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The Fearne Report: Sustainable Food and Wine Value Chains – Opportunity or Imperative for Australian Agrifood and Wine?¹

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Abstract

Released in September 2009, Sustainable Food and Wine Value Chains is the final report of a 12 month residency in South Australia by Adelaide's 14th Thinker in Residence, Professor Andrew Fearne. The paper overviews the residency journey and its outcomes, including a value chain research report, Vine to Dine; local food and wine enterprise/chain case studies, and the final report and its recommendations. Supply chains and value chains are differentiated as a basis for building value chain capacity; the attributes of some local case studies of businesses in the value chain paradigm are discussed and reference is made to the private and public benefits of value chain research.

The case for state and national agri-food and wine industry development, strategic planning and policy to more fully embrace value chain principles is presented. Impediments to implementation of a national lamb industry chain project exemplify that change is needed, even for an investigation of the benefits of whole-of-chain focus on food by industry and government to occur. The gap between the Federal Minister for Agriculture's views about food policy and the chain demarcation policies of farmer levy contributed research and development corporations suggests that these are issues which need to be addressed in the Minister's initiation of a Productivity Commission inquiry into Rural Research and Development Corporations.

1. Introduction

In December 2009, the Federal Minister for Agriculture, Fisheries and Forestry, Hon Tony Burke addressed the National Press Club of Australia on the topic “Food: Making it and moving it”⁴. Minister Burke made the case for the increased uptake and growth of the value chain approach in Australian Food and Wine Industries:

One of the things that the Government has been pushing very hard.....- is the need for us to look the whole way along the value chain to find where productivity improvements can be made, where efficiencies can be driven and to create the opportunity to do so.

In outlining the reason for the extension of the scope of the Climate Change Research Program to beyond the farm-gate Minister Burke stated:

*The very simple reason is that if you can improve efficiency further down the value chain.....that will carry a benefit the whole way along the value chain*⁵.

The role of productivity, as a key driver in economic growth and living standards, was also reinforced in the recently released 2010 Intergenerational Report⁶.

O’Keeffe and Fearne⁷ stated that:

The term value chain is used when markets are replaced by management as the mechanism for co-ordinating supply and demand.

Ronan and Fearne⁸ echoed this by stating that:

Chains are the locus of industry development in 21st century agrifood and wine with the loci of agrifood and wine industries shifting from ‘take the lot’ auction markets to the

⁴ http://www.maff.gov.au/transcripts/transcripts/2009/december/tony_burke_address_to_the_national_press_club_-_food,_making_it_and_moving_it

⁵ Professor Andrew Fearne, personal communication, 23 February, 2010

Commenting on a draft of this paper, Professor Fearne made the observation that the Minister is likely referring to physical productivity and economic efficiency, not value. Professor Fearne added that value chain management requires inter-organisational co-ordination to reduce costs, add value and save time:

Improvements to chain performance do not automatically benefit the chain as a whole – I would also emphasise the distinction between value creation and value capture (something I did not do in the report)

⁶ http://www.treasury.gov.au/igr/igr2010/report/html/03_Chapter_2_Growing_the_economy.asp

⁷ http://www.pir.sa.gov.au/_data/assets/pdf_file/0008/112031/Food_value_chains.pdf

⁸ Agribusiness Australia 2010 pp15-19
([\)](http://content.yudu.com/Library/A1ixr2/AgribusinessAustralia/resources/index.htm?referrerUrl=)

world of tightly controlled contractual supply from upstream producers to downstream food processors, wineries and supermarkets.

2. The South Australian Approach to Food and Wine Industry Development

South Australia has been at the forefront in Australia of strategic planning for the food and wine industries since the late 1990s. The PIRSA Food for the Future program, which then became Food South Australia led by Dr Susan Nelle, in partnership with industry, drove the development of the Premier's Food and Wine Council's and Food South Australia Food and Wine Scorecards. These are recognized around Australia as being innovative in bringing together and measuring food and wine value chains beyond primary production and wholesale distribution.

