



Action Plan

FRiDGE seeks to give food industry SMEs a competitive edge by providing industry stakeholders with policy inputs on productivity, market reach and capacity building.

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FRIDGE Action Plan of South Ostrobothnia

24.5.2022



ETELÄ-POHJANMAAN LIITTO
Regional Council of South Ostrobothnia

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CONTENT

Tiivistelmä	3
English summary.....	6
PART I - General information	8
PART II - Policy context.....	8
Policy Instrument I: Regional Programme of South Ostrobothnia 2018-2021	8
Policy instrument II: Regional Programme of South Ostrobothnia 2022-2025	9
Policy instrument III: Rural Development Strategy of South Ostrobothnia 2014-2020	10
PART III - Introduction	12
Introduction into the region	12
Development process	13
PART IV - The Actions	15
THEME 1: Supporting the development of regional Food Innovation Ecosystem.....	15
ACTION 1.1: South Ostrobothnia Innovation Ecosystem Event - New Platform for Collaboration	16
ACTION 1.2: Influencing on the ongoing Food Province 2030 Project and Food Province Strategy.....	19
ACTION 1.3: Food Province Strategy Coordination Project.....	22
THEME 2: Development of the regional Food Business Environment.....	25
ACTION 2.1: YDIRE – Through cooperation and digitalisation towards resilience in short food supply chains.....	25
ACTION 2.2: PREMIUM – particularly distinctive food products	28
PART V - Signatures	31



Tiivistelmä

Tämän toimintasuunnitelman tavoitteena on lisätä elintarvikealan pienten ja keskisuurten yritysten kilpailukykyä Etelä-Pohjanmaan maakunnassa erityisesti kolmessa eri teemassa, joita ovat yritysten tuottavuuden parantaminen, markkinoille pääsyn edistäminen sekä yritysten kasvun tukeminen.

Toimintasuunnitelma on toteutettu osana kansainvälistä, Interreg Europe -ohjelmasta rahoitettua FRIDGE -hanketta, jossa Etelä-Pohjanmaan liitto on partnerina. Hankkeen tavoitteena on edistää elintarvikealan yritysten kilpailukykyä hyviä eurooppalaisia käytänteitä vaihtamalla. Hankeaika on 1.8.2019-31.7.2023. Toimintasuunnitelman toimenpiteiden toteutumista seurataan hankkeen monitorointivaiheessa aikavälillä 1.8.2022-31.7.2023.

Toimintasuunnitelmaan valitut toimenpiteet tukevat Etelä-Pohjanmaan maakuntaohjelmassa (2018-2021 ja 2022-2025) asetettuja tavoitteita. Toimenpiteet on koottu kansainvälisten hankepartnereiden esittelemien hyvien käytänteiden, maakunnallisten ruoka-alan toimijoiden haastattelujen ja tiiviin sidosryhmätyöpajatyöskentelyjen tulosten pohjalta. Seinäjoen ammattikorkeakoulu on ollut mukana toimintasuunnitelman työstämisessä ulkoisena asiantuntijana.

Toimintasuunnitelmaprosessin aikana Etelä-Pohjanmaan vahvuudeksi tunnistettiin erittäin aktiivinen elintarvikealan kehittämistoiminta ja tiivis yhteistyö eri toimijoiden välillä. Alueella on paljon tutkimus-, kehitys- ja innovaatio toimijoita (TKI), jotka tarjoavat erilaisia kehittämisspalveluja alan yrityksille. Innovaatioekosysteemin merkittävimpiä rakennuspalikoita ovatkin ekosysteemin toimijat, niiden välinen vuorovaikutus sekä toiminnan keskiössä uuden tiedon ja osaamisen sekä uusien innovaatioiden luominen. Yhteisesti on todettu, että maakunnassa on kaikki tarvittavat ainesosat ja menestyksen avaimet kukoistavan elintarvikealan innovaatioekosysteemin vahvistumiseen. Tästä syystä toimintasuunnitelman kannalta erityisen kiinnostavia ovat olleet muiden eurooppalaisten alueiden esittelemät mallit ekosysteemien, ruokaklustereiden, alustojen ja verkostojen rakentamiseen, jäsentelyyn ja koordinaatioon liittyen sekä elintarvikeyritysten toimintaympäristön parantamiseen tähtäävät esimerkit.

Toimintasuunnitelmaan valikoitui kaksi teemaa, joiden avulla pureudutaan Etelä-Pohjanmaan elintarvikealan PK-yritysten kilpailukykyyn lisäämiseen. Teemoista ensimmäinen keskittyy kestävien ruokajärjestelmien ja alueellisen ruoka-alan innovaatioekosysteemin kehittämisen vahvistamiseen kolmella eri toimenpiteellä. Toinen keskeiseksi noussut teema on maakunnan elintarvikealan yritysten toimintaympäristön kehittäminen. Sen alla on kaksi elintarvikealan yrityksiin kohdistuvaa toimenpidettä. Kaikki toimenpiteet toteutetaan yhteistyössä paikallisten toimijoiden kesken Etelä-Pohjanmaan elintarvikealan kehittämiseksi.

Toimenpide 1: South Ostrobothnia Innovation Ecosystem Event

Tällä toimenpiteellä järjestetään syksyllä 2022 Seinäjoella uusi ruoka-alan toimijat yhteen kokoava tapahtuma. Vuosittain järjestettävän tapahtuman tavoitteena on koota yhteen ruoka-alan alueellisia toimijoita, mutta myös kansallisia ja kansainvälisiä huippupuhujia keskustelemaan esimerkiksi innovaatiopolitiikasta, alueellisista ruokajärjestelmistä, elintarvikealan uudistamiseen tarvittavasta osaamisesta ja teknologiasta, yrittäjyydestä ja



innovaatioista. Tapahtuman tuo esiin uusia ideoita ja askeleita kehittämistä varten myös muiden Euroopan alueiden hyvien esimerkkien pohjalta.

Tapahtumassa käytyjen keskustelun pohjalta luodaan Etelä-Pohjanmaan ruoka-alalle kestävän ruokajärjestelmän innovaatioekosysteemin kehittämisen suositukset ja askelmerkit.

Päävastuu toimenpiteen toteuttamisesta on Helsingin Yliopiston Ruralia-instituutilla ja Tampereen Yliopistolla. Rahoitusta tapahtuman toteuttamiseen on saatu eri lähteistä yhteensä noin 20 000 euroa.

Toimenpide 2: Käynnissä olevaan Ruokaprovinssi2030-hankeeseen ja Ruokaprovinssistrategiaan vaikuttaminen

Etelä-Pohjanmaan ruokaketjun eli Ruokaprovinssin kehittämisstrategia vuoteen 2030 kootaan maaseuturahaston rahoittamassa Ruokaprovinssi 2030 - menestyksen avaimet pellolta pöytään-hankeessa. Strategia tähtää Ruokaprovinssin ja sen yritysten menestykseen.

Tässä toimenpiteessä FRIDGE-hankkeen johdolla Ruokaprovinssi2030-hankkeen toteuttajat ovat käyneet inspiroivaa vuoropuhelua ja kokemusten vaihtoa Belgian hankepartnerin kanssa Etelä-Pohjanmaan Ruokaprovinssin- ja Itä-Flanderin Tasteful East Flanders-ruokamaakuntien yhtenevistä ja erilaisista brändin kehittämistoimenpiteistä, strategiatyöstä ja alueellisen ruoan alkuperämerkin toimintamallista. Käyty keskustelut ovat vaikuttaneet innoittavasti käynnissä olevan Ruokaprovinssi2030-hankkeen toteuttamiseen, valmistuvaan Ruokaprovinssistrategiaan sekä erityisesti Ruokaprovinssi-brändin tuleviin kehittämistoimenpiteisiin ja Ruokaprovinssimerkin toimintamalliin.

