

Food Loss and Bargaining Power at the Producer-Retailer Interface: a Qualitative Assessment of Food Loss Drivers in Fruit and Vegetable Supply Chains in Germany

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Abstract

Food loss and waste are associated with an unnecessary consumption of natural resources, futile emissions of climate-relevant gases and preventable economic harm (Gustavsson et al. 2011). Against this backdrop the United Nations (UN) have set the reduction of food loss and waste on the political agenda by means of the Sustainable Development Goal (SDG) 12.3. In Germany, the National Strategy for Food Waste Reduction which aims to implement this goal relies almost exclusively on voluntary actions, where mainly individual actions are taken at each stage of the supply chain. This policy approach however neglects interactions between the stages of the supply chain. While current research on food loss and waste in industrialised countries focuses predominantly on the consumer end (e.g. Aschemann-Witzel et al. 2017), this study puts emphasis on early stages of the food supply chain from the field to the retailers' warehouses. By means of 22 qualitative expert interviews with producers as well as key persons of producer organisations and food retailers in Germany, it aims to identify major inter-stage drivers of food loss in early fresh fruit and vegetable supply chains. Moreover, the study examines how bargaining power imbalances lead to risk shifting behaviour and hence may result in food losses further up the supply chain. Results indicate that the manner, in which contractual terms and conditions, trading practices, ordering processes and communication along the supply chain is shaped, influences the extent of food loss. Bargaining power imbalances for instance become apparent in the form of unilateral imposition of quality specifications and promotions, absence of commitments to purchase and purchased quantities within contracts as well as short-notice ordering, which potentially enhance food loss amounts particularly at the producer level. It can be deduced that ongoing market concentration, integration and product differentiation in today's globalised agricultural value chains are highly entangled with food loss drivers and should not be neglected when designing food loss reduction policies targeting the producer-retailer interface.

Keywords: food loss, producer-retailer interface, fruit and vegetables, bargaining power, qualitative expert interviews

References

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