



Research School for Operations
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Social equity in supplier-buyer relationships in food supply chains

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In recent years, socially responsible practices have been gaining attention in agri-food supply chains in an effort to improve the life conditions of the farmers who provide agricultural supplies to a variety of companies in the food industry. Some companies implement supplier development investment practices with the objective to increase their suppliers' production capability in a variety of areas such as delivering quantity, quality and supply cost. Beyond these benefits, companies with socially responsible practices are convinced that a sustainable supply of their raw materials depends on their contribution to improve the livelihood of farmers, as living in healthy, secure and supportive societies would make them more inclined and capable to invest in productivity improvement tools and activities, as well as in their own communities. However, it is not clear how these practices affect the performance of the stakeholders and the supply chain as a whole. We study the implications of socially responsible practices in supply chain operations regarding decisions such as investment and pricing, as well as their effects on demand and profit.