

Value Chain Research and Intervention: Building Blocks for Development?

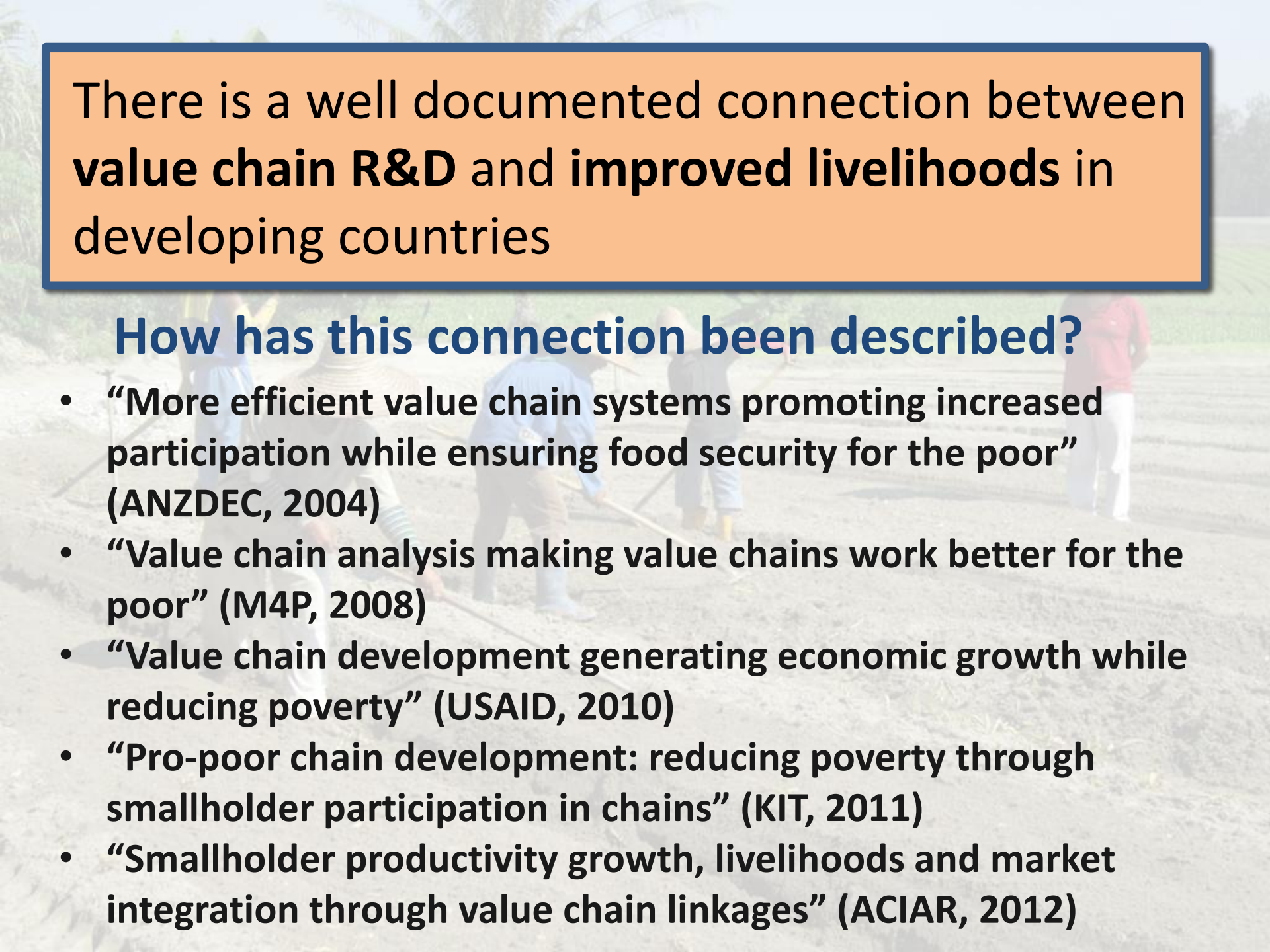
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Australian Centre for International
Agricultural Research



THE UNIVERSITY
OF QUEENSLAND
AUSTRALIA

The background of the slide shows a group of people, likely farmers or agricultural workers, working in a field. They are wearing various types of clothing, including hats and long-sleeved shirts, and are engaged in manual labor. The scene is outdoors, with trees and vegetation visible in the background.

There is a well documented connection between **value chain R&D** and **improved livelihoods** in developing countries

How has this connection been described?

- “More efficient value chain systems promoting increased participation while ensuring food security for the poor” (ANZDEC, 2004)
- “Value chain analysis making value chains work better for the poor” (M4P, 2008)
- “Value chain development generating economic growth while reducing poverty” (USAID, 2010)
- “Pro-poor chain development: reducing poverty through smallholder participation in chains” (KIT, 2011)
- “Smallholder productivity growth, livelihoods and market integration through value chain linkages” (ACIAR, 2012)

A faded background image showing several people, likely farmers, working in a field. Some are wearing hats and using tools, with trees and a clear sky in the background.

