Thematic Focus Areas (TFA) 2:
Sustainable Food Production and Product Value Chain

The agri-food sector in East Flanders is well developed. There are a lot of different players and a lot of different subsectors. All in all we see a high level of sustainability initiatives, or at least a lot of willingness to become more sustainable. Circularity is often more difficult and challenging than sustainability, since in many cases it requires a different business approach.

The government offers a lot of supporting systems, subsidies and coachings, but the majority of the SMEs do not even know about it. That makes it harder for them to make the right decisions when it comes to sustainability. That means it should now be the main priority of the government to better inform the entrepreneurs of these opportunities.

The most challenging problems within the entire sustainability picture, are for SMEs themselves the short chain principle, staff, sustainable transport, finding the resources to make sustainable investments, waste management and sustainable suppliers. But even here we see that a lot of these could already be solved by being better informed about what already exists and what the government has to offer. What is often the problem in Belgium, is also proven here: communication is often vague, not transparent and not structured. SMEs do not have a simple and clear overview of the existing initiatives so they stay far away from them.

1. Regional context

The agri-food sector is one of the most important economic sectors in Flanders. According to the latest available figures (2016), the Flemish agrobusiness complex (ABC) comprised 34,325 companies. Nearly 152,000 people were employed in the various branches of the ABC (including self-employed individuals in agriculture and horticulture). This represents approximately 5.5% of the total working population in the Flemish Region. At that time, ABC companies invested €2.04 billion. The turnover of the ABC has increased significantly in recent years, reaching €61.7 billion. This

growth is primarily due to the food industry, which generated a turnover of €39.7 billion. The added value of the ABC amounted to €8.3 billion.[1]

The food industry in East Flanders (agriculture, horticulture, fishery, food and beverage producers) provides an added value of 2.1 billion euro and employment for 25.600 people.[2] Exact numbers on how many food producing companies the province hosts, are not available; yet we do know that in 2023, there were 5.606 food producing farms (which is half of the amount there were in 2000).[3] Add the large number of food producers (not farms) and the conclusion is that the food industry is very important for the East Flemish economy.

Climate change and global population growth put additional pressure on ecosystems, land use, and emissions, and influences both food production and consumption habits. European and Flemish policies (the European Green Deal, Farm to Fork strategy, the Flemish long-term vision - Vision 2025, Go4Food - Flemish food strategy, and the Flemish Protein Strategy (2021-2030)) set the course for a further transition to a sustainable and therefore a more local and shorter food chain. These changes are also noticeable at the provincial level. The required Sustainability Reporting Standards (ESRS), for example, will effectively impact companies. This transition is putting increasing pressure on the food sector and producers to make environmentally, economically, and socially responsible choices throughout the entire production chain. Professional development of food businesses is crucial to guide them through this transition without compromising the authenticity of their local products.

Eating habits are shifting clearly. While obesity rates continue to rise, public awareness of healthy and balanced eating is also growing. The annual TrustTracker[4] study by the European Institute of Innovation and Technology (EIT), which surveyed consumers from 18 countries, shows that 51% of respondents want to eat healthier. The focus is primarily on less fat (57%), less sugar (61%), and less highly processed foods (59%). Furthermore, 18% of respondents do not eat animal products, and 25% are considering reducing their consumption.

Public attention to alcohol use and abuse is increasing. This trend has led to the emergence of non-alcoholic alternatives and more conscious consumption of alcoholic products.

At the same time, vegetarian and vegan diets are steadily gaining popularity, partly driven by climate awareness and ethical considerations. After a sharp rise in demand in the early 2020s and a slight decline after the hype, demand is expected to plateau in the coming years and become a structural component of the diet (cf. Gartner Hype Cycle - Productivity Plateau). However, this requires a caveat: entrepreneurs, the retail industry, studies etc. indicate that the purchasing behavior of the average consumer is currently still determined by dietary habits, familiar products, and price. In any case, the alternative protein sector is slowly becoming stronger and stronger. According to a recent

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[1] Departement Landbouw & Visserij en Fevia Vlaanderen. Startcharter - werkagenda voedselketen. https://vlaanderen-circulair.be/src/Frontend/Files/userfiles/files/Werkagenda's/WA_voedselketen_startcharter.pdf - date of access: August 4, 2025