Ruokaprovinssistrategia valmistuu vuoden 2022 lopussa. Strategia kootaan ProAgria Etelä-Pohjanmaa ry/Etelä-Pohjanmaan Maa- ja kotitalousnaisten ja Seinäjoen ammattikorkeakoulun johdolla hyödyntäen laajasti maakunnan ruokaketjun näkökulmia ja osaamista.

Toimenpide 3: Ruokaprovinssin koordinaatiohanke

Toimenpiteessä luodaan maakunnallisen Ruokaprovinssin koordinaatiohankkeen projektisuunnitelma ja haetaan rahoitus projektiin. Projektin tarkoituksena on koordinoida vuoden 2022 lopussa valmistuvan Ruokaprovinssistrategian kehittämistoimenpiteiden toteutumista sekä ruoka-alan kehittämistoimintaa maakunnassa yleisesti, seurata strategisten tavoitteiden saavuttamista sekä kehittää Ruokaprovinssin brändiä ja viestintää.

Toimenpiteen päätoteuttajia tulevat olemaan ProAgria Etelä-Pohjanmaa ry/Etelä-Pohjanmaan Maa- ja kotitalousnaiset ja Seinäjoen ammattikorkeakoulu. Yhteistyökumppanit ovat tervetulleita. Rahoitusta toimenpiteelle haetaan Euroopan aluekehitysrahastosta, Maaseuturahastosta tai muusta lähteestä vuodesta 2023 eteenpäin noin kolmeksi vuodeksi.



Toimenpide 4: Yritysten välisen yhteistyön ja digitalisaation avulla kohti resilienssiä lyhyissä elintarvikeketjuissa

Toimenpiteessä YDIRE-hanke edistää Etelä-Pohjanmaan lyhyiden elintarvikeketjujen yhteistyötä ja digitalisaatiota ja sitä kautta lisää niiden resilienssiä eli palautumiskykyä kriisitilanteissa. Toimenpide tukee Etelä-Pohjanmaan elintarvikeala yritysten toimintaympäristön kehittymistä.

Hankkeessa toteutetaan mm. alueen lähiruokayritysten keskeiset kehittämistarpeet kriisinkestävyysnäkökulmasta, edistetään yritysten välistä yhteistyötä ja digitalisaatiota sekä luodaan verkostoihin perustuva toimintamalli vahvistamaan lähiruokayritysten resilienssiä.

Toimenpidettä toteuttavat Vaasan Yliopisto, Helsingin Yliopiston Ruralia-instituutti sekä Seinäjoen ammattikorkeakoulu. Hankkeen kokonaisbudjetti on 234 325 € ja se on saanut REACT-EU EAKR rahoituksen vuosille 2021–2023.

Toimenpide 5: PREMIUM – erityisen erottuvat elintarvikkeet

Tässä toimenpiteessä PREMIUM – erityisen erottuvat elintarvikkeet-hankkeen avulla kehitetään Etelä-Pohjanmaan ruoka-alan mikro- ja PK-yritysten osaamista nostaa maakunnassa tuotettujen elintarvikkeiden ja juomien tasoa korkean lisäarvon premium-tuotteiksi kuluttajaymmärryksen syventämisen avulla. Toimenpiteellä tuetaan Etelä-Pohjanmaan elintarvikeala yritysten toimintaympäristön kehittymistä.

Hankkeessa perustetaan PREMIUM-yritysyhteisö, osallistetaan kuluttajat premium-tuotteiden tuotekehitysprosessiin, lisätään mikro- ja PK-yritysten kuluttajaymmärrystä, kehitetään korkean lisäarvon ruoka- ja juomatuotteita PREMIUM-polun avulla sekä viedään kuluttajatietoa alan yritysten käyttöön.

Toimenpidettä toteuttaa Seinäjoen ammattikorkeakoulu. Hankkeen kokonaisbudjetti on 159 040 € ja se on saanut REACT-EU EAKR rahoituksen vuosille 2022–2023.



English summary

The FRIDGE Action Plan for South Ostrobothnia has been developed as part of the Interreg Europe FRIDGE project in which the Regional Council of South Ostrobothnia (RCSO) is a partner. The Action Plan is the key regional output of the FRIDGE project in the region of South Ostrobothnia.

Development process. Seinäjoki University of Applied Sciences (SeAMK) has had a key role in the action plan development as the external expert since January 2021. Local stakeholders have been engaged in the development in multiple ways, including local action plan workshops, regional stakeholder meetings, interregional learning events and individual meetings with key stakeholders and action owners.

Policy Instruments. The actions within the action plan addresses three policy instruments. The first policy instrument is the Regional Programme of South Ostrobothnia 2018-2021. The second is the revised Regional Programme of South Ostrobothnia 2022-2025 and the third is the Rural Development Strategy of South Ostrobothnia 2014-2020.

Themes and actions. The action plan consists of five separate actions that are divided under two key thematic topics. All actions are based on the territorial needs identified in the projects as well as received inspiration of the good practices identified in other partner regions.

Theme 1: Development of the Regional Food Innovation Ecosystem. The issue of well-established and functioning regional food clusters, food innovation platforms and networks has been raised in FRIDGE project. How the food clusters, platforms and networks are being build, structured, coordinated and communicated are crucial for the success of functioning food ecosystems. Inspiring examples of well-established food clusters and networks have been presented especially from Bavaria (the Food Cluster Bavaria) and East-Flanders (Flanders' FOOD and Tasteful East-Flanders).

Being inspired by examples, the FRIDGE partners and stakeholders in South Ostrobothnia have addressed the need to further develop and improve the regional food ecosystem and its functions with three separate actions.

1. South Ostrobothnia Innovation Ecosystem Event – New Platform For Collaboration
2. Influencing in the Food Province 2030 Strategy project
3. Food Province Strategy Coordination Project

The actions together support the development of the functioning food innovation ecosystem and its clearer coordination and communication.

Theme 2: Developing the Food Business Environment. Low refining rate, lack of value-added premium products and low digital skills of SMEs have been a long-term challenge in the region. The challenges have come up in the interviews of SMEs, stakeholder discussions, workshops and in the regional analysis carried out during the FRIDGE project.

The FRIDGE project partners have presented good practices and solutions for the challenges and needs described above. The Trilogy of Platform under Food Cluster Bavaria, for example, offers an effective solution for improving the short supply chains, many times crucial for micro and small sized food enterprises dependent on local food markets. The Bavarian Premium strategy for Food as well as the Produce Food on your Own Farm initiative under the Food Startup Incubator Weihestephan (FSIWS) are also inspiring examples of how food SMEs are supported in creating more added-value products.



Based on the identified territorial needs and the inspiration received from the FRIDGE partner regions, two actions are implemented in the region, both of which are projects funded under the ERDF/REACT-EU funds. The actions are:

4. YDIRE - Through cooperation and digitalisation towards resilience in short supply chains
5. PREMIUM - Particularly distinctive food products

Both actions improve the competitiveness of local Food SMEs in a concrete way.

Monitoring. The action plan and the implementation of selected actions will be monitored by the project partner, RCSO, in the monitoring phase between 1.8.2023 and 31.7.2023. Monitoring will be done by email correspondence with the action owners.



PART I - General information

Project: FRIDGE - Development of food industry SME competitiveness for better potentials in growth

Partner organisation: Regional Council of South Ostrobothnia

Country: Finland

NUTS2 region: West Finland

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PART II - Policy context

The actions in the Action Plan are carried out under three different policy instruments, depending on the funding source and timeframe of the specific action.