Common features of approaches that link value chain R&D with improved livelihoods

- Focus on *smallholder*/pro-poor outcomes
- Focus on improving *value chain performance*
- Focus on *participation and linkages* within value chains

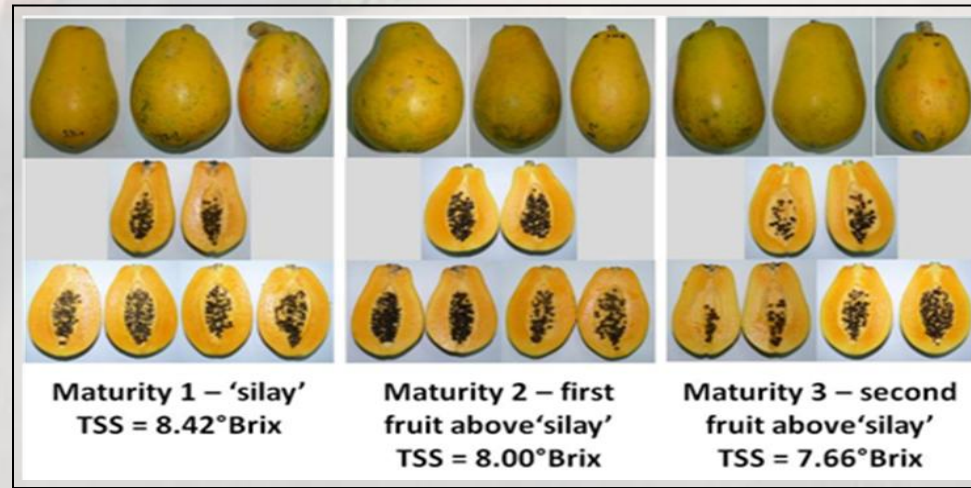
NOT EVERYONE AGREES

“While value chain upgrading approaches are increasingly popular, it is unclear whether such programs offer genuine long term solutions for poverty alleviation or whether they may even function as poverty traps”
(Neilson, 2012)

We should be careful not to see the value chain as the only R&D framework

Value Chain Research

- **Research** = creative work undertaken systematically to increase knowledge
- **Value chain research** increases knowledge of the producer-to-consumer chain and its environment
- VC research views this chain as a **system** with social, biological, technical and economic sub-systems
- Thus value chain research is a **SOURCE** of knowledge



Improved Livelihoods

Improved livelihoods is a **development outcome** based on the **USE** of knowledge



Example: Increasing income by understanding and responding to market needs



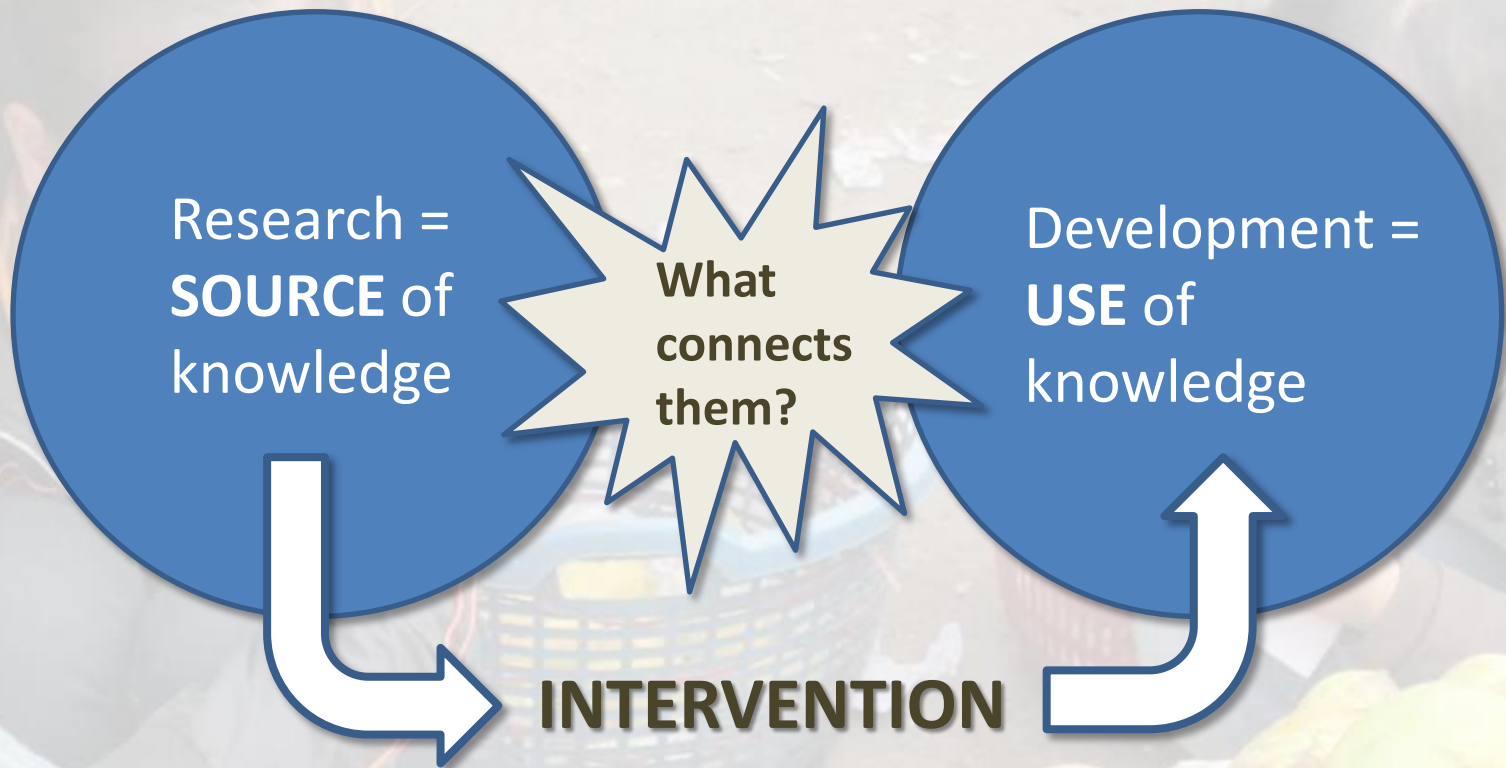
Example: Reducing waste to save cost and increase quality