[2] https://innovationplayground.be/cluster/agro-voeding/ - date of access: July 30, 2025

[3] Statbel | provincies.incijfers.be ; date of access: July 7, 2025

[4] European Institute of Innovation and Technology. Trust Report 2024.

study, this emerging sector, which focuses on alternatives to animal proteins, could be at least 6 to even 15 times larger by 2035 than it was in 2020. Of the 155 Flemish companies producing alternatives to dairy or meat, 30 are from East Flanders. Twelve of these companies produce exclusively plant-based and alternative protein products, such as spreads, cultured meat, and drinks based on ingredients like oats, rice, or soy. Eighteen 'hybrid' companies produce animal proteins in addition to alternative proteins.[5] [6]

A recent survey commissioned by Fevia among 1,000 Belgians shows that Belgian consumers are increasingly choosing locally sourced food and drinks. A whopping 72% say they consciously buy Belgian products to support the local economy. This is good news, because buying Belgian products contributes to a sustainable food system – something 84% of Belgians support.

Consumers increasingly want to know where their food comes from, who produces it and how. Besides the focus on the present and the future, there's also a renewed appreciation for the past. Interest in intangible heritage, such as crafts, craftsmanship, and traditions, is growing. According to the Food Inspiration Trend Report 2025[7], consumers no longer just buy a product, but also the story, branding, and expertise behind it. This trend is also being seen in tourism and offers opportunities for producers and entrepreneurs who want to place their heritage, craftsmanship, and the experience at the heart of their offerings and operations.

The EU not only wants to ensure sufficient, affordable, and nutritious food, but also facilitate the shift to healthy and environmentally friendly diets by reducing overconsumption, preventing food loss, and shifting to a more plant-based diet through the protein transition. Building on this European ambition and on efforts already made internationally, nationally, and locally, the Flemish government developed a food strategy. Because food affects everyone and the many challenges related to food are interconnected, a system approach is required. This means putting food in its broader context and examining it from different perspectives to understand how elements in the food system are interrelated and how they influence

[5] Wullaert, A., Byttebier, K. & Smets, V. (2024). Economische impact van de alternatieve eiwitsector in Vlaanderen en Brussel, Green Deal Eiwitshift op ons bord, Departement Omgeving, Vlaamse overheid.
[6] Dedobbeleer, K., Moerman, N. Baeke P., Gillis, K. Innovation Playground 'In Cijfers'. 2025.
[7] Food Inspiration. Trends & Transitie Rapport. 2024

each other. To achieve this, broad collaboration is essential. Therefore, a broad food coalition has been established to develop and further implement the Flemish food strategy, comprising representatives from the agri-food chain, society, research, and policy.[8]

All parts of the societal pentagon are represented:

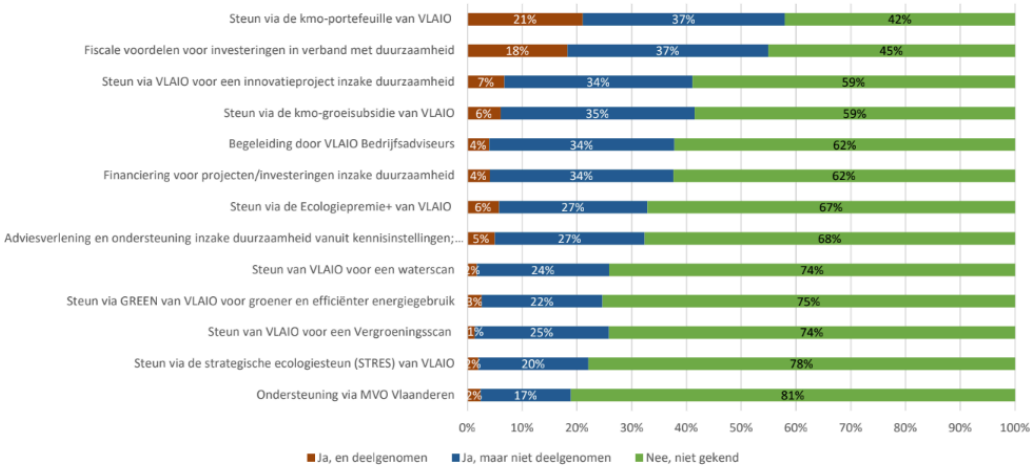
- Industry and entrepreneurs: Algemeen Boerensyndicaat, Boerenbond, Belgian Feed Association, Comeos, Flanders' FOOD, Bioforum, Reo-veiling, Verbond van Belgische Tuinbouwcoöperaties, Herw!n
- Finance: VLAIO (supporting investments, research and innovation)
- Local and midfield: Bond Beter Leefmilieu, VELT, ProVeg, FoodWIN
- Policy: Departement Economie, Fevia, Wetenschap en Innovatie, Departement Omgeving, OVAM, VLM, VLACO
- Knowledge: EIT FOOD, Flanders' FOOD, Innovatiesteunpunt, ILVO, Inagro, Proef!, universities