The first two policy instruments, the Regional Programme of South Ostrobothnia 2018 - 2021 and the Regional Programme of South Ostrobothnia 2022-2025, are programmes that guide the regional funding of the European Regional Development Fund. The regional strategy of South Ostrobothnia is revised every four years, the latest came into force from 2022 onwards. The Action Plan includes actions that are funded under the previous strategy as well as actions that seek funding under the new strategy. Managing authority of the Regional Programmes is Regional Council of South Ostrobothnia.

The third policy instrument is The Rural Development strategy for 2014-2020 that guided the regional funding of the European Agricultural Fund for Rural Development in the last programming period. The managing authority for the rural development strategy is the Center for Economic Development, Transport and the Environment in South Ostrobothnia.

Policy Instrument I: Regional Programme of South Ostrobothnia 2018-2021

Name of the policy instrument addressed: **Regional Programme of South Ostrobothnia 2018-2021**

The Action Plan aims to impact:

- Investment for Growth and Jobs programme
- European Territorial Cooperation programme
- **Other regional development policy instrument**



Short description of the policy instrument

The Regional Programme of South Ostrobothnia 2018-2021 is the original policy instrument to be addressed in FRIDGE project by the Regional Council of South Ostrobothnia.

The managing authority of the regional strategy is Regional Council of South Ostrobothnia. The strategy guides regional funding of the European Regional Development Fund as well as some other regional or national regional development funds.

From the strategy especially Thematic Objective 1: Regenerative Local Industry and Commerce and Sub target 1.1.: Growth and promoting activities that support regeneration was to be addressed by the project.

In the Regional Strategy and the Regional Operative Plan the renewal of industries has been recognised as one of the key development objectives as the intake of innovation, research results, proactive competence building or digitalisation is slow hindering the small businesses from competing, growing and being able thrive in their changing business ecosystems in long run.

As a part of renewal approach special reference has been made to developing sustainable food systems and new solutions for bioeconomy, food safety, traceability, digitalisation of the food chain, farming of the future, nutrition and healthiness.

Digitalisation, IoT, resource efficiency and circular economy are also connected to the development of businesses in all business sectors, not just food. Because the business owners are ageing, also change of owner is a relevant development topic. Many entrepreneurs are masters on their own field of expertise but improving basic business skills and knowledge is needed. Improving the provision of business services and supporting SMEs in transnational cooperation and exporting their products are also amongst the recognised development challenges.

Policy instrument II: Regional Programme of South Ostrobothnia 2022-2025

Name of the policy instrument addressed: **Regional Programme of South Ostrobothnia 2022-2025**

The Action Plan aims to impact:

- Investment for Growth and Jobs programme
- European Territorial Cooperation programme
- **Other regional development policy instrument**

Short description of the policy instrument

The Regional Programme of South Ostrobothnia 2022-2025 is the second policy instrument to be addressed in FRIDGE project by the Regional Council of South Ostrobothnia.

The managing authority of the regional strategy is Regional Council of South Ostrobothnia. The strategy guides regional funding of the European Regional Development Fund as well as some other regional or national regional development funds.



The thematic objectives and subobjectives that the actions in this Action Plan want to address are the following:

Thematic OBJECTIVE 3: Smart and Skillful South Ostrobothnia: Improving competence.

Subobjective 3.3. Strengthening innovation ecosystems.

Thematic OBJECTIVE 4: Flexible and sustainable South Ostrobothnia: Regeneration and strengthening of South Ostrobothnia's competence.

Subobjective 4.2. Strengthening of key business competence areas

4.2.1 Sustainable food ecosystem and new solutions for bioeconomy

Subobjective 4.3 Regeneration of business

4.3.1 Start up and Grow Up! (supporting activities that support starting up new businesses and support already existing businesses to grow)

4.3.2 Circulate and Digitalise! (Supporting the utilisation of circular economy and digitalisation in businesses)

4.3.3. Innovate and Renew! (Supporting innovation and regeneration in businesses)

4.3.4. Go Global! (Supporting internationalisation of local businesses).

All the above-mentioned objectives and sub-objectives are defined as objectives for the region's RIS3 strategy.

Policy instrument III: Rural Development Strategy of South Ostrobothnia 2014-2020

Name of the policy instrument addressed: **Rural Development Strategy of South Ostrobothnia 2014-2020.**

The Action Plan aims to impact:

- Investment for Growth and Jobs programme
- European Territorial Cooperation programme
- **Other regional development policy instrument**

Short description of the policy instrument

Regional Rural Development Programme for South Ostrobothnia 2014-2020 is a policy instrument linked directly to the Rural Development Programme for Mainland Finland 2014-2020 (the operational program for EAFRD funds in Finland). In Finland, EAFRD includes funding for rural enterprises, rural development and Leader-association funding. The managing authority of the programme and funding is the Center for Economic Development, Transport and the Environment in South Ostrobothnia.

The Rural Development Programme for South Ostrobothnia 2014-2020 defines the objectives of the programme at regional level. The role of the regional rural development programme is very



significant in South Ostrobothnia region since it allocates substantially large amount of funding to development of the regional agri-food sector.

The Regional Rural Development Programme for South Ostrobothnia has four priority axes:

1. Development of the Food Province
2. Diverse exploitation of forest resources
3. Promotion of rural entrepreneurship
4. Increase of regional attraction.

Especially the axis 1 and 3 promote the aims of FRIDGE-project.

Development of the Food Province

The development of the Food Province comprises the development of the whole food value chain bringing together actors from education, RDI to businesses. Key aim is to improve the competitiveness and regeneration of the food value chain, improve skills and creation of new kinds of food experience concepts. Improving the refinement and added-value of food products, integration of research and development into the business-life are recognized key to the success.

The aim is to also enhance the visibility and attractiveness of South Ostrobothnia as the Food Province of Finland both nationally and globally. Improving networking and partnerships, as well enhancing the marketing of the food sector know-how from local to international level are highlighted.

The Food Province development addresses also the importance of including the food producers and technology providers into the development. Here the use and adaption of new technologies and business models, promotion and development of local food value chain and logistics as well as improving the marketing, communications and collaboration are seen important.

Promotion of entrepreneurship in rural areas

The priority axes 3 also addresses similar goals with FRIDGE project.

Improving the diversification of business and securing the continuity of rural enterprises is seen key development areas.

The priority axes highlight issues such as:

- improving the competitiveness of rural SMEs by enhanced RDI-activities
- improving business skills and networking among the SMEs (especially of micro-sized SMEs)
- development of entrepreneur-friendly innovation environment and business support system
- supporting internationalisation



PART III - Introduction

Introduction into the region

The Food Province of Finland

We brand South Ostrobothnia as the Food Province of Finland (Ruokaprovinssi) — a strong and diverse food region. A large proportion of Finnish food is grown and produced in South Ostrobothnia. Thus, the food sector is very significant for the region since it accounts for as much as a third of the total turnover of all sectors in the region.

The food industry is a major source of employment for South Ostrobothnians and an important source of income. In 2020, there were 111 food processing and beverage production companies in the region. Majority of them were bakery sector companies or operating in meat and poultry sector. Twelve of these were beverage companies such as small breweries, beverage factories and distillate manufacturers. The total turnover of food enterprises in the region is higher than in any other regions of Finland. The lion's share of turnover is generated by two large export companies, Atria and Valio.

In South Ostrobothnia, as in the rest of Finland, food and beverage companies are mainly micro-sized. Despite the size, entrepreneurial spirit and tenacious attitude create good in the form of jobs and international success stories.

South Ostrobothnia has its own food label. It is called Food Province label. It is a brand of quality and origin, and it makes easy to identify South Ostrobothnia's top food products and companies. A Food Province label can be obtained to the product, company or development organization through the application and audit process.