The strategic analysis journey continued with PIRSA undertaking the Rate Limiter Analysis across all agriculture, food and wine sectors in 2005-2006, as the next step in improving productivity, competitiveness and sustainability of these sectors.⁹ This analysis identified a range of constraints (rate limiters) in each of these sectors, with the following four constraints being rated consistently high and urgent across all the sectors:

- Value chain structure (value chain linkages and economies of scale);
- Market Development;
- Workforce Development, and
- Natural Resource Management.

2.1. A Key Limiter of the Rate of Industry Development – Value Chain Structures and Linkages

In response to the constraint of value chain structures and linkages, PIRSA Corporate Strategy and Policy Branch searched the globe for the best thinkers in this area. In 2007, Director Tim Mares approached Dr Andrew Fearne (as he was then) at Kent Business School, University of Kent, United Kingdom. PIRSA were successful in nominating Dr Fearne as the 14th Adelaide Thinker in Residence, who took up his position as Professor Fearne. The theme of the residency was Food and Wine Value Chains: Prosperity through Collaboration.

Professor Fearne made four visits to South Australia in 2008-09, with a fifth and final visit in September 2009 to deliver his report Sustainable Food and Wine Value Chains¹⁰. During this

⁹ Philip Taylor, PIRSA (personal communication)

¹⁰ http://www.pir.sa.gov.au/_data/assets/pdf_file/0017/120419/Fearne_Final_Report.pdf

time, Professor Fearne, using the framework of value chain analysis, observed, evaluated and assessed the South Australian agrifood and wine industries value chain structures and linkages and then made recommendations as to how these can be improved.

2.2. The Fearne Messages

There is growing evidence from overseas, especially from the United Kingdom, that by improving value chain structures and linkages, enterprises and chains will improve not only their ability to withstand the volatility and shocks emanating from both the demand and supply ends of the chain (that is, survives) but also their ability to anticipate the market demands and supply this in a manner where the whole chain profits (that is, prospers). Combining this with basic economic theory this translates to:

*The collaborative allocation and management of scarce resources within and between businesses in the value chain, the purpose of which is to improve the competitiveness of the value chain as a whole.*¹¹

The key messages that Professor Fearne brought to South Australia included:

- Primary producers are part of a value chain.

“A Value Chain is....a collection of businesses ranging from primary producers, processors, distributors and retailers that progressively create value for the final consumer in a specific market segment.”¹²
- The collaborative approach can only be achieved by strong relationships and open sharing of relevant information through the entire value chain.
- To compete in a global market (both through exports and imports) South Australian agrifood and wine industries must shift the way they do business from being production (supply chain) driven to being market (value chain) driven, otherwise they will progressively be caught in the commodity trap and only be able to compete on price.
- Value chain thinking is a holistic philosophy that can be used to understand and manage the increasing complexity confronting the food and wine industries in areas known as sustainability; public health, waste management and resource management.
- Value chain management is a management approach that can lead to greater efficiencies in the chain, with potential to improve productivity, and improving value in the eyes of the consumer.

¹¹ http://www.thinkers.sa.gov.au/images/Fearne_DTED_110308.ppt

¹² http://www.thinkers.sa.gov.au/images/Fearne_DTED_110308.ppt slide 15

- Value chain analysis is a multi-disciplinary diagnostic tool that highlights areas of concern and recommends improvement projects that have the potential to improve the business and chain profitability and viability.
- Collaborative innovation (co-innovation) is the way in which the chain can work together to create new products and processes to assist in developing competitiveness.

2.3. Value Chain Analysis

The Fearne et al Value Chain Analysis¹³ is a diagnostic tool that looks for both qualitative and quantitative evidence of:

- Strategic alignment;
- Strength of relationships;
- Information flows, and
- Consumer Insight

If these key enablers are in place and being maximized, then an optimal environment where co-innovation (collaborative innovation) can occur is created. An important point to note here is that these are all about “how”; that is, the behaviours that are inherent in the value chain approach, rather than the “what”, being the outcome.