Example: Adding value by pre-packaging on farm



What connects research with development?

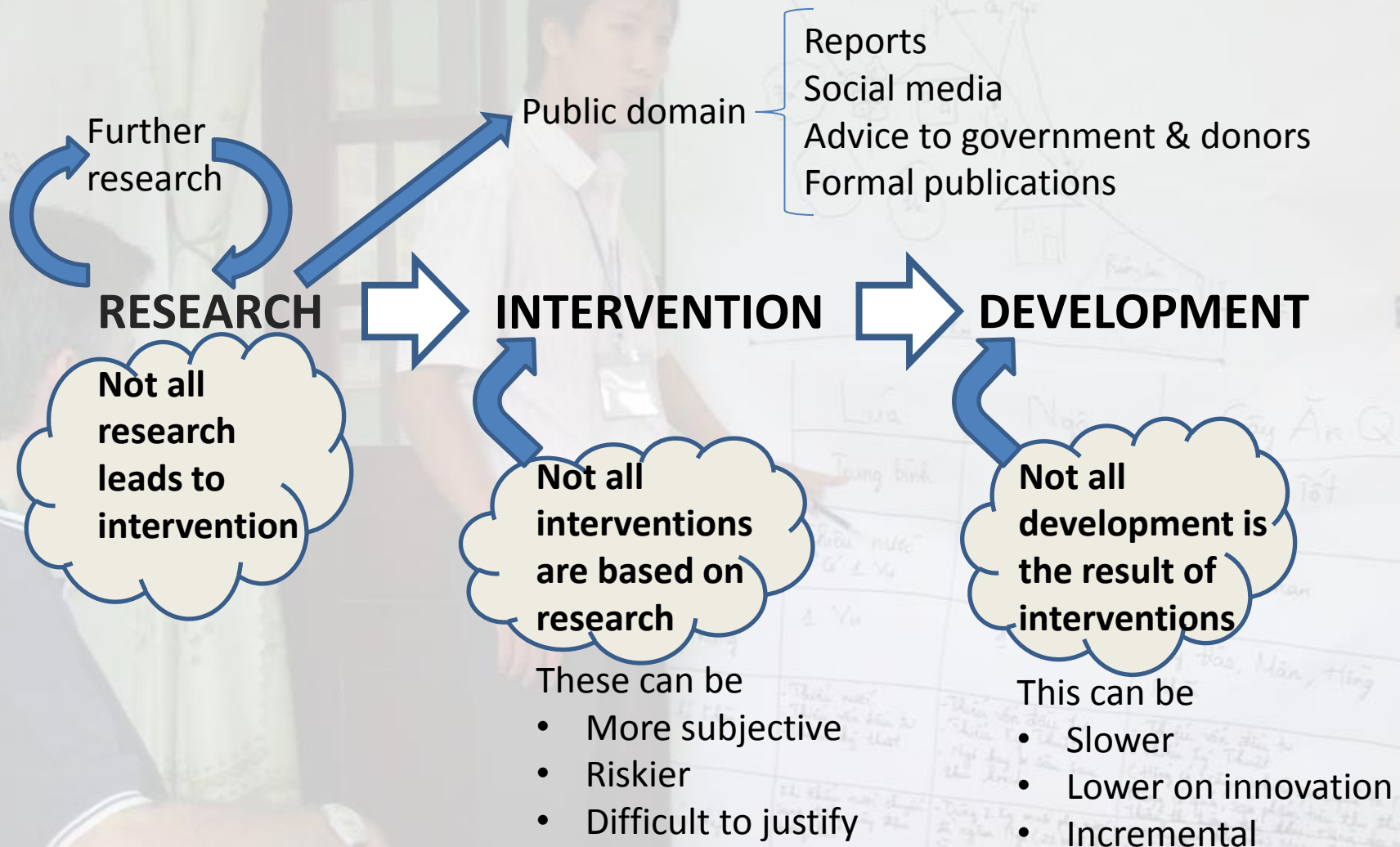


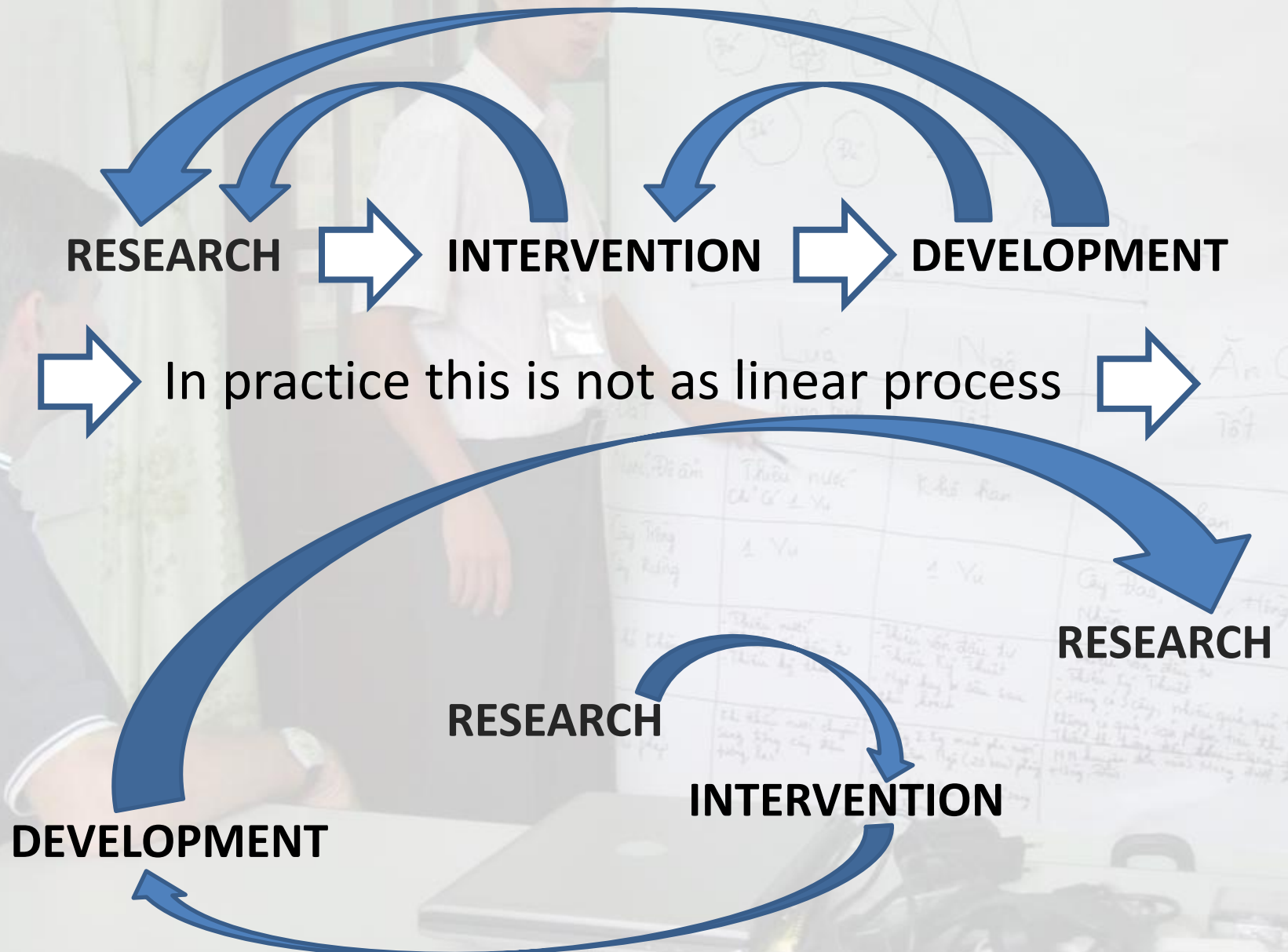
21/11/2010

A faded background image showing several people in a rural setting. Some are wearing hats and working in a field, while others are standing nearby. The scene appears to be a rural or agricultural area with trees and open land.