A distinctive food sector knowhow has clustered in the region. It uniquely combines food education, research, development, entrepreneurship and the event sector. At the heart of the activities are more than 10 development and education organizations. In the field of food education and research, appropriate and unique operating models have been created for the region. Multi-skilled employees in the food industry are born through an education model that connects the entire food chain from field to fork. Bachelor and master level education for the entire food chain is offered by Seinäjoki University of Applied Sciences in Finnish and English. University-level study is carried out in the region through the EPANET professorship network. In the network, the food sector — agrobioeconomy and sustainable food solutions — are one of the main regional priorities.

Small but productive

As stated, South Ostrobothnia is considered the food region of Finland since food equals 62 % of the gross domestic product of the region. Unique food cluster parts can be found in the region, e.g., strong primary production of animal origin, food processing industry, food logistics companies, Finnish scale specialized food training in EQF levels from 4, 6 and 7 (agriculture, food processing and food service production), expert companies, academic research, development and innovation, and technology manufacturers of food system.



The region of South Ostrobothnia is home to less than 4% of the Finnish population, but almost a fifth of Finnish food is produced here. Dependence on the Finnish national food market is high. The region is the only region in Finland which increases the production of food as the main industry. There are only a few growth-oriented food processing SMEs, which is a particular known challenge to the regional food system.

In 2019, the food industry (food and beverage) employed 3760 man-year in the region. Production of food and beverages accounted almost 16 % of total revenue of the region in 2019. The total turnover of the entire food sector (agriculture, food processing, food wholesale and retail trade, food service) accounts for over one-third of all revenue of the region.

All key ingredients exist

From an innovation ecosystem perspective, the challenge is the strong concentration of the food processing to few large companies. Only three of over a hundred companies comprise over 90% of the volume of production of food products. Food system operators have a fixed functional relationship with key companies in the cluster, which is an opportunity on the other hand, but may limit co-development of the innovation ecosystem.

The development of the food sector in South Ostrobothnia is very active and there are many operators promoting and developing the sector and offering development services to the food companies. It is time to bring together and describe all the offered support and development work for food sector. On the other hand, this is also a great chance and possibility, as the region has all the necessary ingredients to focus on promoting and supporting a thriving food innovation ecosystem.

Development process

The Action Plan is the key output of FRIDGE project for the region of South Ostrobothnia. The Action Plan development process started officially in January 2021 after the external expert, Seinäjoki University of Applied Sciences (SeAMK), was selected to support the project partner, Regional Council of South Ostrobothnia, with the preparation of the action plan.

During the first months of their work, the team of external experts from SeAMK familiarized themselves with the lessons learned from the project, including all the studies carried out and good practices identified. In addition, a short survey for local food SMEs was carried out to clarify development needs and challenges in the core project topics: market reach, productivity and investments.

The engagement of local stakeholders started for real in May when the first regional action plan workshop was held. The workshop brought together 18 stakeholders representing both RDI-organizations and food SMEs. The aim of the workshop was to present the stakeholders all the identified good practices in the project and then identify the most interesting and important ones for our region. The workshop ended up being successful as the good practices presented evoked a lot of interest among the actors. Based on the results, the action plan team was able to form a draft version of the action plan and create a plan how to intensify the learning process and dissemination of the good practices to the relevant stakeholders.

During the fall 2021 the action plan team organized the second workshop where the draft version of the action plan was discussed. The draft received good comments and some new ideas for future actions were received. In December 2021 the Action Plan draft was again discussed in the



stakeholder meeting receiving good comments and ideas for improving the activities from our active members of the FRIDGE stakeholder group.

On the 12th of January the FRIDGE project was invited to present the Action Plan ideas in the meeting of the regional sustainable food system research (KERRU) network and discuss new ideas how to build-up and improve the functioning of the regional food ecosystem, and what the region can learn from the FRIDGE partner regions in East-Flanders and Bavaria. The discussions were very productive and some new ideas for the action plan was received. The discussions were planned in collaboration with New Knowledge Interfaces project.

In addition, the action plan team organized several one-to-one meetings with stakeholders who are designing activities in which FRIDGE Good Practices could serve as a source of inspiration. Through these meetings the good practices were effectively disseminated for the key stakeholders and concrete actions were included in the action plan.

One of the highlights was also the online meeting held with Finnish, Belgian and Hungarian partners where the Tasteful East-Flanders concept was presented for the key stakeholders. The meeting was organized in November 2021. This meeting was very important for the stakeholders, as they received plenty of detailed information and new ideas for developing future actions.

The online Study Visit to Germany held on the 5th of February was also very important and key action owner took part in the meeting to learn more about the Good Practices from the region of Bavaria, such as the Food Cluster Bavaria, Trilogy of Platform, Premium Strategy for Food and the Food Startup Incubator Weihestephan.

During February, March and April 2022 the project partner and external expert team concentrated on defining the final actions and finishing the action plan.

Key reports and studies to define territorial needs are:

- Regional Analysis and Policy Assessment
- SME Interviews made by external experts in April 2021
- Specialty Group 1 and 2 results

Key Activities to design actions and share knowledge of good practices:

- 2 Regional Stakeholder Group meeting held on 10.12.2020 and 9.12.2021
- 2 Local Action Plan Workshops (25.5.2021 and 25.2021)
- Presentation and Discussion of FRIDGE Action Plan activities in KERRU network meeting on 12.1.2022.
- 2 Interregional learning events: Tasteful East-Flanders presentation for Finnish and Hungarian partners and stakeholder on 15.11.2021 and Online Study Visit to Bavaria Germany on 5.2.2022.
- Multiple one-to-one online meetings with key stakeholders where information about good practices have been shared and action ideas further developed.



PART IV - The Actions

The action plan consists of five separate actions that are divided under two key thematic topics:

1. Supporting the development of regional food innovation ecosystem
2. Developing the Food Business Environment.

Both the themes and actions are based on the territorial needs identified in the regional activities throughout the project lifetime as well as inspiration received from the Good Practices identified in other FRIDGE partner regions.

THEME 1: Supporting the development of regional Food Innovation Ecosystem

The issue of well-established and functioning regional food clusters, food innovation platforms and networks has been one interesting topic raised in FRIDGE project. Inspiring examples of well-established food clusters and or networks have been presented from Bavaria (the Food Cluster Bavaria) and East-Flanders (Flanders' FOOD and Tasteful East-Flanders). The Agrifood partnership of Western Macedonia is also a good example of enhancing collaboration in the food sector.

Being inspired by the above-mentioned examples, the FRIDGE partners and stakeholders in South Ostrobothnia have addressed the need to further develop and improve the regional food ecosystem and its functions with three separate actions.

1. South Ostrobothnia Innovation Ecosystem Event – New Platform For Collaboration
2. Food Province 2030 Strategy Project
3. Food Province Strategy Coordination Project

Challenges, needs and the proposed actions have been addressed in the Regional Food Industry Analysis and Policy Assessment Report and discussed in various local stakeholder's meetings, regional workshops and individual discussions with key actors and development projects.

The key issues what we want to learn from the other regions' practices are how the food clusters, platforms and networks are being build, structured, coordinated and communicated.

Current state and challenges of the region

As stated above, a distinctive food sector knowhow has clustered in the region of South Ostrobothnia during the past decades uniquely combining food education, research, development, entrepreneurship and the event sector. The development is supported by multiple projects, initiatives, networks and actors (e.g., public regional development organizations, higher education institutions, research organizations, development companies, SMEs).