Fearne found in South Australia the quantitative evidence of agrifood and wine performance relevant to the issue of allocating resources along the value chains fragmented and inconsistent. Consequently, the analysis is based primarily on qualitative data gathered in the four visits to South Australia. These visits were packed full of presentations, forums, workshops, meetings and ‘one on one’ discussions with a broad range of agrifood and wine business people, industry associations and government agencies working with the sectors. While based in Adelaide, Professor Fearne engaged actively with stakeholders across the state; from Wudinna and Port Lincoln in the West to Mt Gambier in the east, from Renmark to the Barossa Valley and many places in between (Ronan, 2009).

2.4. Case Studies to Demonstrate Value Chain Management

Fearne felt that case studies were a key way of showing the benefits of the value chain approach and as a key step in raising awareness of the opportunity and steps to take, that is, an adoption

¹³[http://www.pir.sa.gov.au/_data/assets/pdf_file/0017/120455/Final_version_SVCA_Methodology_guidePIMC\(IDC_approved.pdf\)](http://www.pir.sa.gov.au/_data/assets/pdf_file/0017/120455/Final_version_SVCA_Methodology_guidePIMC(IDC_approved.pdf)

tool. In his regional travels, Fearne identified enterprises, chains and operations that have benefited from a value chain approach (whether knowingly or unknowingly). These case studies were published to be used in assisting to raise awareness of the approach using local examples to which South Australian businesses can relate¹⁴.

2.5. Value Chain Research

Another adoption tool that Fearne drove, were real time research projects; to assist local businesses, academics and government agencies in their understanding of the value chain approach and tools through “learning by doing”. In addition, further goals were to demonstrate the feasibility of undertaking value chain research and to highlight the benefits, both private and public.

“Vine to Dine” *A case study of South Australian Wine*¹⁵ was the major research project of the residency. This stretched the value chain boundaries by integrating Life Cycle Analysis with the traditional Value Chain Analysis. The outcome is an analysis that allocates consumer value (positive, neutral and negative) to emission creating activities that impact on the environment. The resulting information can be used at enterprise and chain level for improvement projects and also at the public level to assist in policy decisions.

2.6. The Diagnosis

While Fearne found a number of value chain champions, he was concerned at the overall condition of the South Australian agrifood and wine industries and lack of uptake of consumer led strategically aligned strategies (a value chain approach). He was also puzzled by the fact that even though it was increasingly obvious that “business as usual” was no longer possible; farmers, processors, industry associations and government agencies continued to bury their heads and ignore what was happening around them. This informed and influenced the final report and the recommendations; the recommendations being the value chain analysis “improvement projects”.

2.7. Adoption and Diffusion of the Value Chain Approach

When considering the context of the diagnosis, Rogers model of *Diffusion of Innovations (2005 5th Ed.)* gives us clues as to why the rate of adoption of the value chain approach and tools appear to have plateaued in Australia.