Intervention: linking research with development

- An approach to converting sources of knowledge into uses of knowledge
- May be expert-led or participatory
- Often described as “working with”
- Purposeful: guided by objectives, processes and knowledge
- Focused on positive change (development)
- Involves commercial boundaries that the project team should respect





**VALUE
CHAIN
RESEARCH**



**VALUE
CHAIN
INTERVENTION**



**VALUE
CHAIN
DEVELOPMENT**

**SECTOR
LEVEL**

**VC approach to
analysing
competitiveness**

Policy development

**Consensus about
new policy**

**INDUSTRY
LEVEL**

**VCA of 'typical'
chain(s)**

**Building
demonstration chains**

**Commercialisation of
demonstration chains**

**REGIONAL
LEVEL**

**VCA focused on
regional advantage**

**Workshops, training
and support**

**Start-ups and
adoption within
region**

**CHAIN
LEVEL**

**VCA identifies chain
improvement
strategies & projects
Generic lessons?**

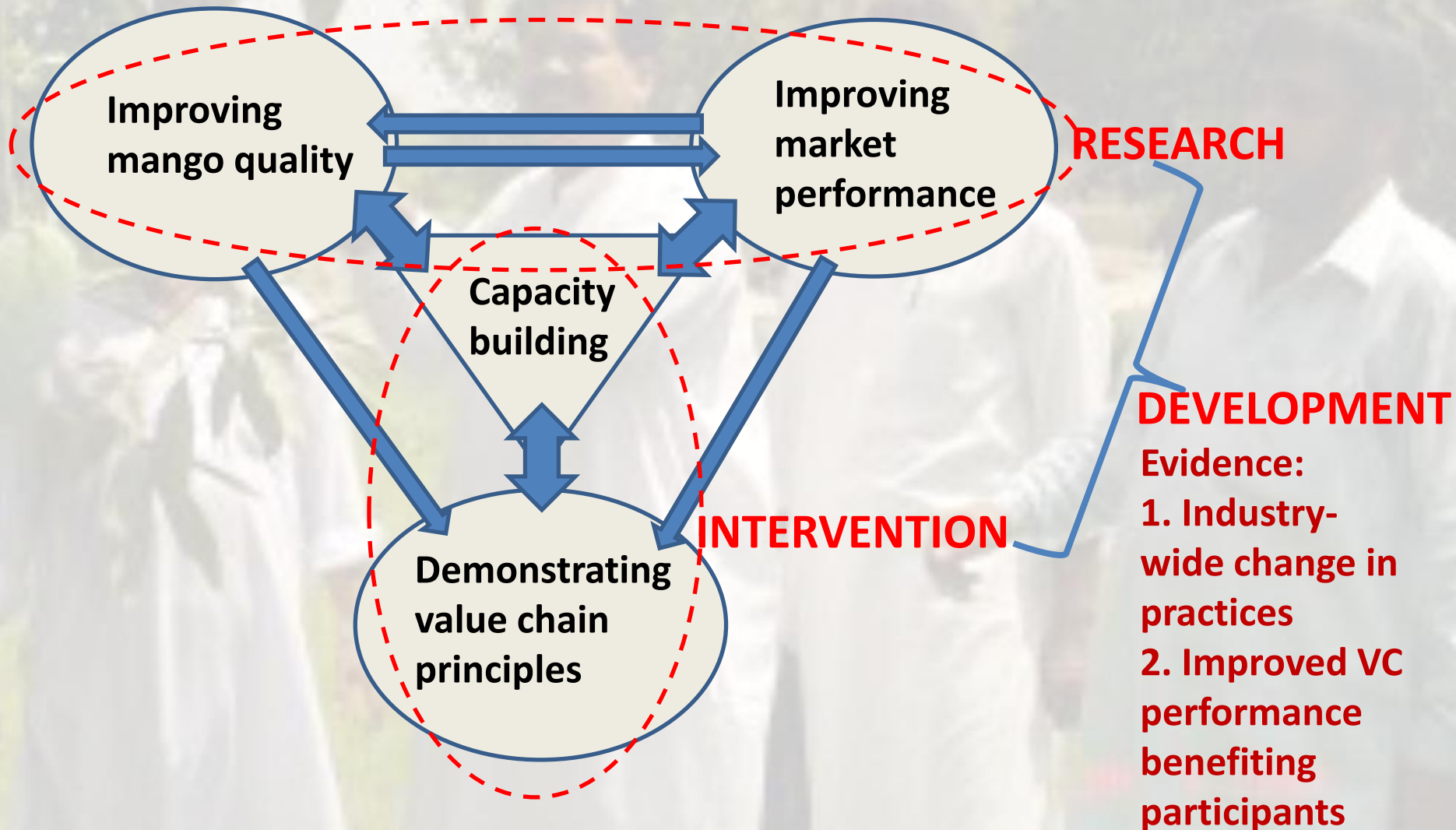
**VC upgrading skills,
processes and
resources
Disseminate lessons**