There already exists multiple networks in the region which aims to exchange information, increase collaboration and reduce overlapping in the development of regional food sector. The three main operating networks are Food Team (aimed to large food companies), Food Forum (aimed to food sector development organizations) and KERRU - Agrobioeconomy and sustainable food systems (aimed to individual project managers and researchers in the food



sector). In addition to this, each higher education institutions and research organizations operating in the region has their own internal research groups related to food.

South Ostrobothnia region is also a leader of Food Systems-group, a subtheme under ERIAFF (The European Region for Innovation in Agriculture, Food and Forestry) network. The aim of the group is to exchange information about development of food systems between 30 regions around Europe. In addition to this, the City of Seinäjoki has concluded an Ecosystem Agreement 2020-2027 with the Finnish Government called *Green Growth* with the strategic priority *Sustainable Renewal of the Food Ecosystem*. Aim of the agreement is to accelerate the growth of City of Seinäjoki business ecosystem to international level during years 2020-2027.

All these networks and working groups are a demonstration of high food sector activity of the region and create strong links regionally, nationally and internationally. Despite all these good ingredients, the development of the food sector in the region can sometimes be fragmented and without clear direction. The development consists of individual actions organized by different development organizations. The knowledge and know-how are spread around the region in various organizations and sometimes even individuals. There are also challenges in how the region and its competence and know-how related to food is communicated both inside and outside the region. The connectedness of the food SMEs into the food sector development and the food innovation ecosystem is also sometimes a challenge.

As part of the Regional Food Industry Analysis and the Policy Assessment reports, the FRIDGE project partners have identified regional issues in South Ostrobothnia's food sector that are harmful for food SMEs in the region. Some of the recognized threats are small size of SMEs, lack of knowledge and ambition regarding business and strategic planning, individual culture and limited use of networks. Some of the threats concerning SMEs development are low resilience to risk and crises due to small size, reduction of the attractiveness of food sector and lack of employees, tightening laws and requirements, lacking behind in digitalization and increased import of food products. Many of these weaknesses and threats can be solved with supporting the development of food innovation ecosystem and encouraging companies to become more closely involved in development work.

On the other hand, strength of the region lies in the recognition of the region as Food Province on political level which enables very strong support for several development measures aimed at SMEs in the food sector. Other strengths are strong entrepreneurial spirit and business environment which give motivation to SMEs to choose their own path and differentiate using the high-quality raw materials. There is a lot of opportunities to develop networking between companies and researchers, but cooperation between companies should also be strengthened.

ACTION 1.1: South Ostrobothnia Innovation Ecosystem Event - New Platform for Collaboration

The background

Based on the good practices presented by FRIDGE project, the South Ostrobothnia region has a lot to learn from Bavaria Food Cluster (Cluster Ernährung). It is a good example of a strategically managed, united and clearly communicated regional food innovation ecosystem. The Bavarian Food Cluster also serves as a meeting and event platform and trust zone for food operators in the area. It generates and strengthens effective and sustainable cooperation between food



companies, research, trade and consumers and creates a space where innovation can take place as well as it brings together companies, knowledge, technologies and opportunities of the food industry in the region. The way the cluster is clearly communicated and made visible both for actors inside and outside the cluster, is also a factor that have greatly inspired the regional stakeholders from South Ostrobothnia.

For South Ostrobothnia, Bavaria Food Cluster with its diverse activities offers thus a great inspiration for the further development of the food innovation ecosystem and it has been identified as one of the most interesting Good Practice for the region. Information about the Good Practice have been disseminated for the key stakeholders via interregional learning events, regional stakeholder group meetings, local action plan workshops as well as via individual meetings with the stakeholders.

The New Knowledge Interface project (ERDF) aims to identify the current state of the Sustainable Food Systems - innovation ecosystem in South Ostrobothnia and map out the active players in the sector. The other aim of the project is to recognize the strengths of the region but especially find out the factors that should still be improved concerning the regional food innovation ecosystem.

In cooperation, the FRIDGE project and New Knowledge Interface project have mapped out together the views of stakeholders and other actors on the major challenges facing in developing a regional innovation ecosystem. Attention has also been on mapping the factors that seem to be still missing on supporting the development of regional food innovation ecosystem. The conclusion is that the regional food innovation ecosystem needs clearer communication, better network management, strategic direction and a meeting platform which also acts as a trust zone between actors.

A platform or more specific, *South Ostrobothnia Innovation Ecosystem Event* and the project on its background, builds regional trust zone but also strengthens the food innovation ecosystem in the region by enabling the exchange of information and research results, increasing cooperation between different operators as well as accelerating innovations. The key point is to increase interaction between actors and find ways to put research into application and commercialization.

The event also enables actors to have a real simultaneous discussion of the policy of developing the regional food innovation ecosystem and to engage actors in common objectives. In the end, this action aims to the situation where a White Paper will be released. The White Paper supports the general development of the regional food innovation ecosystem and objectives of the *Green Growth - Ecosystem Agreement 2020-2027* of City of Seinäjoki. Sustainable Renewal of the Food Ecosystem is the second key strategic priority of the agreement aiming at accelerating the growth of the food business ecosystem to international level.

Action

An innovation ecosystem is dependent on how well its different elements interact with each other. *South Ostrobothnia – the Entrepreneur-Friendliest Region of Finland. Innovation Ecosystem Formation and Event in South Ostrobothnia: Strategies to accelerate Innovation, Entrepreneurship and Business in Food and Digital Manufacturing* project strengthens elements of the regional food innovation ecosystem and systematizes regional cooperation between RDI actors.

The project brings together the collaboration of digital manufacturing, food production, distribution and marketing services, policies and legislation, research, development and innovation, investors, universities and research organizations, businesses and entrepreneurs,



customers and users and distributors. It also aims at promoting interlinkages across boundaries, for example between different sized companies and new industries, research and potential start-ups and entrepreneurs.

The project includes the following activities:

- Organizing annual one-and-a-half-day lasting **South Ostrobothnia Innovation Ecosystem Event** at 4th and 5th of October in Seinäjoki to bring together regional actors but also top national and international speakers to discuss topics like mission-based innovation policy, regional food systems, competencies and technology needed to renew the food sector, entrepreneurship and innovations. As a result, the event aims at bringing up new ideas and steps for future development of the food innovation ecosystem based also on good examples from other European regions.
- Launching a brand for the annual food related event and appointment to establish a home base for related activities.
- Enhancing the attractiveness of the event and food sector by launching photo exhibition with theme “The Future of Food”.
- Monitoring changes and advancements in the regional food innovation ecosystem via the event.
- Collecting and publishing a White Paper to support the development of the Food Innovation Ecosystem in South Ostrobothnia.

Policy instrument

The action directly supports the Policy Instrument II: the Regional Strategy of South Ostrobothnia 2022-2025 and Smart Specialisation Strategy (Smart Lakeus) measure 3.3 Smart and Skilful: Strengthening innovation ecosystems. Activities under measure 3.3 are for example identify and support ecosystems which already operates in the region or are at very early stage. Support will be provided for their development and increased interaction between different actors, e.g. by creating platforms for collaboration, innovation or experimentation.

Players involved

University of Helsinki, Ruralia Institute (a member of University Consortium of Seinäjoki, UCS).
Tampere University (a member of University Consortium of Seinäjoki, UCS)

Timeframe

The planning for the project and the event started in September 2021 and project funding was applied from the Seinäjoki University Consortium soon after that. Funding was received in the end of February 2022. In addition, an additional funding from Tampere University Consortium was received in the end of February 2022.

The project activities will be carried out between March 2022 and April 2023. The event will take place in the beginning of October 2022 in Seinäjoki and key output, White Paper will be released in spring 2023 after a commentary round with key actors.

Costs and funding sources

The organizing actors have applied funding for the project and organization of the event from various sources in total of 20 000 €.