¹⁴ http://www.safoodcentre.com.au/talking_food/case_studies

¹⁵ http://www.pir.sa.gov.au/valuechains/industry_projects/vine_to_dine

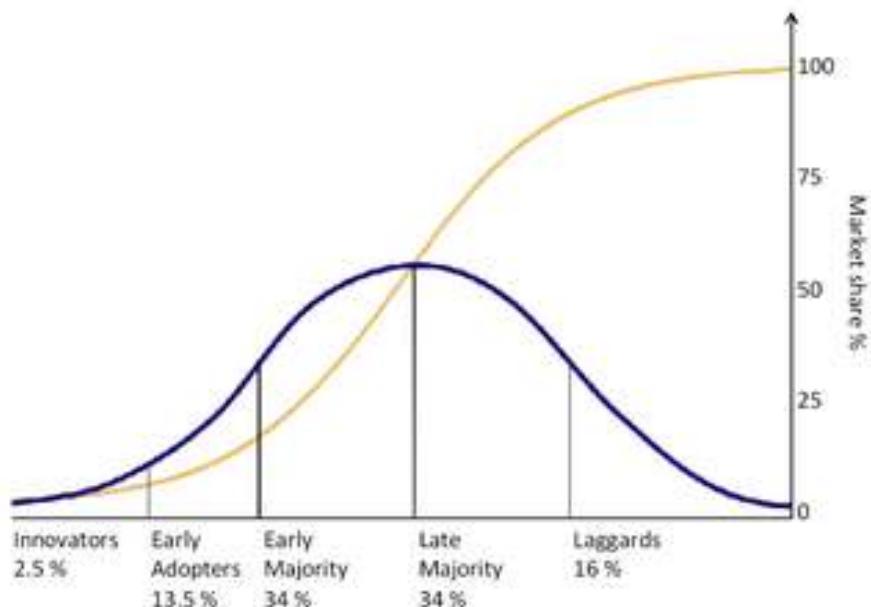


Figure 1 Diffusion of Innovation

Source: Rogers, Everett M (2003) Diffusion of Innovations (5th ed.) Glencoe: Free Press

Qualitative evidence from the Fearne residency points to the approach being adopted by the innovators and the early adopters with a break occurring at this point. This break (or chasm) has been demonstrated in adoption of other innovations, especially with the advent of information technology innovations. Rogers' points to characteristics that innovations must have to assist people in their decision as to whether to take up the innovation or not:

Relative advantage;

- Compatibility;
- Complexity;
- Trialability, and
- Observability¹⁶.

¹⁶ Professor Andrew Fearne, personal communication, 23 February 2010

Commenting on these characteristics, Professor Fearne notes the importance of relationships in the innovation adoption process:

Poor relationships make it difficult to trial (that is, conduct research to prove test hypotheses) and the lack of case studies make it difficult to observe. These are two of the reasons we gave for conducting the Vine to Dine value chain analysis project and for supporting government intervention.

2.8. Language – a Key Challenge

The challenge to Australian agribusiness is unambiguously steep. Failure to integrate value chain thinking and to translate it into appropriate private decision-making and public policy is a path to depreciation of competitiveness and sustainability.

It became clear at an early stage of the Fearne Residency that espousing chain management principles would not be sufficient. Showing a way forward would require establishing a language for chain change, providing examples of case studies internationally and locally and analysing chain options with contemporary research tools.

Systematic chain thinking requires an appropriate language. During the Fearne residency the language critically evolved to differentiate supply chains, the dominant paradigm in agribusiness globally, from value chains, the desired and less populated paradigm. The difference between “supply chain push” and “value chain pull” is demonstrated in the following illustrations (figure 2). Stakeholders in the supply chains very often feel poorly rewarded and oppressed; stakeholders in value chains are informed and influential in tuning their chain to consumer insights, and are better rewarded for the strength of the connection.

