Coopid

Main factors for the success of bio-based business models in the agri-food sector

COOPeration of bioeconomy clusters for bio-based knowledge transfer via Innovative Dissemination techniques in the primary production sector

COOPID PROJECT

Coordinator cooperativas agro-alimentarias España

Communication Leader innovarum

Co-funded by the Horizon 2020 programme of the European Union

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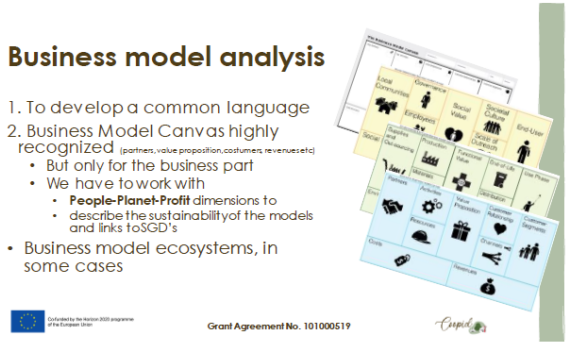
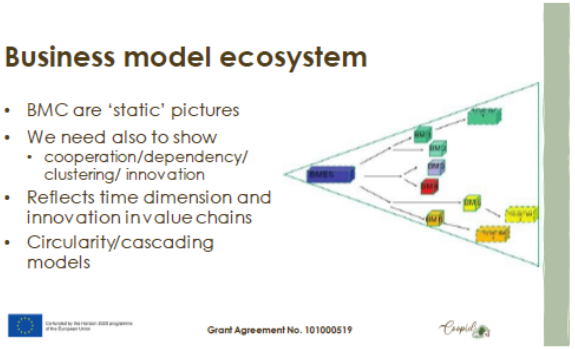
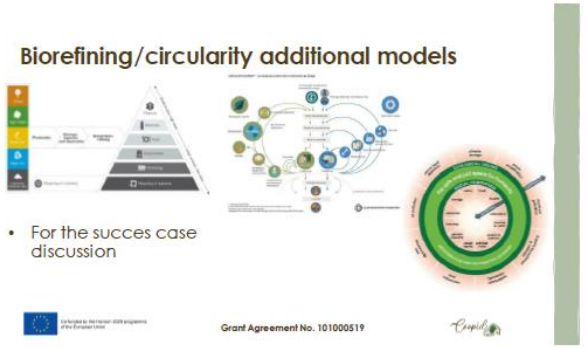
Business models in COOPID project

- The **COOPID** project proposed a **diverse portfolio** of business models that include **representative cases** of the **EU primary sector**.
- These **success stories** were showcased to explain how they work and then, explored in order to find **which factors** make each case important.







- After a **deep review**, **8 key factors** were found as main elements to consider for the success of the bio-based business models.