- 10 000 € internal funding from University Consortium of Seinäjoki was applied in October 2021 and received in February 2022.



- 6000 € internal funding from Tampere University Consortium was applied in February 2022.
- 4000 € from New Knowledge Interfaces project (ERDF) budget will be directed to the organizing of the event.

The above-mentioned funding covers costs only for planning and organizing the event and related activities. The funding will not cover staff costs. Staff costs will be covered for the organizers from their host-organizations basic funding.

Monitoring

During the monitoring phase the FRIDGE project partner will monitor the implementation of the action by email exchange with the responsible project partners from University of Helsinki - Ruralia Institute and University of Tampere.

The key issues to be monitored are:

- Organizing of the event (Y/N)
 - Number Food SMEs participating in the event:
 - Number of RDI actors participating in the event:
- White Paper released: (Y/N)
- Releasing date of the White Paper:

ACTION 1.2: Influencing on the ongoing Food Province 2030 Project and Food Province Strategy

The background

As stated before, developing South Ostrobothnia region as Food Province is one of the top priorities in the regional EAFRD policy instrument and rural development strategy. Therefore, the first official development strategy for Food Province, South Ostrobothnia agri-food sector, is compiled in the project called Food Province 2030 - keys to success from field to fork (EAFRD).

The project will seek a common strategic will by widely participatory process, intensify cooperation on the Food Province network and innovation ecosystem. It also will give a suggestion what could be the steering group that guides development of the network in the future. The main objective is to make the food sector development more targeted, clear and coordinated. The development organizations, but also the companies themselves are responsible for the implementation of the measures.

The Food Province Strategy 2030 will include concrete actions how to develop and support the entire agri-food chain of the region and food innovation ecosystem. The strategic measures and objectives will be designed for agriculture and primary production close to food, food processing, tourism, food related events and food services, trade and distribution channels and consumers.

The instant goal of the Food Province Strategy 2030 is to make the development of Food Province more coordinated but also in the long run, increase the competitiveness of SMEs to make their businesses more successful. The competitiveness and profitability of food sector companies will be increased, for example by means of communication, marketing, educational and research measures. The Food Province Strategy 2030 will be published by the end of 2022.

The coordinating organization of Food Province 2030 project is ProAgria South Ostrobothnia / South Ostrobothnia Rural Women's Advisory Organisation (RWAO). RWAO also manages the



local food brand label - The Food Province label. It is the label of quality and origin and can be awarded for food or ingredients produced in South Ostrobothnia. Good practices for the development of Food Province label are also collected during the Food Province 2030-project.

There has been substantial knowledge transfer from the FRIDGE project to the Food Province Strategy 2030 project. Project partners from RWAO and SeAMK are both involved in the FRIDGE regional stakeholder group and likewise FRIDGE project coordinator has taken part in the steering committee of the Food Province Strategy 2030 project. The project partners the strategy project have actively taken part in FRIDGE Study visits, Stakeholder Group Meetings, Regional Action Plan Workshops and other learning events where information has been exchanged.

South Ostrobothnia's Food Province has a lot to learn from the FRIDGE partner region of East Flanders. The Good Practice, Lekker Oost-Vlaams (Tasteful East Flanders) is an initiative and label of origin that promotes the competitiveness of SMEs in agri-food sector and tourism with multiple actions focusing on professionalization, promoting of products, sales & distribution and experiences and tourism.

The FRIDGE Study visit to East-Flanders in February 2020 and a specially organized Q&A-meeting between the Finnish and Belgian project partners in November 2021 highlighted the similar situation of the two regions. The meeting also raised concrete good practices and alternative models of work carried out in the Lekker Oost-Vlaams, which can also be transferred to the management of South Ostrobothnia's Food Province label but also to the strategic alignments, objectives and measures of the Food Province Strategy 2030.

The Food Province Strategy 2030 project is also included in the Regions4Food Action Plan and the funding has been reported under Regions4Food project. Thus, the FRIDGE project will not report any funding influenced for this project but mainly focus on qualitative monitoring of the project implementation and outputs with focus on the development of the strategy and how it addresses the development of food SMEs.

Action

The content and alignments of the Food Province Strategy 2030 and Food Province 2030-project will be influenced by the following good practices learned from Tasteful East Flanders:

- Adding a sense of pride in your own region's food production (both SMEs and consumers / inhabitants in the region)
- Gathering weak signals and new trends of the food sector and bringing them to the awareness of SMEs
- Extending of content provided by membership of Food Province Label; more concrete marketing and communication activities for members (exhibitions, fairs, local food date-event, farm visits etc.)
- Taking notes of Tasteful East Flanders development strategy; target groups and sub-actions for different target groups e.g., Food Ambassadors
- Increasing the knowledge of local products, especially among young people

Policy instrument

The action is linked to the policy instrument III: **Rural Development Strategy of South Ostrobothnia 2014-2020**. With the goals, the action supports directly the regional EAFRD policy



instrument and rural development strategy by implementing the objectives of the priority axe 1: Development the Food Province.

Players involved

South Ostrobothnia Rural Women's Advisory Organisation (ProAgria Rural Advisory Services South Ostrobothnia) - Lead partner

Seinäjoki University of Applied Sciences - Partner

Steering committee:

- Atria Ltd
- Center of Development, Transport and the Environment of South Ostrobothnia (financier of EAFRD)
- Regional Council of South Ostrobothnia (financier of ERDF)
- BRAHEA Centre for Training and Development (University of Turku)
- University of Helsinki
- Seinäjoki Congress Ltd and other tourism sector SMEs
- Food SMEs

Timeframe

The project has started at 1.1.2021 and it will end by 31.12.2022. The Food Province Strategy will be published in November 2022 via several dissemination events and online marketing material like.

Funding and costs

The project is funded from the European Agricultural Fund for Rural Development 2014-2020 with 100 % support. The total budget for the project is 211 774,21 €. As the funding has been reported under the Interreg Europe Regions4Food project, no influenced funding will be reported under FRIDGE project.

There has however been substantial knowledge transfer from FRIDGE project and its good practices into the Food Province Strategy 2030 project. Thus, the action is still included in the action plan.

Monitoring

During the monitoring phase the FRIDGE project partner will monitor the implementation of the action by email exchange with the responsible project partners from Rural Women's Advisory Organisation and Seinäjoki University of Applied Sciences.

The key issues to be monitored are:

- Key outputs of the project: qualitative report
- Number of Food SMEs taking part in project events:
- Number of RDI participants in project events:
- Number of strategy dissemination events:
- Number of actions within the strategy targeted to support the Food SMEs:



ACTION 1.3: Food Province Strategy Coordination Project

The background

The entire agri-food sector and strong cooperation network of the sector (Food Province, Ruokaprovintsi) are crucial for the region. In the Regional Programme of South Ostrobothnia 2022-2025 it is stated that as a strong entrepreneurial region and Food Province, the region must create new growth. It requires exploitation of the strengths of the region and building internationally networked innovation ecosystem.

The needs for developing the Food Province coordination have been addressed in local FRIDGE project activities. The actors responsible for the planning of the project application from Rural Women's Advisory Organisation (RWAO) and Seinäjoki University of Applied Sciences (SeAMK) are both involved in the FRIDGE regional stakeholder group and have actively taken part in the exchange of experience activities such as the Interregional Study Visits, Regional Stakeholder Group Meetings, Regional Action Plan Workshops and other learning events where information has been exchanged and local and regional needs have been addressed.

In the joint workshop held in collaboration with the New Knowledge Interface project (ERDF) in January 2022, the stakeholders and other food sector operators recognized that development of regional food innovation ecosystem needs clearer brand and strategic direction.