Every year, the Flemish government publishes a sustainability report with data covering the entire SME landscape in Flanders (so not only the food sector). The report for 2024 states that SMEs in Flanders have a poor knowledge of sustainability-related policies and subsidies. About 1 out of 5 SMEs knows these initiatives and has used them in the past.[9]

This is a small overview of a couple of sustainability subsidies in Flanders offered by VLAIO (Flemish Agency for Innovation and Entrepreneurship)[10] - and there are even more than shown here:

- SME-wallet for circular and sustainable entrepreneurship (funding for coaching and training)
- SME growth subsidy for circular and sustainable entrepreneurship
- Strategic ecology support (STRES)
- Waterscan
- GREEN support for greener and more efficient energy use
- Financial support (loans and capital through PMV or LRM) for sustainability projects
- Coaching by VLAIO business advisors
- MVO Flanders (Sustatool, MVO-scan…)

[8] Agentschap Landbouw en Zeevisserij (2024) Landbouwrapport 2024 (LARA). Vlaamse landbouw in cijfers, Brussel.
[9] Cathy Lecocq, Thomas Standaert and Petra Andries (ECOOM-Ondernemerschap Gent). Duurzaamheidsbarometer. Duurzaam ondernemerschap bij Vlaamse KMO's - situatie 2024. April 2025. https://www.vlaanderen.be/publicaties/duurzaamheidsbarometer-duurzaam-ondernemerschap-bij-vlaamse-kmos
[10] https://www.vlaio.be/nl/subsidies-financiering - date of access August 4, 2025



Statistics show that SMEs often do not know about these, or they haven't participated. In the figure above, the red part shows the percentage of SMEs that have been subsidised, the blue part shows the percentage of SMEs that have knowledge about subsidies but have not participated, and the green part shows the percentage of SMEs that have no knowledge of any support.

A lack of knowledge means a lack of strategic and efficient innovations in sustainable practices. This means that for Flanders it is more important to focus on a policy that stimulates SMEs to think strategically about sustainability and that gives them access to the right information.[11] Obligating SMEs to report on their sustainability investments is not (yet) useful, since the majority of the investments they do now, are mostly not based on strategic choices.

But - as said before - these figures represent the entire SME ecosystem in Flanders. Fevia (the Belgian federation of the food industry) has created a sustainability roadmap that explains four ambitions of the sector[12]:

1. We keep making the most delicious food, which is also safe and a part of a healthy lifestyle; with respect to both human and animal, to keep earning the trust of the consumer.

2. We embrace and increase the sustainable transition, by being more efficient with water, energy and packaging, by thinking circularly and by battling food loss and food waste.

3. We focus on safe and motivating work places where people love to work and where they have the possibility to grow.

[11] Cathy Lecocq, Thomas Standaert and Petra Andries (ECOOM-Ondernemerschap Gent). Duurzaamheidsbarometer. Duurzaam ondernemerschap bij Vlaamse KMO's - situatie 2024. April 2025. https://www.vlaanderen.be/publicaties/duurzaamheidsbarometer-duurzaam-ondernemerschap-bij-vlaamse-kmos

[12] Fevia. Duurzaamheidsroadmap. 2025. https://www.fevia.be/sites/default/files/files/2025-03/FEV%20manifest%20affiche%20410x550%20LOWRES%20NL.pdf

4. We invest in local food production chains and support our Belgians food producers to remain competitive both nationally and internationally.

