

Framework for the implementation of the principles of good practice in the food supply chain

Definition of targets for KPI “Critical Mass”

The Framework for the implementation of the principles of good practice in the food supply chain defines as one of its performance indicators the existence of a “critical mass of registered companies”. This proposal contains the targets that will be used to measure that critical mass, as follows:

For the distributive trade sector:

A list of the top 10 companies in terms of turnover in each of the EU Member States was elaborated. Out of those 10 companies the targets are:

- a) In large markets¹:
 - 4 companies registered in the first year;
 - 6 companies in total registered in the second year.
- b) In medium-sized markets²:
 - 3 companies registered in the first year;
 - 6 companies in total registered in the second year.
- c) Small-sized markets³:
 - Promote and monitor the framework with no specific target

For the industry sector:

A list of the top 25 companies in each of the EU Member States⁴ was elaborated. Out of those 25 companies the targets are:

- a) In EU countries in which the level of concentration of the top 25 is below 40%:
 - 12 companies registered in the first year;
 - 16 companies in total registered in the second year.
- b) In EU countries in which the level of concentration of the top 25 is between 40% and 50%:
 - 10 companies registered in the first year;
 - 14 companies in total registered in the second year.
- c) In EU countries in which the level of concentration of the top 25 is above 50%;

¹ France, Germany, Italy, Poland, Spain and United Kingdom.

² Austria, Belgium, Bulgaria, Czech Republic, Denmark, Finland, Ireland, Greece, Hungary, Netherlands, Portugal, Romania, Slovakia, and Sweden.

³ Cyprus, Estonia, Latvia, Lithuania, Luxemburg, Malta and Slovenia.

⁴ Excluding Cyprus, Luxemburg and Malta where no data are available.

- 8 companies registered in the first year;
- 12 companies in total registered in the second year.

For SME's:

The Framework states that “the number of registered SMEs will be tracked and there will be an evaluation by the governance group regarding the progress in terms of uptake”. To do this evaluation, the Governance Group will take into account the following target:

- In each EU Member State:
 - at least 50% more SME's registered than larger companies;

This target is indicative and will be reviewed by the end of the first year of operation and evaluated to assess its adequacy once there is more experience with the functioning of the Framework.