On background of each region that seeks to develop its food sector, is a coherent strategy and strong brand, that guide development priorities and commit operators to common objectives. The most relevant and inspiring good practice for South Ostrobothnia on the leadership of the food innovation ecosystem, strategic management, network collaboration and a strong regional food brand have been introduced from Belgium, the Tasteful East Flanders (Lekker Oost-Vlaams).

The discussions between Food Province developers and Tasteful East Flanders during fall 2021 have highlighted the importance of monitoring the implementation of the strategy, the management of the innovation ecosystem, strong brand communication and practical marketing measures. These activities strengthen the competitiveness of SMEs and the entire sector and support the development of the regional food innovation ecosystem.

The compiling of *Food Province Strategy 2030* has started already in 2021 in the project called Food Province 2030 - keys to success from field to fork -project (EAFRD, 2021-2022). Based on the inspiration from the Tasteful East Flanders, the strategy will be coordinated and implemented through Food Province Strategy 2030 Coordination-project.

The main objective the Food Province Strategy 2030 Coordination-project is to monitor the progress of measures which support SMEs competitiveness and profitability in the region. The other aim is act as connecting operator that seeks to address regionally recognized challenges e.g. lack of coordination of the regional food innovation ecosystem.

Action

The Food Province Strategy 2030 Coordination-project supports the development of the innovation ecosystem and coordinates strategic measures of the Food Province Strategy 2030 through the following themes:

- Activating the regional players to the commitment and efficient use of the strategy, considering long-term objectives.
- Revisioning the strategic objectives and measures with responsible organizations defined in the strategy.



- Implementing and coordinating of participating communication measures to strengthen regional food innovation ecosystem and Food Province network.
- Strengthening the regional Food Province brand and identity; pride to be part of Food Province as entrepreneur, resident and consumer, pride to live and eat in Food Province.

The coordination of strategic measures will be concerning the following parts of the agri-food sector of South Ostrobothnia: regional development and municipalities, agriculture and primary production close to food, processing food industry, food trade and distribution, food services, food tourism and events, consumers.

As a result of the project, the development of a regional food innovation ecosystem is strategically managed, united and clearly communicated. The systematic cooperation of multiple operators and networks and clear direction of the regional food sector will increase competitiveness and productivity of SMEs in the long run.

Policy instrument

The action is linked to Policy Instrument II: **Regional Programme of South Ostrobothnia 2022-2025**. The action supports the goals under two thematic objectives:

- Thematic OBJECTIVE 3: *Smart and Skilful South Ostrobothnia: Improving competences*
 - Subobjective 3.3. **Strengthening Innovation Ecosystems**
- OBJECTIVE 4: Flexible and sustainable South Ostrobothnia: Regeneration and strengthening of South Ostrobothnia's competence
 - Subobjective 4.2: Strengthening of key business competence areas including the **Sustainable food ecosystem** and new solutions for bioeconomy.

Players involved

South Ostrobothnia Rural Women's Advisory Organisation (ProAgria Rural Advisory Services South Ostrobothnia) - Lead partner

Seinäjoki University of Applied Sciences – Partner

Other partners might be included in the project also and a steering committee including all the key actors within the food sector will be created.

Timeline

The project will be designed and the application written on the base of the strategy in June-September and the project funding will be applied by the end of September 2022.

The project will start ideally in January 2023 and last two to three years.

Costs and funding sources

Estimated budget: 400 000 EUR.

Possible funding sources are ERDF, EAFRD or other national or European funding instruments.



Monitoring

During the monitoring phase the FRIDGE project partner will monitor the implementation of the action by email exchange with the responsible project partners from Rural Women's Advisory Organisation and Seinäjoki University of Applied Sciences.

- Submitting application (Y/N)
- Date of submitted application:
- Amount of funding applied:
- Amount of funding received:
- Starting date of the project:



THEME 2: Development of the regional Food Business Environment

Worldwide Covid-17 pandemic has changed dramatically the business environment of food SMEs everywhere. Based on the national study conducted by the Finnish Ministry of Agriculture and Forestry in December 2020, consumer-orientation and regeneration are emphasized in the food sector among SME sized food companies. While preparations for exceptional situations and risk management have been strongly highlighted, production efficiency and product development have remained important. SMEs invest in the high quality of products and product safety while decreasing their own costs. Micro-sized companies are not so ready to make investments, product development or innovation. Based on the research, a clear need for greater marketing and digital expertise is identified in all sized companies.

The global corona crisis has changed the business environment of SME food companies also in Southern Ostrobothnia region. Based on the SME interviews conducted as part of the FRIDGE action plan process in April 2021, companies' responses support the results of the national survey. From the SME competitiveness aspect, companies need support for opening and utilizing distribution channels more efficiently, digitalization, product development and increasing added value of food products. Also, stronger cooperation of SMEs was mentioned.

Low refining rate, lack of value-added premium products and low digital skills of SMEs have been a long-term challenges in the region. The challenges have also come up in the interviews of SMEs, stakeholder discussions, workshops and in the regional analysis carried out during the FRIDGE project. Challenges and especially the strong will to find solutions have been emphasized strongly in the Regional Programme of South Ostrobothnia 2022-2025. Solutions to these challenges needs to be found soon.

The FRIDGE project partners have presented good practices and solutions for the challenges and needs described above. The Trilogy of Platform under Food Cluster Bavaria, for example, offers an effective solution for improving the short supply chains, many times crucial for micro and small sized food enterprises dependent on local food markets. The Bavarian Premium strategy for Food as well as the Produce Food on your Own Farm initiative under the Food Startup Incubator Weihenstephan (FSIWS) are also inspiring examples of how food SMEs are supported in creating more added-value products.

Based on the territorial needs identified and the inspiration received from the FRIDGE partner regions, two actions are implemented in the region, both of which are projects funded under the ERDF/REACT-EU funds. The actions are:

1. YDIRE - Through cooperation and digitalisation towards resilience in short supply chains
2. PREMIUM - Particularly distinctive food products

ACTION 2.1: YDIRE – Through cooperation and digitalisation towards resilience in short food supply chains

The background

In the Regional Strategy of South Ostrobothnia 2022-2025, boosting digitalization and improving digital capabilities are critical factors for the success of the region. In the regional analysis and the SME surveys made within the FRIDGE project the cooperation between companies, networks, digitalization and sustainability are stressed as the most important development



needs. It is very significant fact that all FRiDGE partners have jointly recognized low level of digitalization and use of ICT to be one of the major territorial needs. In South Ostrobothnia, imbalances in global economy – resilience to risks and crisis (e.g.) coronavirus are one of the lately recognized weaknesses.

The Bavaria Food Cluster from Germany has presented *The Trilogy of Platforms - sustainable food chains and development of the local food sector* good practice which main goal is to support sustainable food chains and development of the local food sector by creating three different online platforms to improve networking and marketing between all the individual players in the food sector. The Trilogy of Platforms connects producers, processors, farmers' markets and initiatives from Bavaria region with free of charge.

Even though the food SMEs in South Ostrobothnia have managed relatively well during the corona-crises, their sales, profitability and competitiveness have decreased. In addition to larger companies, also short food supply chains and local food actors are important, and their role will increase in the future according to the regional program for South Ostrobothnia. Inspired by The Trilogy of Platforms action, a resembling digital online platform will also be developed for South Ostrobothnia to improve local networking and boost especially competitiveness and resilience of local food SMEs. It will also offer support for short food supply chains in the region.

The YDIRE-project brings a solution to these development needs especially from the perspective of short food supply chains and local food companies. In the project, short food supply chains are considered to include local food businesses with a short distance from consumers, both geographically and in terms of operators from producers to consumers.

