

POTENTIAL CONCEPTS OF AN ALGAE FEDERATION

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Introduction

IDEA envisions the development and enrolment of economic viable value chains based on micro-algae in NW-Europe. The numbers of algae growers is increasing, as is the need for information (like market information and information about the algae growth) and the need to cooperate.

Aim of the study =

- Evaluating potential forms of algae farmers groupings
- Formulate an advice for algae farmers that want to cooperate within an official and structured way

Conclusions

➤ Cooperation is the key to multiplication

➤ Top 3 collaboration concepts:

- Federations
- Cooperatives
- Contract farming

➤ Important aspects:

- Trust
- Win-win collaborations
- ...



Potential collaboration concepts

Based on a desktop study, different forms of cooperation already implemented in agriculture were evaluated. The top three forms of collaboration being federations, cooperatives and contract farming, are detailed in the table below. In addition, knowledge centres could be interesting to bundle and reinforce knowledge and can send out experts when growers encounter problems. Help with novel food dossiers could be offered as well by the cooperation.

	Federations	Cooperation	Contract farming
Definition	An organization, comprised of a of smaller organizations or companies, to bring attention to issues that are of importance to its members. Each member maintains control over its own operations.	A cooperative is an autonomous association of persons united voluntarily to meet their common economic, social and cultural needs and aspirations through a jointly-owned enterprise.	An agreement between an integrator and a grower for agricultural production of plants or animals of marketable size at the right volume and right time. The integrator steers this based on his market knowledge and buys the marketable product.
Scope	<ul style="list-style-type: none"> • Representing members • Taking care of some challenges • Studying existing laws • Lobbying at government level • Representation at events • Drawing attention of the general public • Working out a quality label and benchmarks for the quality • Support at novel food dossiers 	<ul style="list-style-type: none"> • Invest in expensive tools & machinery for common use <ul style="list-style-type: none"> • Cell disruption equipment • Drying equipment • Spare crucial equipment • Trucks collecting algae at algae farms → central processing • Joint commercialization of algae biomass - product development • Joint submission of novel food dossiers 	<ul style="list-style-type: none"> • An integrator supplies the start culture and buys the algae back from the farmer • Contracts are various and can describe product specifications, quality, quantity, supply date, price and others • Integrator could also invest in algae reactor • Contract breeding = limited connection to the algae buyer = risky for the farmer
Pros	<ul style="list-style-type: none"> • Structured way of collaboration • Written rules: less room for discussion • Lobbying = impossible at personal level • Time saving (common work done once by experts) • Visibility as a growing business 	<ul style="list-style-type: none"> • Structured way of collaboration • Written rules: less room for discussion • Spreading costs and risks among partners • Market power (market knowledge promotion and investments) • Joint research => differentiate • Dividends can be paid to members 	<ul style="list-style-type: none"> • Structured way of collaboration • Written rules: less room for discussion • Interesting formula for (starting) algae farmers and buyers: price, quantity and quality guaranteed • Limited market knowledge needed
Point of attention	<ul style="list-style-type: none"> • Clear procedures for joining or leaving • Staffing • Communication • Time commitment: lots of work • Trust among each other - Transparency 	<ul style="list-style-type: none"> • Shared mission • Clear procedures for joining or leaving • Staffing • Communication • Trust among each other – Transparency • Market focus (local – EU- global) 	<ul style="list-style-type: none"> • The contracted price depends on the risks the partners are willing to take. More risks = more price fluctuations • Less room for innovation as integrator decides a lot • Loss of market knowledge
Examples	EABA, spirulina federation in France, BIFF, IPIFF.	Milk and wine cooperatives, DAG.	Pig and chicken breeding