If we look more closely at the food industry in Belgium, we see that this is the sector representing 20% of all (sustainable) industrial innovations in our country. All in all this means that the food industry in Belgium - and thus in East Flanders - might be one of the more successful sustainably innovating sectors of our SME ecosystem.

2. Sustainable production and value chain assessment

a) Sustainable production practices identified in the region

- Adoption of environmental and resource-efficient technologies

Companies feel that they are more or less obligated to make sustainable investments; it is either that or they won't exist anymore in ten years. The interviews with our entrepreneurs show that a lot of them invest in order to remain futureproof and competitive. They also want to scale their production, make the process more sustainable and more continuous, increase the quality and decrease food loss/waste. A lot of them also acknowledge a smaller workload.

Most entrepreneurs talk about resource-efficient investments, such as solar panels, sun boilers, batteries and new machinery that is more energy efficient. Some of them also invest in electric transport. In our interviews, we spoke with a wine producer who followed a training on how to clean with steam instead of water, which is more sustainable since no chemicals are used and less water is used.

A few of the entrepreneurs had to move from one building to another in the last ten years. They say that in their new buildings, they did not have a choice but to invest in better insulation, in gas heating (instead of a fuel oil system), LED lighting and movement sensors, renewable energy sources etc.

One of the subsectors of the food industry, the dairy sector, has made a nice overview of the sustainability investments of the sector. These promising figures are shown[13]:

- Decrease of 26% of the carbon footprint for 1 liter of raw milk (from 2000 to 2015)
- 30% of the dairy farms produces its own sustainable energy
- Decrease of 14% of fuel consumption (from 2008 to 2022)
- 69% of all dairy transport complies to the most strict emission standards (Euro 6)

[13] https://www.buurtsuper.be/nl/nieuws-uit-de-sector/meten-is-weten-en-resultaat-boeken?utm_medium=email&utm_campaign=Nieuwsbrief%2022%20april%202022&utm_content=Nieuwsbrief%2022%20april%202022+CID_e4491e52c231196134b4360b3f60056a&utm_source=mailr&utm_term=Lees%20meer - date of access: July 30, 2025

- 13% of all dairy producers have extra activities in societal context (touristic activities, farm shop, care farm, children's farm)
- 86% of fairy farms always have the same veterinarian
- 57% pays attention to a clean company/farm environment and a more environmentally friendly waste management
- 41% uses alternative water sources (rain or surface water)

- Use of circular economy principles and clean energy

The Flemish Government aims to make Flanders a circular leader in Europe. It aims to achieve this by investing in circular innovation, decoupling the material footprint of our consumption from economic growth, and reducing it by 30% by 2030. Therefore, Flanders is investing in the ambitious Flanders Circular partnership, which includes six work agendas and seven levers (more information: https://vlaanderen-circulair.be/nl.).

However, the food chain also faces several challenges in its efforts to become more sustainable. The work agenda aims to elevate circularity within the food chain: circularity 2.0. The food chain has traditionally been inherently circular: byproducts from food products are used to feed livestock. The animal manure is used to maintain the fertility of the land and to grow high-yielding crops. These crops are then used to produce food. This brings us back to the side streams, and the circle is complete.

Yet, the circle is not entirely closed. Over time, the various sectors have increasingly used external inputs and are responsible for emissions to the environment. The current focus is primarily on making internal processes more sustainable and reducing production losses. This focus has its limitations when it comes to minimizing the material footprint of the entire food chain. To go a step further, a system perspective is needed, shifting the focus from an individual actor to the interconnectedness of these individual challenges, creating an opportunity for the entire food chain. Such a transformation makes it clear that a circular food chain 2.0 requires the participation of many parties. The first cross-sector initiatives are gradually finding their way to the market. The food chain work agenda aims to stimulate this dynamic so that existing initiatives can be scaled up and new initiatives can find inspiration and fertile ground within it to create a significant circular dynamic within the food chain and beyond.[14]

[14] Departement Landbouw & Visserij en Fevia Vlaanderen. Startcharter - werkagenda voedselketen. https://vlaanderen-circulair.be/src/Frontend/Files/userfiles/files/Werkagenda's/WA_voedselketen_startcharter.pdf

We see that entrepreneurs are slowly becoming more familiar with the idea and more willing to make these sustainable investments. It all starts with the right training and coachings. More and more entrepreneurs first want to learn about circularity principles and how exactly they can implement these in their own companies. Some of them are really taking big steps. We talked with an entrepreneur who installed its own biological water purification system, which allows them to reuse water. Another invested in a vacuum pump, which prevents residual water from entering the sewer and allows them to reuse it.

