Value Chain Research and Intervention: Building Blocks for Development?

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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)
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

“So 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?

Research = SOURCE of knowledge

Development = USE of knowledge

INTERVENTION

What connects them?
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
Not all research leads to intervention.

Not all interventions are based on research. These can be:
- More subjective
- Riskier
- Difficult to justify

Not all development is the result of interventions. This can be:
- Slower
- Riskier
- Lower on innovation
- Incremental

Further research can lead to:
- Public domain
- Reports
- Social media
- Advice to government & donors
- Formal publications
In practice this is not as linear process.
<table>
<thead>
<tr>
<th>SECTOR LEVEL</th>
<th>VALUE CHAIN RESEARCH</th>
<th>VALUE CHAIN INTERVENTION</th>
<th>VALUE CHAIN DEVELOPMENT</th>
</tr>
</thead>
<tbody>
<tr>
<td>INDUSTRY LEVEL</td>
<td>VC approach to analysing competitiveness</td>
<td>Policy development</td>
<td>Consensus about new policy</td>
</tr>
<tr>
<td>REGIONAL LEVEL</td>
<td>VCA of ‘typical’ chain(s)</td>
<td>Building demonstration chains</td>
<td>Commercialisation of demonstration chains</td>
</tr>
<tr>
<td>CHAIN LEVEL</td>
<td>VCA focused on regional advantage</td>
<td>Workshops, training and support</td>
<td>Start-ups and adoption within region</td>
</tr>
<tr>
<td></td>
<td>VCA identifies chain improvement strategies &amp; projects Generic lessons?</td>
<td>VC upgrading skills, processes and resources</td>
<td>Improved value creation &amp; sharing</td>
</tr>
<tr>
<td></td>
<td></td>
<td>Disseminate lessons</td>
<td>Adoption by others</td>
</tr>
</tbody>
</table>
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

Improving mango quality

Improving market performance

Demonstrating value chain principles

Capacity building

Evidence:
1. Industry-wide change in practices
2. Improved VC performance benefiting participants
An intervention example: mangoes to China

Product research identifies required standards and postharvest processes.

Market research shows China potential.

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

Intervention objective:

Training and monitoring interventions at every step.

- Harvest maturity standards
- Improved harvest practices
- More than 1000km by road to Karachi
- Grading standards

Farmer
- Project researcher
- Farm labourer
Arrive from farm

Unload from truck

Hot water treatment for China market access

Consolidate onto pallets

Grade and pack – retail ready to buyer specs

Truck to airport, fly to Beijing

Training and monitoring interventions at every step

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

1. Improving papaya quality
2. Improving consumer response
3. Up-grading an existing papaya chain
4. Capacity building

Evidence:
1. Postharvest problems solved
2. Consumers pay more
3. More value flows back to poor growers
• 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
THANK YOU

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