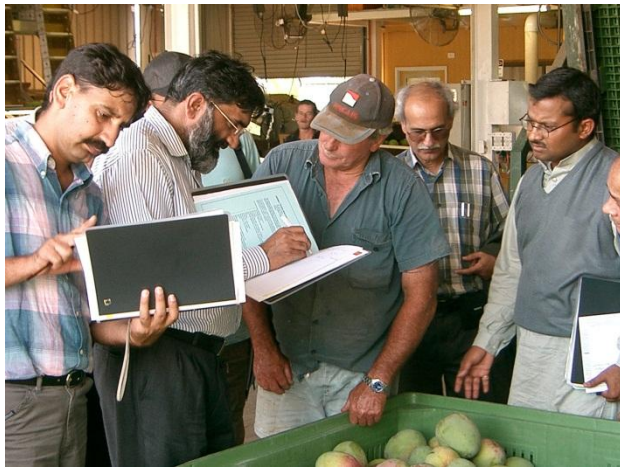
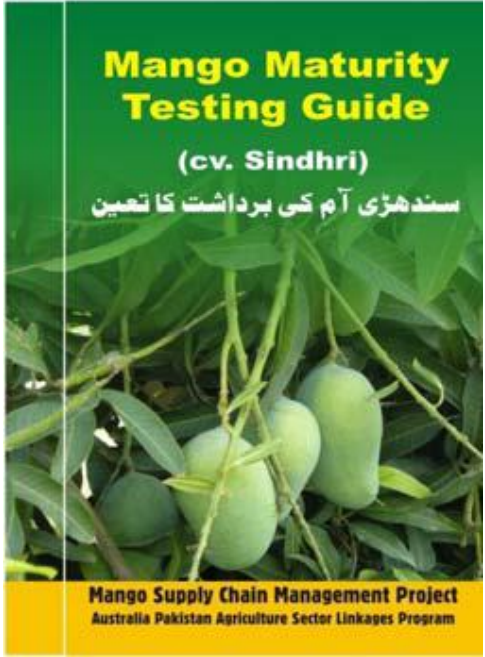
**Improved value
creation & sharing
Adoption by others**

Case study 1: Pakistan mango value chain project 2006-2014

- **Industry-level project based on a value chain framework for research, intervention and development**
- **Integrated team of 12 researchers from key disciplines of horticultural science, social science and systems (5 Australian, 7 Pakistani)**
- **Focused on research plus interventions leading to commercial demonstration examples for industry-wide learning**

Project framework linking research, intervention and development







An intervention example: mangoes to China

Product **research** identifies required standards and postharvest processes

Market **research** shows China potential



Intervention objective

Demonstration value chain building through commercial consignment to China 7-12 September 2012