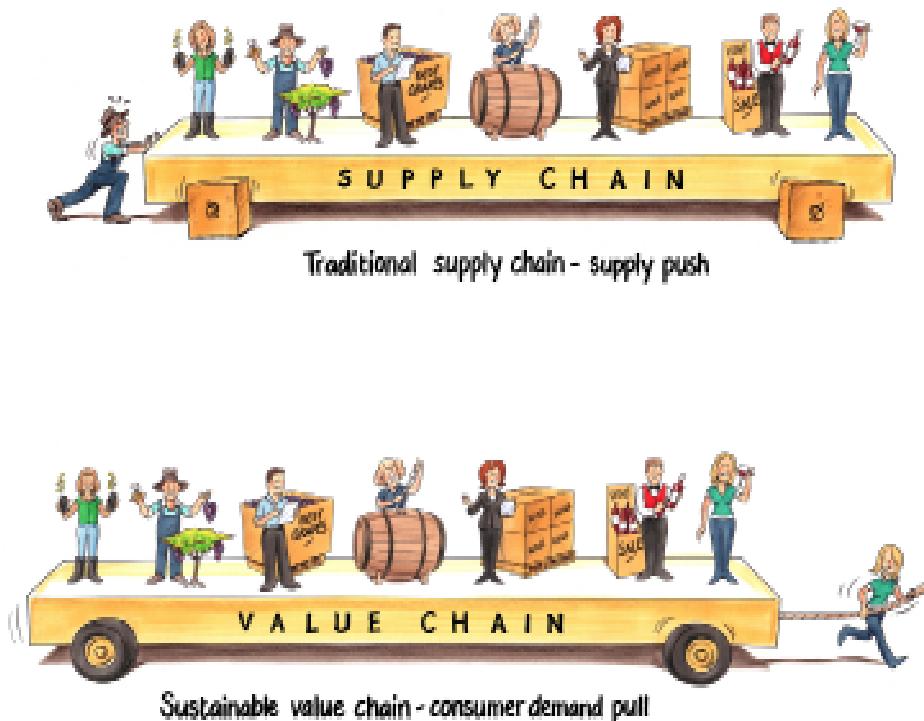


Figure 2 Supply chain thinking vs. Value chain thinking - A paradigm shift

Source: Primary Industries and Resources South Australia

2.9. Other Challenges – The Change

The value chain approach is holistic and multi-disciplinary, which forces us all to think outside of our own areas of expertise. What became apparent during the residency is that while many stakeholders believe they are practicing value chain thinking and management, an interrogation of their knowledge and practices exposes significant gaps. In the language of Nicholas Taleb, we have a 'black swan' phenomenon in Australian agribusiness; a situation where our current knowledge and experience make it difficult to factor into our thinking the occurrence and impacts of 'off-the-radar' global economic and environmental 'shocks'.

This has given rise to other areas of resistance from some of the people we look to for creative thought and innovation; the scientists and the economists. The scientists say: "Where is the science?". The economists say: "Show us the economic benefit and the market failure.". The reality is that the value chain approach is a complex mixture of traditional agricultural science, economics both micro and macro; combined with consumer behaviour, marketing science, strategic management, process engineering, change management and learning principles. Whilst we can break the analysis and resulting improvement projects down into traditional 'silos', these cannot be viewed in isolation. It is the sum and synergy of the parts that will give rise to the greatest return on the investment and the potential for co-innovation that will give the chain competitive advantage into the future. This is a challenge for us all!

2.10. Managing the change

Change management theory can assist in deciphering the possible roots of the resistance to change, beyond the multi-disciplinary approach it forces, even with the better educated thinkers, analysts and innovators. The Change Equation, otherwise known as the Gleicher Model (Beckhard and Harris, 1987) is a simple but powerful model, defined as:

$$\text{Change} = (\text{Dissatisfaction} \times \text{Vision} \times \text{First Steps}) > \text{Resistance}$$

Unwrapping each of these root causes of resistance to change, gives a large pool of information with which to work on to create the first steps to changing the rate of adoption and diffusion of the value chain approach.

During his residency, Professor Fearne observed a high level of stakeholder dissatisfaction in food and wine chains, which aligns with high levels of negative profitability in the farm sector (Lagura and Ronan, 2009). Fearne was unable to see evidence of vision for change; he did see considerable uncertainty on the steps that could be taken by stakeholders to make the paradigm shift from supply chain to value chain.¹⁷

¹⁷ Professor Andrew Fearne, personal communication, 23 February 2010.

Another model that also assists in understanding the resistance, not only from the scientists and economists but also from the business and industry leaders is Conscious Competence Learning Model (Howell, 1982). The origins of the model stretch back in time but the US Gordon Training International organization had a major role in defining and encouraging uptake of the model.