Others are being circular by working with partners, mainly in the processing of residual flows. A bakery fills a bio box with leftover dough, which is collected for free and turned into bio gas. A cheesemaker uses its cheese whey to feed the goats (who provide the milk for the cheese). Whey is an important source of protein for them, so it's a win-win for everyone.

A coffee roaster (Vandekerckhove) from Ghent keeps investing in a more sustainable production process. They invested in 28 solar panels, a heath pump and floor heating and they reuse rain water. They even have a roof garden to stimulate biodiversity in the region and also to create a cosy place for themselves.

- Regional and local examples of successful sustainable practices

Apart from the examples we already mentioned above, we do have another very nice example of a sustainable value chain practice, namely the one of Breydel. This is a meat producer who specializes in artisanal and sustainable pork which is farmed exclusively for them by local farmers. Since 2019 they organise this complete sustainable short chain "from stable to plate", following the model of a small farm butchery, but on a large scale: 750 pigs a week, on three different locations. Everything (raising of the pigs, feed installations, slaughter process, cutting plant and meat processing) is organised within a 25 kilometre radius. The pig feed is mixed with local waste streams from human food. That is how they created their own pork and pig meat industry with their own specifications based on four pillars: local, healthy, animal-friendly and sustainable. Because of this short chain method, every piece of meat is 100% traceable, which means that the consumer knows exactly what he's eating. Breydel always focuses on its corporate social responsibility, by being energy-efficient, by guaranteeing a better income for the farmers, by ensuring the best animal treatment, by keeping things local.

b) Sustainability in the product value chain identified in the region

- Practices related to logistics, traceability, eco-packaging, waste management, etc.

Packaging

Pack4Food is a consortium of companies in the food and packaging industry and their suppliers. Pack4Food helps companies package food better and supports them with their daily packaging challenges and innovations. They bring companies and research institutions together to realize large and small innovations throughout the entire packaging chain, and to provide advice and training, initiate and coordinate research projects, and offer a network.

Pack4Food initiates and coordinates projects in collaboration with companies and research institutions at both the Flemish and European levels. A key driver in this is the roadmap 'Food Packaging of the Future', which was officially launched at the end of 2019. In 2020, a strategic partnership with Flanders' FOOD was established to roll out this roadmap through various projects, together with companies, knowledge partners, other spearhead clusters, and stakeholders in the food packaging chain. By 2030, all food packaging must be circular, and the rapid evolution of digitalization and personalization is unavoidable. Pack4Food and the spearhead clusters Flanders' FOOD (food), VIL (logistics), SIM (new materials), and Catalisti (chemicals and plastics) have been working on a Roadmap for future food packaging since September 2018. This Roadmap outlines research directions for the coming years (2018-2030) to develop advanced packaging, focused on the needs of the future, in collaboration with industry, government, and knowledge institutions.[15]

Short chain and logistics

Awareness of short-chain sales outlets is growing, as is awareness of Week of the Short Chain (56% awareness) and the participation rate. The image and familiarity of farm-to-farm sales are also evolving positively. The time gained during the COVID-19 lockdowns had a significant, albeit temporary, impact on direct farm sales. High inflation in 2022 and 2023 led to smaller baskets and growth in hard discounters. This puts pressure on farm sales but resumes growth in 2024. Combined farm and farmer's market turnover grew by 27% last year. The farm's core clientele consists primarily of retirees and older couples without children. Retirees also form the farmers' market's core clientele, and specifically, upper-class retirees.[16]

Half of Belgians (51%) indicate that they attach importance to the country of origin when purchasing fresh food. This trend has been rising for years, but accelerated further due to the COVID19-crisis. This trend has since subsided somewhat, but we continue to see a long-term increase. Almost everyone prefers domestically produced products, especially for typical products that are significantly

