

## ENRD Thematic Group

### 'Smart & Competitive Rural Businesses'

# Smart networking for rural businesses

## The relevance of networking for rural businesses

- Smart networking and cooperation lead to **economies of scale, better market access and access to know-how, business innovation** and more sustainable business and production models.
- In the local business-development context, exchanges include **farmer-to-farmer** (peer-to-peer) exchange (e.g. demonstration farms), links between **farmers and other stakeholders** (e.g. researchers) and **urban-rural linkages** (e.g. to improve food supply chains).
- For the successful production and delivery of services and products stakeholders need to interact in the so called '**value chains**' (see below).
- The **Cork 2.0 Declaration** states that *"Union Policies should focus on integrated approaches to developing and strengthening rural value chains and local productive networks. They should reflect emerging business opportunities for agriculture, forestry and rural enterprises related to the circular green, fossil free economies"*.

**National Rural Networks (NRNs)** have the mandate of improving RDP implementation (e.g. through thematic exchanges). A number of NRNs are working on rural business themes, including the Swedish NRN (good competitiveness and good environment), the England Rural Network ('Growth'), the Irish NRN ('Viability and competitiveness of the farming community'), the Scottish Rural Network ('Rural enterprises').



### Definition: Value Chains

The value chain describes the entire range of activities that firms engage in to bring a product from its conception to its end use and beyond and ranging from design, production, marketing to distribution and support to the final consumer. The activities that comprise a value chain can be contained within a single firm or divided among different firms.' In order to improve the performance of businesses, we need to understand the complex environment and system in which they operate.

## EAFRD Support for Networking, Cooperation and Knowledge Transfer

- The **Technical Assistance measure (M20)** of the RDPs support the establishment and the operation of the National Rural Networks (NRNs).
- **CLLD/LEADER (M19)** has a great potential to improve networking and exchange among local stakeholders in rural areas.
- **Measure 16 on Cooperation** offers networking tools dedicated to horizontal and vertical cooperation. A set of 10 sub-measures cover a huge variety of themes, from supply chains, through forestry, to rural tourism.
- **Measure 9 on Setting up of producer groups and organisations'** can have a potentially strong impact on the competitiveness of the overall value chain, e.g. joint organisation of market access (including coordination of sales and delivery) and the development of skills and the facilitation of innovation processes.
- **Measure 1 on Knowledge transfer** contributes to both knowledge and skills acquisition, and includes demonstration activities, information actions, short term farm management exchange and farm visits.

### How the TG can add value?

#### Questions and issues for discussion

- ✓ Who are the **key stakeholders** involved in value chains and other business-related networking?
- ✓ Where are the **bottlenecks** in specific interactions and **which linkages need to be improved**?
- ✓ **How RDP** can be used to contribute to better networking, interactions and improvement of businesses?

### Members said it...



- Horizontal networking, value chains, business networks
- Permanent attention to the learning process, working on the attitude of stakeholders, increasing the awareness of the importance of networking and cooperation. Surprising liaisons will lead to innovative solutions.
- Creation of effective local networks, creation of effective partnerships for local development, diversification of entrepreneurs incomes regardless of the season.
- Smart Horizontal networking
- Access to markets, availability and easy access of know-how (product, machinery)

#### ENRD Contact Point

Webpage: [http://enrd.ec.europa.eu/themes/smart-and-competitive-rural-areas/rural-businesses\\_en](http://enrd.ec.europa.eu/themes/smart-and-competitive-rural-areas/rural-businesses_en)

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