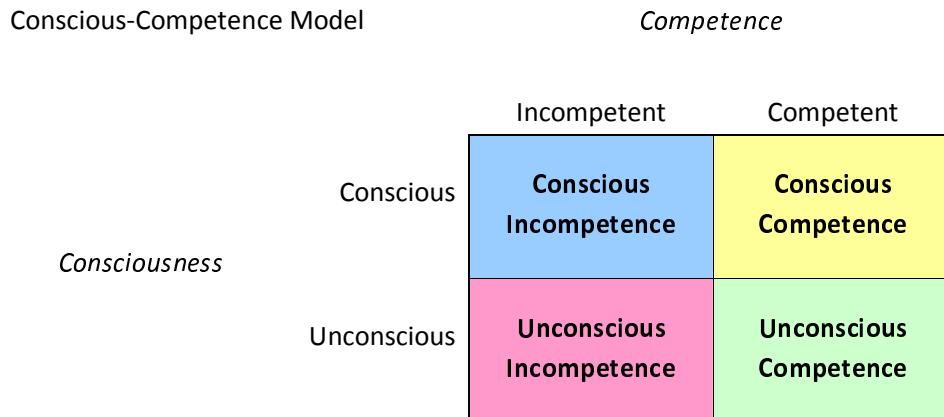


Figure 3 The Conscious-Competence Model

Source: Howell, W.S. (1982) *The empathic communicator*. University of Minnesota: Wadsworth Publishing Company

Anecdotal evidence from the Fearne residency shows that segments of the agrifood and wine industries are in different stages of the Conscious –Competence Model. The champions that Fearne identified are in the conscious competence and the unconscious-competence stages, which align with the innovators and early adopters stage of categories in the Diffusion of Innovations Model. This can help explain why there are some business people who claimed that they were already following the value chain approach. These are ideal champions of the change if they can be convinced to lend their weight to growing the industry as a whole. The South Australian Premier's Food Awards and the State and National Rural Woman of the Year Awards are helpful in showcasing desirable directions for business change, including conscious and competent value chain thinking and management.

Then there is the segment that is consciously incompetent, that is, they know that they don't know something but they are not sure what it is. This segment aligns with the "Early Majority" segment, and where the greatest opportunity exists in creating the change that is required for the productivity growth and increase in competitiveness.

Finally there is the segment of unconscious incompetence, that is, they don't know what they don't know. This reflects Fearne's finding that we have a "black swan". These segments align with the "Late Majority" and "Laggards" categories in the Diffusion of Innovations Model. It is questionable about how much effort should be placed in working with these categories.

2.11. Sense making

We are learning to see issues and opportunities through new lenses and learning new tools to deal with these situations. A way of making sense out of the newness, so that we can move beyond the “black swan”, is to look at examples.

“Vine to Dine”, as the major research project of the Fearne Residency, not only stretched the usefulness of the value chain analysis to encompass life cycle analysis, it also diagnosed where the Oxford Landing chain could be improved. A key finding was the lack of rigorous consumer research in developing and maintaining this brand. Whilst consumer research may have been recommended; it was not given the emphasis, investment and respect that a value chain approach calls for. Consequently, the brand was ‘flying blind’ and struggling to compete against other consumer focused brands. Without consumer insight the brand could not be competitive in the long term. This is an example of the “blind spot” and “black swan” that Ronan and Fearne refer to and can only be overcome when people stretch beyond what they know, and have systems in place that allow for a response to the unknown.

Also as a result of the Fearne residency is the approach taken in the National Value Chain project¹⁸. This is a Primary Industries Ministerial Council initiative responding to Minister Burke’s call for research into ways of improving productivity in the agricultural and related chain, sectors. The real time case studies are being conducted on the Australian Lamb Industry. The methodological approach is through the evaluation of both existing and real time case studies and calls for collaborative investment from government, research and development corporations and industry. A major constraint to conducting the value chain analysis is the way in which research and development is funded through Meat and Livestock Australia. It is not possible to conduct a full value chain analysis due to the pre and post farm gate model of funding. Without the funding being fully aligned along the whole chain, the resulting research and development will only have limited impact. Once again this highlights the “blind spot” and “black swan” in the way research and development funds are allocated, raising the question of the effectiveness of the RDC model in improving both the productivity and competitiveness of the agricultural sectors. This interim finding of the National Value Chain project has implications for the current Productivity Commission review of research and development corporations¹⁹.

¹⁸ http://www.pir.sa.gov.au/valuechains/industry_projects/national_lamb_value_chain_project

PIRSA, because of expertise gained through the Fearne residency, is leading the project on behalf of DAFF and other state government primary industry agencies.