11 cases, 11 visits

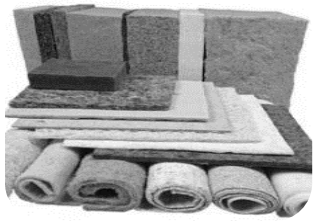
Olive oil

Spanish showcase –
Oleícola El Tejar
24 June 2021

Dairy

Irish showcase
Carbery Group
20 oct 2021

Hemp



Danish showcase
Møllerup Brands
27 oct 2021

Cereals and beet

French showcase
Grand Est bioeconomy
ecosystem
3 February 2022

Vegetables

Bulgarian showcase
ZP Victor Asenov
20 april 2022

Biomass pellets

Austrian showcase
Pelletierungsgenossenschaft
eGen
11 may 2022

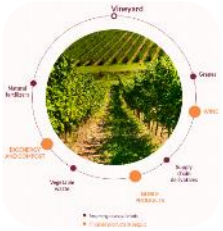
Poultry

Greek showcase
Pindos
8 june 2022

Biogas

Polish showcase
Biogal
24 June 2022

Wine

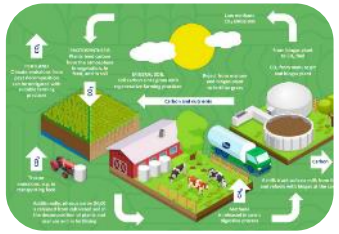


Italian showcase
Caviro Group
27 june 2022

Forestry

Finnish showcase
Finnish Forestry Center
14 sept 2022

Dairy



Finnish showcase
Valio
15 sept 2022

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Identified success factors

1. Increased value of by-products and waste streams

2. Circulation of nutrients and carbon back to primary production

3. Renewable energy as a central element

4. Application of innovative technologies

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Identified success factors

5. Access to capital for required investments

6. New ways of cooperation in the value chain

7. Competences in innovation

8. Cooperatives have great advantages

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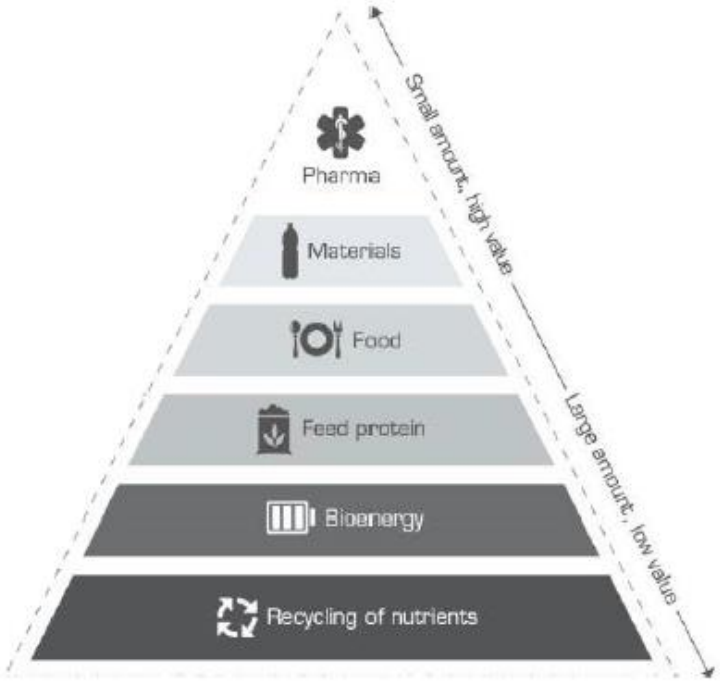
1. Increased value of by-products and waste streams

1. All the selected cases have an overarching goal: **to make as much value of side streams as possible.**
2. All resources are valuable and should have the highest possible output in terms of economy. Besides, the lowest environmental impact.
3. The valorisation could be classified according to the value of the by-products. The higher its cost, the lower the amount produced.



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2. Circulation of nutrients and carbon back to primary production

1. Most cases have the goal to “close the cycle”, especially in those with primary producers involved.
2. In some cases, circulatiry is main activity (biogas production or composting)but for other ones the impact is less relevant
3. For the GHG reduction in larger industries as in a biorefinery, just reducing emissions is not enough. Here, carbon sequestration practices must be applied.
4. Circularity also promotes security in terms of supplies and costs reduction. However, regulations yet do not include these dimensions.

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3. Renewable energy as a central element

1. Most of the cases use bioenergy to generate part of their business energy supply.
2. The systems are adequately adapted to the energy demand of each of the facilities.
3. Energy generation often includes circular practices as the recovery of ashes to be used as fertilizers.
4. When feedstock cannot be used for energy generation, renewable systems are recommended.

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4. Application of innovative technologies

1. Innovative technologies are mandatory for the correct performance of bio-based business models.
2. The access to these technologies requires intensive effort from R&D teams or relevant investments to acquire and adapt the technology.
3. Development of innovative technologies is time and cost intensive. Thus, large companies or cooperation schemes (like conglomerates and co-operatives) have usually an advantage due to their resources.
4. Incremental innovation is more frequent, since it reduces the risks and promotes more stable economics.

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5. Competences in innovation

1. A common feature of the success stories is the ability of the involved agents to transform a good idea into a business opportunity.
2. Curiosity, open-mindedness and cooperation are, among others, key values and competences to develop a bio-based business model.
3. Innovation can happen directly in the company or in cooperative environments as innovation clusters or co-operatives, where ideas are discussed independently of the circumstances.
4. Innovation is not just about soft skills, but about education. Most of the success stories involved professionals with background in research and academia.

