is the most important location for fish processing and handling in Germany. The fish industry benefits from an excellent infrastructure and from the high concentration and integration of a unique fish sector service environment providing exceptional advantages, namely economies of scale, know-how, research and development.

Companies like Deutsche See, Frosta, Frozen Fish International (Iglo Foods Group) and Nordsee are all located in Bremerhaven. Numerous well-known SMEs, fresh fish processors, smokehouses and manufacturers of marinades complement the local cluster and have invested in this future-oriented location over the years.

Cluster targets

None of the surveyed companies is considering a change of location. Important factors in the location decisions are the available infrastructure and economic competences in fish production. These factors need to be preserved.
Strategic objectives could be:
- Development of new networks and strengthening of existing networks;
- Improvement of the location in order to strengthen the tourist sector;
- Development of the science sector in order to promote the importance of fisheries.

Cluster4	Scotland

Description

The Scottish food and drink cluster includes the food, drinks, agriculture, fishing, aquaculture, science and education base, as well as other supporting organisations. Whisky and fish are the two dominant products in the Scottish food and drink industry. The cluster is characterised by a strong geographical concentration: Aberdeenshire is the predominant location for workplaces in the fish processing industry; whisky distilleries are mainly located in the Highlands and Islands; while whisky bottling and packaging operations mainly take place in central belt area.

Cluster targets

The primary mission is to position Scotland among the world's top 3 producers of premium food and drink products and grow increase the industry to £12.5 billion by 2017. The vision is to internationally brand Scotland as 'A Land of Food and Drink'. It is also essential to have great market accessibility via transnational transport corridors across the North Sea, and facilitate the sustainable movements of food products by:
1. Encouraging modal shift from road to rail/short sea shipping;
2. Establishing a platform to enable freight consolidation to take place.

Cluster5	Region Västra Götaland

© Findus

Description

Västra Götaland is situated on the western coast of Sweden and is the second largest county in Sweden (in terms of population). The food industry plays an important role in the Swedish industry. With a value of approximately 35 billion SEK (2006), the food industry stands for 7 per cent of total industrial gross value added. The food industry is the fourth largest industry in the country when measured in terms of turnover. The food branches of meat, fish, dairy products and bread in Västra Götaland are the biggest in terms of employment.

A major challenge for the future is to develop solutions that reduce carbon footprint and simultaneously stimulate business and employment. This requires major changes of the current system and a more integrated approach to infrastructure, industry and food security.

Cluster targets

Region Västra Götaland has no explicit cluster policy. In Västra Götaland it is Region Västra Götaland, the County Administrative Board and the Swedish Board of Agriculture that together with the municipalities work on cluster management. Our strategy is to work on an even more sub-regional level than what has been done so far. Individual initiatives in one of the four sub-regions in Västra Götland should be supported. CLOSER and the Food Logistic Network (Chalmers, SIK and Lund University) are two platforms for knowledge and Innovation of Food clusters. The strategy is to support collaboration between the established organisations.

Stakeholders

In this activity, national and/or regional and/or local governments should take the lead. Some states invest in an active sector-focused cluster policy. The public sector is in the lead and should unite various stakeholders in a cluster platform.

An important statement which emerged throughout the Food Port project is however:"Government should focus on contributions that support and nurture the development of clusters and should refrain from trying to build clusters from scratch".

Actions

The main actor who has to take the lead for the actions defined is mentioned in parentheses and is called the 'action-owner'.

1	Elaborate an effective cluster strategy embedded in a well-defined and focused cluster policy. Define a mission and vision for the agro-food cluster (national/regional).
2	Set up of an agro-food cluster platform unifying the various stakeholders. Create consensus and alignment among the stakeholders about the cluster mission and vision (regional).
3	Facilitate and disseminate best practices in cluster collaboration (e.g. joint warehouse with shared services in logistics) (cluster organisation).
4	Introduce an active branding for the agro-food cluster. Promotion should be focused to both (internal) stakeholders, creating commitment – involvement – alignment - awareness, and external parties, like potential business developers and investors, customers and suppliers. Choose an attractive cluster name (cluster organisation).
5	Develop an appropriate infrastructure and spatial planning strategy focused on the identified (agro-food) cluster. Prioritize transport infrastructure and spatial planning initiatives facilitating cluster opportunities (national/regional).
6	Facilitate and coordinate knowledge and innovative initiatives in the field of agro-food. The various knowledge, innovation and competence institutions and organisations are stimulated to synchronize their research and valorisation programs and to collaborate on topics where synergies can be obtained (national/regional). This action is characterised by the following elements: • Cluster leadership; • Collaborative and linked; • Industry, also small and medium-sized companies (SMEs) involved; • Bridging the gap between industry and academic sector – focus on knowledge transfer.
7	Activate the labour market for the agro-food industry. Promote working in the defined cluster sectors. Make efforts in matching supply and demand in the labour market for the agro-food industry (national).

Lessons learned

Within the Food Port Project, several food logistics clusters have been involved and for each cluster, an action plan has been written. Although every cluster has its own identity and functionalities (cluster specific characteristics), we have also identified generic actions, which are relevant for the different clusters/regions involved. However, the above defined actions are to be considered as building blocks: each cluster, region, or actor has to decide which particular set of blocks is needed in order to further strengthen or anchor its cluster.

foodport
Connecting Food Port Regions
Between and Beyond