[15] https://pack4food.be/nl/projecten/roadmap - date of access: July 31, 2025
[16] VLAM. Trends in short-chain sales in Flanders. 2024

produced in Belgium, such as eggs, potatoes, milk and vegetables. Support for local farmers and the domestic economy is a key reason for this preference for domestic products. Furthermore, reduced transport also plays a significant role in this preference for domestically produced products. This reduced transport results in a lower environmental impact, greater freshness, and cheaper products. Thanks to years of industry effort, Belgians have confidence in domestic production and the inspections that are carried out, and they appreciate the taste and quality of domestic products. 69% are proud of our Belgian food products, and 68% think it's a shame to import products when a Belgian version also exists. Unfortunately, only 38% indicate that Belgian products are easily recognizable at the point of sale, while 61% say that if a product clearly indicates its Belgian origin, they are more likely to choose that product, and 48% say that if a supermarket prioritizes domestic products, they are more likely to shop there.[17]

A brewery in Ghent follows the short chain principle as they deliver directly to the buyer whenever possible. This means customers get a lower prince, fresher beer and a faster delivery while helping the environment. In Ghent, they organise 90% of their deliveries by a renewable-powered electric bike directly from the brewery.

- Regional and local examples of sustainable value chain practices

We see that a lot of producers and farmers offer their customers the possibility to buy their products locally, on the production site or farm itself, in a small shop or in vending machines. This decreases the food kilometres and the packaging, while it increases the traceability and the consumer trust. To give an example: ‘t Pauwenhof has bought 16 meters of vending machines (80.000 euros) and a cooling system (20.000 euros) where they sell their own products, from pieces of meat to complete meals that only have to be heated. They sell potatoes, goat cheese, juices, partly their own products, but also other producers and farmers in the region get the opportunity to sell their products in the vending machines.

Another valuable example is Vanier (translated in English “From here”). Vanier is a cooperative web platform and B2B-webshop for the short food supply chain in Ghent, enabling local farmers to deliver their products directly to Ghent shops, restaurants and commercial kitchens. Vanier not only manages the logistics and platform, but also organizes meetings between producers and buyers and promotes low-package deliveries to combat food waste. The initiative, part of the cooperative platform Linked.Farm, is supported by the City of Ghent and aims to strengthen local agriculture, promote sustainable production, and guarantee a fair price for farmers.

[17] VLAM. Het belang van herkomst en voorkeur voor inlandse producten blijft hoog. 2023

c) Measurement and assessment tools

- Existing tools used by SMEs in the region to monitor sustainability (e.g., LCA, carbon footprinting, environmental performance indicators)

Of the companies we interviewed, there were not many monitoring their sustainability impact, even though there are already a couple monitoring systems that are offered for free by the government. MVO Vlaanderen (knowledge center for sustainable entrepreneurship) has created the Sustatool, which is a free and user-friendly dashboard to make sustainable entrepreneurship concrete, tangible, measurable and feasible. It's a tool for both SMEs who are just taking their first steps in the sustainable or circular landscape and for entrepreneurs who want to scale up their sustainable policy and report on it according to the European standards. From mapping the impact to developing targeted actions and monitoring results: the Sustatool allows entrepreneurs to build a future-proof business model and make their commitment to sustainability visible.

First the company is being scanned, based on 14 sustainability themes – from energy and climate to governance and value chain. These themes seamlessly align with the European Reporting Standards (ESRS) and the VSME standard. The data, actions, and indicators you enter are easily tagged based on ESRS, SDGs, or VSME standards and can be easily filtered afterwards. In the final step, a clear report is being generated. For SMEs, the Sustatool is a particularly useful tool for preparing a VSME report or answering questions from CSRD-obligated clients[18].

Nevertheless the entrepreneurs in our interviews did not talk about the Sustatool. Only two of them had a concrete answer to our question:

- A meat producer, Breydel, creates an annual sustainability report in which countless data is being collected. This report concludes that their business already is quite sustainable.

- Nobel, a vineyard, has contacted an external service provider who has done an energy analysis of the company, in order to make necessary changes.

All in all we can see that a lot of work remains to be done on the mapping and monitoring of sustainability innovations and their impact in our food industry.