The aim of the project is to strengthen the resilience during and after situations of crises (such as Covid-19 pandemic) of short food supply chains, and more particularly local food sector SMEs. Focus lies on facilitating cooperation between the companies and various actors with the help of digital tools e.g., the online digital platform for food SMEs and short food supply chains.

Action

Aim of the action of YDIRE-project is to strengthen the resilience of local food companies during and after situations of crises by facilitating cooperation between the companies and various actors with the help of digital tools. The purpose of the project is to develop an action model in the form of a platform, consisting of various solutions related to cooperation and digitalization in order to strengthen the resilience of the local food companies, simultaneously as their sustainable activities and innovation potential can be facilitated.

The aim of the project can be divided into four sub-purposes:

1. To explore the most central development needs in terms of resilience of the local food companies in South Ostrobothnia.
2. To facilitate and improve the cooperation, digitalization and resilience of the local food companies.
3. The development of a network-based action model/platform for the regional local food companies for strengthening resilience.

The aim of the project will be reached through the following work packages:

- Work package 1: Initial survey of the local food companies' level of resilience
- Work package 2: Pilot workshops and training in order to facilitate resilience



- Work package 3: An action model/platform for local food companies for strengthening resilience and competitiveness
- Work package 4: Informing about the results of the project

The specific result of the project is an action plan on a platform, where the resilience of local food companies can be strengthened through cooperation and networks with the help of digital tools. This result may also have a positive impact on the companies' sustainability and innovation potential. The results of the project will facilitate the competitiveness and growth of local food companies in South Ostrobothnia, and strengthen their resilience that is flexibility, ability to change and adapt during and after situations of crises.

Policy instrument

The action is linked to Policy Instrument 1: The Regional Strategy of South Ostrobothnia 2018-2021. Thematic Objective 1: Regenerative Local Industry and Commerce and Subtarget 1.1.: Growth and promoting activities that support regeneration.

Players involved

University of Vaasa – lead partner
University of Helsinki, Ruralia Institute – partner
Seinäjoki University of Applied Sciences – partner

Steering committee:

- Regional Council of South Ostrobothnia (financier of ERDF)
- Into Seinäjoki Business Development Ltd
- Laidun Hereford (agri-food SME)
- ProAgria Rural Advisory Services South Ostrobothnia
- Uppalan Kartano (tourism SME)
- Suomen Yrittäjät (national advocacy for small and medium entrepreneurs)

Timeframe

The project received funding from ERDF/REACT-EU in Fall 2021. The project will be carried out between 1.1.2022 and 31.8.2023.

Funding sources and costs

The project has received funding from the ERDF / REACT-EU funding program. The total budget of the project is 234 325 € of which 187 461 € is ERDF / REACT-EU.

Monitoring

During the monitoring phase the FRIDGE project partner will monitor the implementation of the action by email exchange with the responsible project partners from University of Vaasa, University of Helsinki / Ruralia Institute and Seinäjoki University of Applied Sciences.

The monitored factors are:

- Number of organized events for food SMEs:
- Amount of SME participants:
- Amount of RDI participants:
- Platforms developed in the project:



ACTION 2.2: PREMIUM – particularly distinctive food products

The background

As stated before, South Ostrobothnia is the Food Province of Finland. The food industry is led by big pioneers and trendsetters. SMEs and especially micro-sized food companies come right after. Premium and luxury products have grown their importance, especially in food and beverage shopping. Thus, the quality of food is more important to consumers than before. At the same time, competition between food products has intensified. Undistinctive products have been dropped out of distribution channels. The food SMEs must therefore find the best ways to make their own product particularly distinctive in the eyes of the consumer. This will be done by developing high quality premium food and drink products together with the consumers based on their desires and needs.

During the FRiDGE project, the Bavaria region from Germany has presented two very inspiring good practices: Produce food on your own farm-marketing initiative and the Premium Strategy for Food (Premiumstrategie für Lebensmittel). Through these actions, efforts are made to increase the value of Bavarian food products to the premium level but also increase sales and the competitiveness of the food SMEs. The PREMIUM project has inspired especially from the Produce food on your own farm-initiative and combined many of initiatives actions to the project plan in order to benefit the food SMEs in South Ostrobothnia.

Action

The PREMIUM project brings solutions to the challenges experienced by the food sector micro and SMEs in South Ostrobothnia. It will be done by developing the knowhow of food companies how to raise the level of food and beverages produced in the province into high-value-added premium products through deepening consumer understanding.

The main objective of the project is to improve the competitiveness of South Ostrobothian micro- and SME sized food businesses. The part-goal is to generate new business and growth in the province's food sector. The objectives will be achieved by increasing SMEs' understanding of the consumer needs and purchasing habits especially of generations X, Y and Z, raising the knowhow of companies in the development of high-value-added products and strengthening the role of the active consumer in the food product development process utilizing digital solutions.

The objective of the project is divided into three sub-objectives:

1. Create a PREMIUM business community
2. Involve consumers in the product development process of premium products and enhance consumer understanding through the SeAMK consumer panel
3. Develop premium products on the PREMIUM path and forward the collected data to micro and small enterprises.

The project measures are divided into five work packages:

- WP 1. Establishment of the PREMIUM Community and product quality requirements
- WP 2. Developing a premium product
- WP 3. Marketing and selling of premium products
- WP 4. Communication and knowledge sharing
- WP 5. Project administration and reporting



The result of the project is an operating model for the South Ostrobothian food micro and small enterprises to develop premium products. The operating model deepens the consumer understanding of micro and SME companies and strengthens the role of the active consumer as part of product development.

The operation model of developing premium products is based on close cooperation and dialogue between businesses and consumers. It will have a positive impact on the growth and competitiveness of micro-scale and SME-sized food companies in South Ostrobothnia by strengthening the ability of companies to adapt to the changed market conditions and consumer desires.

Policy instrument

The measures of the project support the implementation of the Regional Programme of South Ostrobothnia 2022-2025 and the following thematic objective and subobjectives:

Thematic OBJECTIVE 3: Smart and Skillful South Ostrobothnia: Improving competence.

Subobjective 3.3. Strengthening innovation ecosystems.

Thematic OBJECTIVE 4: Flexible and sustainable South Ostrobothnia: Regeneration and strengthening of South Ostrobothnia's competence.

Subobjective 4.2. Strengthening of key business competence areas

4.2.1 Sustainable food ecosystem and new solutions for bioeconomy

Subobjective 4.3 Regeneration of business

4.3.1 Start up and Grow Up! (supporting activities that support starting up new businesses and support already existing businesses to grow)

4.3.4. Go Global! (Supporting internationalisation of local businesses).

Players involved

Seinäjoki University of Applied Sciences is the coordinator of the project. The project will be implemented in strong cooperation with local stakeholders and SMEs.

Steering committee:

- Regional Council of South Ostrobothnia (financier of ERDF)
- Food SMEs
- Leader Suupohja
- ProAgria Rural Advisory Services South Ostrobothnia
- Into Seinäjoki Business Development Ltd
- Foodwest Ltd (food development expert service)
- Etelä-Pohjanmaan Osuuskauppa (part of S Group, a national grocery store cooperative)
- Food Development Research Team (EPANET)

Timeframe

The project application was submitted in February 2022 and approved in March 2022. The project activities will be carried out between 1.4.2022 and 31.8.2023, lasting 17 months.



Funding and costs

The total applied budget is 159 040 € of which 127 232 € is ERDF / REACT EU funding.

Monitoring

During the monitoring phase the FRIDGE project partner will monitor the implementation of the action by email exchange with the responsible project partners from Seinäjoki University of Applied Sciences.

The monitored factors are:

- Organized events for food SMEs:
- Food SMEs involved in the project:
- Amount of developed food products: