

Title Improving horticultural supply chains in Asia and the developing economies requires a shift in strategic thinking

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Abstract

This paper highlights the urgent need for a shift in strategic thinking and the development of new strategies to increase demand and the flow of horticultural produce through global supply chains. Over supply, increasing competition, low farm-gate prices and the increasing emphasis on food safety, quality assurance and environmental management systems to gain market access, are key issues facing the 1,200 million smallholder farmers in Asia. New technologies, even if they are low-input and adapted to Asian conditions, are often too expensive for the small farmers to implement. However, if they are implemented, they can lead to 5-10 fold increases in household income. Governments and international aid programs need to educate farmers so that they can selectively target growing markets and provide them with the start-up capital to implement new technologies, which subsequently lead them to become less dependent on income support mechanisms. To be globally competitive, farmers need to market collectively, preferably through their own companies or through cooperatives. These collaborative marketing groups must be of sufficient size and scale, perhaps inclusive of several thousand farmers, to be able to achieve economies of scale in purchasing and logistics and to command significant power in the supermarket-dominated supply chain. To achieve this, new extension specialists with skills in facilitation will be needed to build trust between the shareholders of such enterprises. At the consumer end, a new approach is needed to combat static or declining consumption of fresh fruit and vegetables. One such approach is education of children and health professionals on the health and medicinal benefits of eating fresh fruit and vegetables. Significantly greater fruit and vegetable consumption will subsequently drive increasing throughput through global supply chains and thus greatly benefit farmers in the developing countries.