Farmer

Farm labourer

Project researcher



Training and monitoring interventions at every step



Harvest maturity standards



Improved harvest practices



Grading standards



More than 1000km by road to Karachi



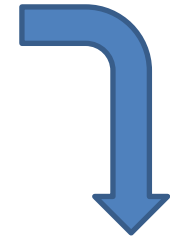
Arrive
from farm



Unload from truck



Hot water treatment for
China market access



**Training and monitoring
interventions at every step**



Consolidate
onto pallets



Grade and pack – retail
ready to buyer specs



Truck to airport, fly to Beijing

**CHINA MARKET
RESEARCH, TRAINING
AND FEEDBACK**

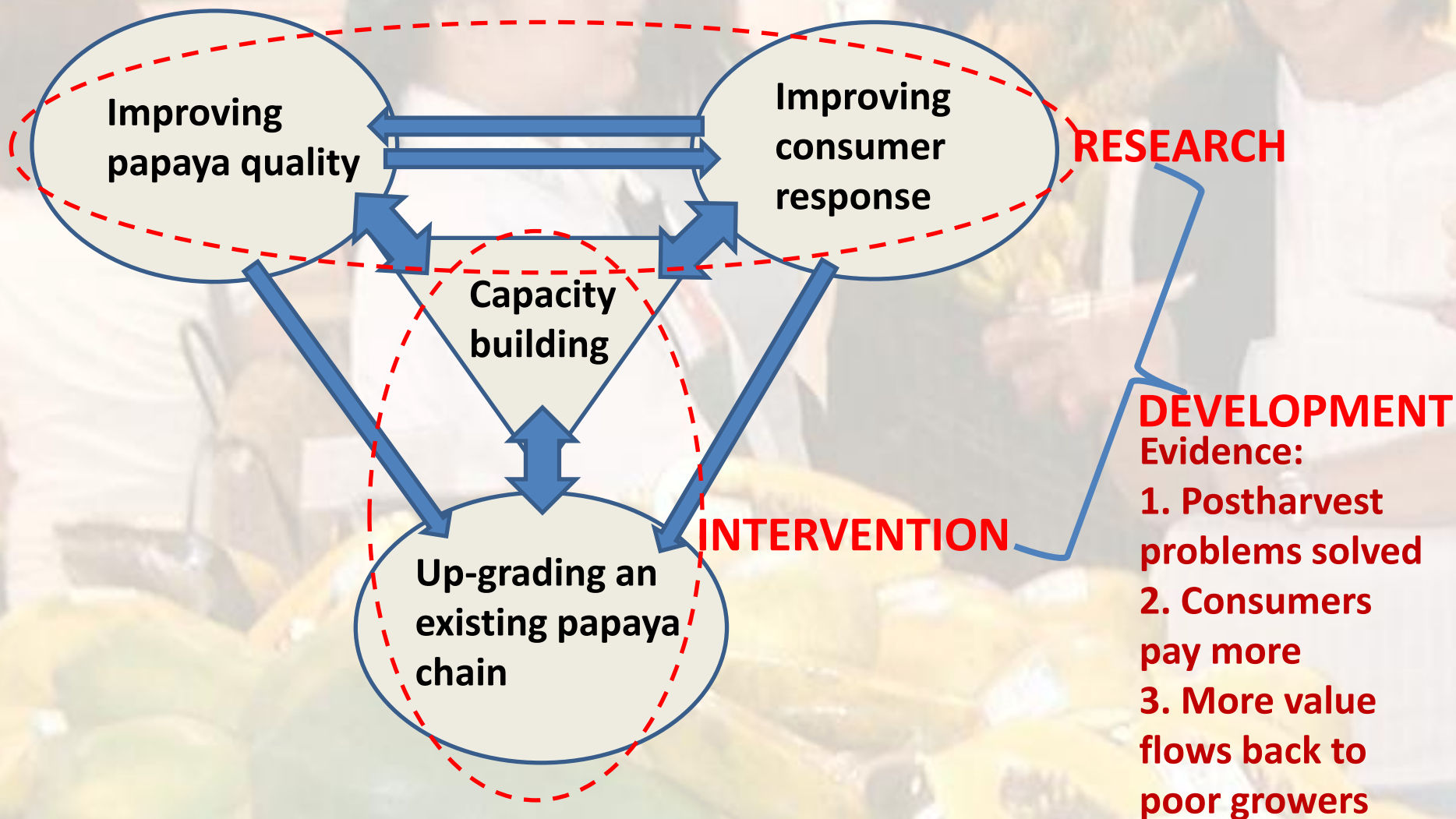
Training and monitoring interventions at every step

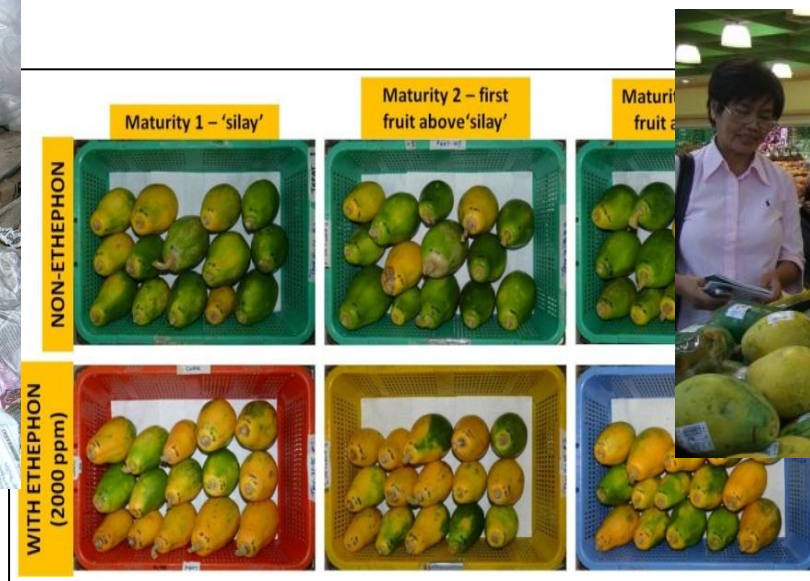
- The whole activity relied strongly on knowledge from research
- Although a demonstration, this was a strictly commercial activity (no project funds went to commercial operators)
- Project team members made no commercial decisions and played no commercial role
- At every step they monitored, supported and trained workers and managers so that this became a 'best practice' demonstration for the whole industry
- Researchers document every step: technical measures eg product quality; market performance; economic measures eg costs, returns; chain management measures eg information exchanges, timeliness, documentation