3. Key challenges, regional strengths and gaps

The answers to these questions are completely based on what our entrepreneurs had to say about it. The list of the companies that were interviewed, can be found in the annex.

[18] https://www.mvovlaanderen.be/nl/sustatool - date of access: July 31, 2025

a) Regional strengths and innovation capacity

The nature of Flemish people is not to brag or talk about successes, so it's no surprise that we did not get too many answers to this question. In general our entrepreneurs are quite resourceful and strong, and there are a lot of possibilities to gain support (funding, expertise, coaching) from the government. SMEs in Flanders are futureproof or at least evolving to be futureproof.

We got only a couple of answers:

- Nobel (vineyard) wants to research if they can make their wine alcohol-free. Since there is a growing health tendency towards beverages without or with less alcohol, this could be an additional target group.

- F. Tierenteyn (mustard) wants to research if they can use Belgian mustard seed to develop their product (also depending on economic feasibility).

- Lerouge (fruit juices) has invested in a very special fruit press, which recycles its own rinse water and has a larger return on juice. Due to a decreased rinse water waste, they are climbing on the sustainability ladder.

b) Gaps that indicate areas for improvement, investment or policy change

This is a topic where Belgians do excel at: talking about what could be better (up to complaining). The first topics are related to sustainability; the ones in a smaller fond are not (directly) related to sustainability but therefore not less important.

- 't Pauwenhof (meat farm) brings up an interesting topic. According to them, the short chain principle does not fit in the current law. It would be more sustainable to breed the piglets themselves, but it is more expensive to invest in all the necessary machinery (such as a heating and cooling system, an air washer etc.) than to simply buy the piglets. It is a pity that the law does not support these kinds of initiatives.

- De Zuivelarij also brings up the problem of collaboration. If farmers and producers would work together, this could be more profitable and also more sustainable. Farmers often cannot commercialise their products, or take care of the marketing strategy, or work on technical challenges at the same time. A farmer grows crops or breeds animals and that's it. As a cheese producer, they are very close to the farmers, and by collaborating with them, both the farmer and the producer can do what they do best, e.g. De Zuivelarij collects the milk of local dairy farms, and makes cheese out of it under the brand of Berloumi. That way both the dairy producer and the farmers receive the appropriate recognition for the work and the effort, and it is more sustainable as well.

- La Confiance (bakery) talks about food waste in supermarkets. All products that have passed the expiration date are taken out of store. Fruit and vegetables with a small stain, strawberries that do not shine… These are not welcome in the supermarkets. It is a pity because in fact, all of these products are healthy and perfectly fine to eat. No wonder that 20% of food in Europe goes to waste.

- Even though Nobel (vineyard) wants to explore sustainable transportation, they are not (yet) using it because of the small radius and the small loading capacity of an electric van. Other companies are also talking about this.

- A big challenge for a lot of companies (Buizerd & Saars, 't Eikenhof, Breydel, F. Tierenteyn) is staff and succession. In East Flanders, we have a lot of family owned businesses, but we see that the offspring often don't want to take over the business. Finding the right people for the job, in all kinds of positions in the company, is time-consuming, challenging and often disappointing, even though most companies take a lot of effort to create a nice working environment, where people can learn and evolve. This kind of social sustainability is often hard to reach.

- Waste management is challenging: a lot of entrepreneurs want to do this sustainably, but this often comes with a high price and not all of them are willing to pay more for it.

- Entrepreneurs such as Buizerd & Saars (coffee roaster) want to work with sustainable suppliers. They select the farmers they want to buy coffee beans from beforehand, preferably when they work sustainably, e.g. by agroforestry. The problem is that you are not 100% sure about this, and to check it yourself is a very time- and money-consuming activity.

- Breydel (meat producer), F. Tierenteyn (mustard) and Nobel (vineyard) both talk about administrative burdens. They think that administration and legislation should be simplified, and even though this is often promised by the government, it often remains a hollow concept. There are also too many controlling bodies who do not trust each other; e.g. if IFS controls the use of labels on packaging, FAVV does the same thing over again. Controlling the controller is useless and expensive. In fact they do the same thing, but an SME has to pay for both of them. The regulations should be more precise and followed by both the SME ánd the government, which would - indirectly - also be more sustainable.