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6. Access to capital for required investments

1. The access to the relevant technologies requires a level of investment that requires additional efforts.
2. Larger corporations have better chances to obtain the required financial resources: a bigger team has higher chaces of counting with specific profesionals focused on R&D funding opportunities.
3. Cooperatively owned companies have the advantage of being able to raise capital among their members and/ or borrow money from banks, investment funds, etc.
4. Public authorities also play a role on the access to financing. In most of the cases, there is a mutual interest from authorities to create jobs and development.
5. Dialogue with local/regional/national authorities can often help in achieving public funds – communication and networks are essential.

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7. New ways of cooperation in the value chain

1. Innovative cooperation mechanisms have been found beyond the business models.
2. Some examples are:
   - Collaboration with local farmers who provide sunflowers husk to feed the power system in the Victor Asenov case.
   - Organic Plant Protein uses parts of the hemp plant to produce flour to be then used for vegan burgers.
   - Biogal collected food and agrifood wastes from different actors, and the energy produced is distributed to different facilities.
3. Traditional schemes of cooperation were also found, as the Grand Est Ecosystems - which is a great example of the **Triple Innovation Helix** (Government-Academia-Industry).

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8. Cooperatives have great advantages

1. Cooperatives have been described as key agents for the implementation of the bioeconomy in Europe.
2. First, their market share is very relevant in some markets: 83% of Dutch agriculture market, 60% of Swedish forestry market.
3. Their size allows, in most of the cases, to achieve the minimum economy of scale necessary to develop certain value chains in the bioeconomy.
4. Results and achievements obtained by cooperatives have to potential to benefit several primary producers at the same time: its member primary producers.

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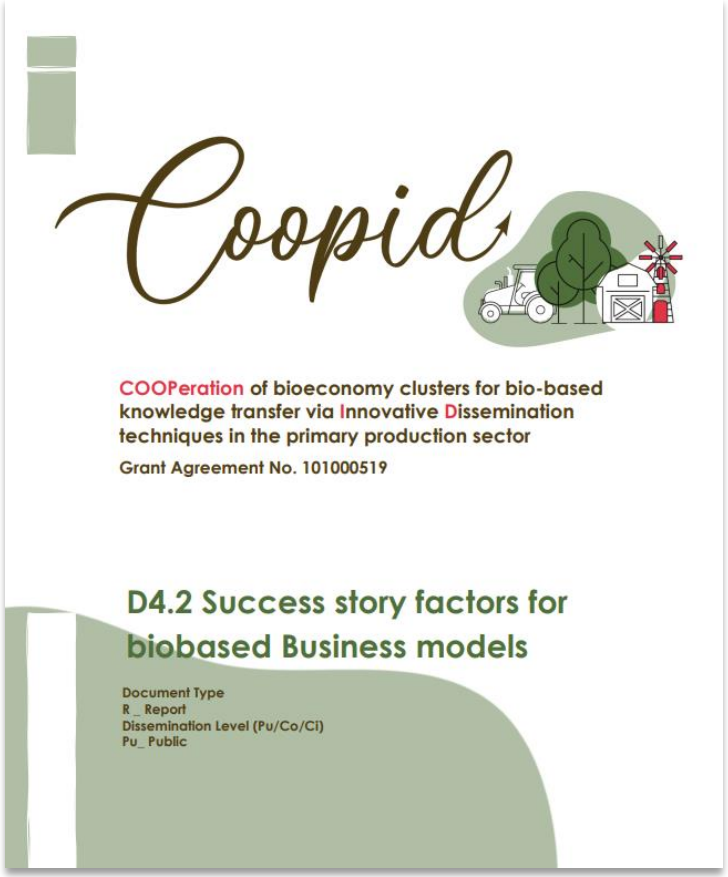
Further information



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D4.2 Succes story factors for biobased Business models

Author: Food&Bio Cluster Denmark

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Coopid

Presentation of the main factors for the success of bio-based business models

March 2023

Presentation prepared by innovarum

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