Case study 2: Philippines papaya value chain project 2008-2012

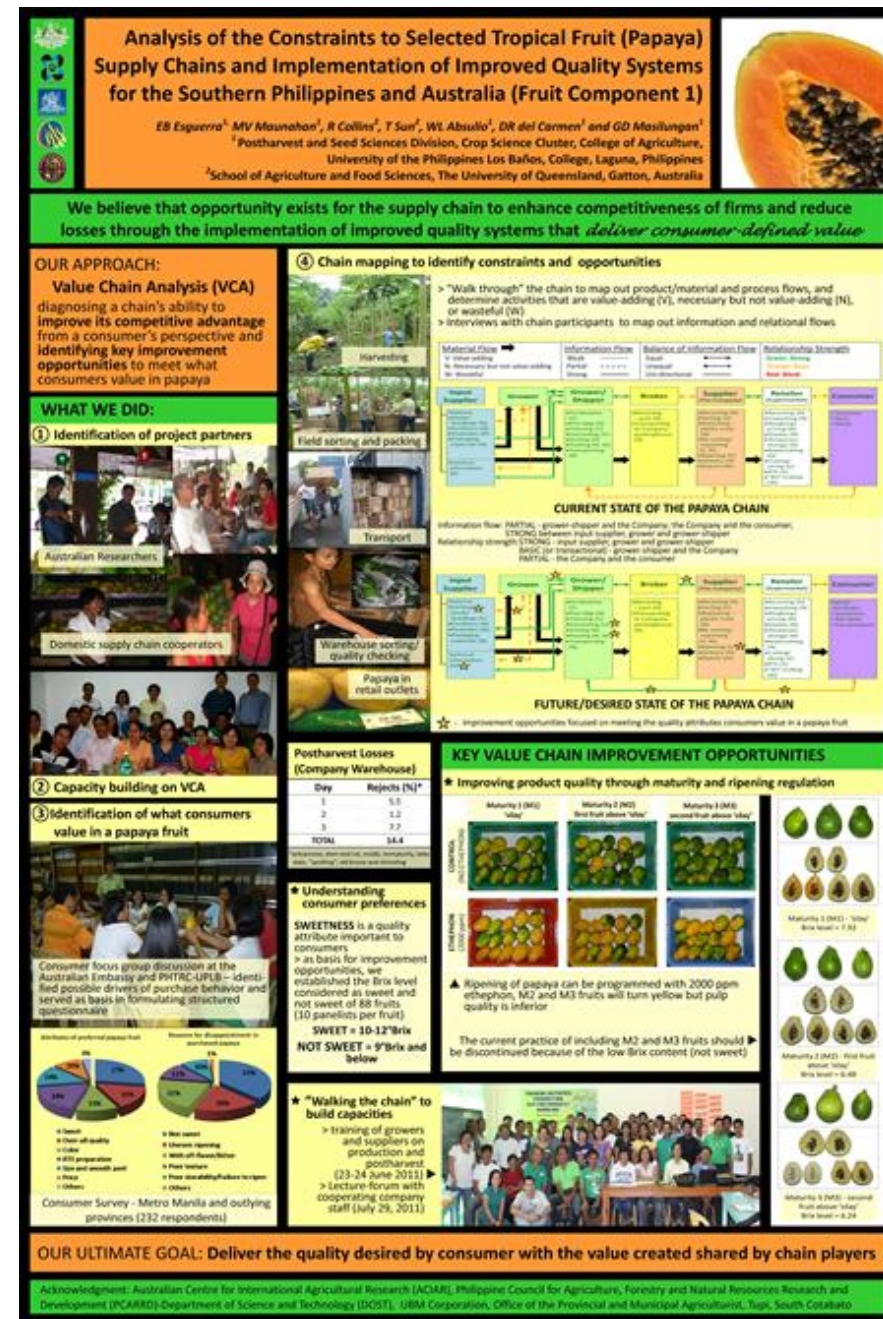
- Value chain project framework integrating research, intervention and development
- Small team of 5 researchers (2 Australian, 3 Filipino) in horticultural science, marketing, value chain management
- Focus on one typical chain: objective to improve livelihoods of poor Mindanao growers by delivering more value to consumers in modern Manila supermarkets (5 days by boat from farm to market)

Project framework linking research, intervention and development





- Although a single commercial chain with some results confidential, public versions of results have been produced (one poster and two published papers)
- Now being extended to an export market
- The whole industry could learn from this model



SUMMARY

- Intervention can link value chain research with value chain development
- This principle applies at sector, industry, regional and individual value chain levels
- Not all research, intervention and development are linked – can lead to sub-optimal outcomes
- The value chain is *one* perspective, not *the* perspective

21/11/2010

A photograph of two women working in a market stall, sorting through large quantities of yellow-green fruit, likely mangoes. The woman on the left is wearing a dark jacket with orange trim and is looking down at the fruit. The woman on the right is wearing glasses, a dark jacket, and a backpack, and is holding a piece of paper while examining a fruit. They are surrounded by large blue and red plastic baskets and piles of fruit on the ground. The background shows a cluttered outdoor market area with wooden structures and debris.

THANK YOU

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