- De Zuivelarij (dairy) is addressing the challenge of scaling up. They want to become the national market leader with their product, and although interest in their product is growing in France and the Netherlands, they can't grow any faster than they already are. Finding the balance between healthy and steady growth and generating sufficient revenue to be profitable is difficult and challenging.

- A lot of small entrepreneurs want their products to be sold with the story they want to tell. Now all of the products, both mainstream, from large, industrial companies, and those of

artisanal, small producers who want to bring a sustainable story, are sold on the same rack. The latter products lose a part of their identity this way. If the consumer goes to the shop and does not get the entire story, then he won't be eager to pay more for a local product either. This is a major challenge that many companies face.

- In order to make the right investments, a company needs funding. One of the examples was Nobel, a wine producer, who wants to invest in a steam cleaner, a machine for topping the vines and drones to deter birds. A coffee roaster, Buizerd & Saars, is talking about solar panels and an electric coffee roasting machine. Even though most of the companies (certainly the older ones) have a bit of financial reserve, they still need a lot of funding that can't come out of private money alone.

- Price setting is difficult. As a small food producer, it is hard to compete with the prices of the industrial players. Luckily more and more people are willing to pay a bit more for locally produced food, convinced that this also brings better quality and more transparency and also because they want to support local economies. But still the price calculation is difficult, because costs of a small producer are often higher and they are more susceptible to crises, tendencies, variable prices of raw materials or changing regulations.

4. Conclusions and recommendations

The food industry is an important and growing sector in Flanders (and more specifically in East Flanders). For the province, the agri-food sector is part of the six pillars of the Smart Specialization Strategy (S3), making it a growth sector with significant potential. The goal of our S3 is to attract foreign investments in the agri-food industry and to provide a valuable network, practical knowledge and the necessary infrastructure to further develop the sector. Therefore, we can conclude that the future looks bright for this sector.

We also see this reflected in our SME landscape. Although we live in a rapidly evolving, challenging world, SMEs are proving resilient, flexible and creative. They are willing to ambrace sustainable and even circular solutions. Of course, this often involves large investments, and we see that our SMEs haven't yet found their way to the available funding programmes. The government offers many different ways to support SMEs and agricultural businesses, but the vast majority of them have never even heard of these. This is unfortunate, as they could have a much greater impact. The lack of awareness of these initiatives also puts a slight break on the sustainability movement. Increasing SME awareness of existing support mechanisms should therefore be a top priority.

These mechanisms also includes data monitoring tools, which are not used for the same reason: being unknown. It's clear that our SMEs don't map or monitor their sustainability impact at all, but even that could provide them with interesting insights. Here too, the government has a key role to play.

A lot of SMEs (not only in the food industry, but in general) feel a large distance from the government; they feel the government only demands and gives little. This is an identity crisis the government needs to overcome, but of course, that won't happen overnight. It is an enormous and time-consuming challenge. In any case, by getting closer to entrepreneurs and citizens, the ecosystem would change more quickly and effectively.

All in all, we can say that things aren't too bad in Belgium. While we like to complain and it's difficult to see our strengths, we have a thriving food sector with many challenges that haven't yet proven insurmountable. We believe we will remain among the best in class and have high expectations for the future.

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List of interviewed companies

Breydel: meat producing company, located in Gavere, existing since 1979

Buizerd & Saars: coffee roaster, located in Kruisem, existing since 2018

De Zuivelarij: cheese maker (Belgian halloumi), located in Berlare, existing since 2016

F. Tierenteyn: mustard producer, located in Ghent, existing since 1818

Ginstberg: water producer, located in Oosterzele, existing since 1897

La Confiance: biscuits baker, located in Dendermonde, existing since 1920

Lerouge: fruit juices and press, located in Zulzeke, existing since 1993

Nobel: vineyard, located in Lochristi, existing since 2012

Stroom Brouwers: brewery, located in Ghent, existing since 2020

‘t Eikenhof: dairy farm and cheese maker, located in Lokeren, existing since 1985

‘t Pauwenhof: meat farm and butchery, located in Eeklo, existing for three generations (year unknown)

Vandekerckhove: coffee roaster, located in Ghent, existing since 1854