¹⁹ <http://www.pc.gov.au/projects/inquiry/rural-research/terms-of-reference>

2.12. Fearne Report Recommendations²⁰

The Fearne Report Recommendations have built into them the very principles of change, adoption, diffusion, illumination and learning as described in the four models above. The recommendations are based on overcoming the five barriers to the uptake of value chain thinking as identified in the report (p12).

The Global Thought Leadership Program in Value Chain Management is aimed at the management level within agrifood and wine enterprises, industry associations and government agencies; the “opinion leaders” who would become champions. They are most likely to be “innovators” and “early adopters” (the “unconsciously competent” and the “consciously competent”) although there may be a few of the “early majority” (the “consciously incompetent”) who are indicating they may be willing to take a leap. A secondary, but equally important outcome will be a break down in silos and aligning of the limited resources in this area.

The focus of this program is the development of leaders who will drive change in their respective organizations and raise the level of awareness, understanding and the implementation of value-chain thinking and management in South Australia and beyond, at a time when the need could not be greater.

The Integrated Market Intelligence and Consumer Insight Service is a means of fast tracking a key gap in the information and capability available to the food and wine chains; addressing the “black swan”. Once again this is a means of assisting people to understand that there are important drivers for their business that they don’t know about and are acting as an impediment to the development of competitive advantage for the industries. Once it is better understood that the consumer needs and the customer wants are paramount to a profitable chain, then this gives rise to the potential for the sharing of information and innovation required to be competitive into the future.

An integrated market intelligence consumer insight service, accessible to all stakeholders in the value chain, should combine information about markets (size, structure, organization, access), consumers (attitudes and perceptions) and shoppers (purchasing behaviour). The goal is to achieve a common understanding among all stakeholders of what it is that consumers value and how this differs across markets (distribution, channels and geographies) and consumer segments.

The cross-agency food and wine policy is a challenge to the government. With ever declining resources and ever increasing complexity with the rapid emergence of public health, education and skills, waste management, climate change, and natural resource management (including

²⁰ http://www.pir.sa.gov.au/_data/assets/pdf_file/0017/120419/Fearne_Final_Report.pdf

water) into the realm of agrifood and wine production, government can not afford to continue to work in silos. Once again, this can illuminate the “black swan” and assist in overcoming the resistance to change, through the power of peer influence.

....the development of a holistic food policy, to support the implementation of the SA Food Strategy that interacts with other plans....will facilitate the development of cross-agency programs and a more effective engagement with industry.

The Education and Training Review goes to the root cause of the low level of relevant and integrated education and training that, if reframed, has the potential to attract and retain the required bright and innovative youth to lead the industry in the future. This improved approach to education and training is a key ingredient in the change process.

Pathways through the education and training system are.....complicated. Syllabuses do not always take adequate account of industry needs, are deficient in critical areas, and the methods of delivery are not as flexible as they need to be to attract more young people into the food and wine industries, where an ageing workforce and low levels of retention are major concerns.

Regional co-innovation clusters are a means of demonstrating the power of collaborating especially with the youth in the regions. It is a practical strategy that looks to developing skills amongst the youth, to whom collaboration comes much more naturally than to the baby boomer generation. Once again it is aimed at the “innovators” and “early adopters” who will act as champions with their peers and families.

The vision is to create virtual networks that are rooted in the regions but extend globally and target young people, on whom the future depends but who are currently excluded from the sustainability debate. These clusters would act as incubators for ideas, and provide pathways for young people to gain experience in business and become more proactively involved in community development.

2.13. Role of government

The release of the 2010 Intergenerational Review, and its push for increased productivity, signals a strengthened role for government in creating an environment for all businesses to make the step change required to achieve the productivity targets that are required to at least maintain Australia’s current level of prosperity.

Minister Burke is pushing this agenda through the Primary Industries Ministerial Council, with a range of resulting initiatives including the National Value Chain project and the Productivity Commission review of Research and Development Corporations which are aimed at, not only increasing productivity, but also improved governance and competitiveness to ensure profitable agrifood and wine businesses into the future. An important part of this for agrifood and wine, is to encourage the switch from being volume suppliers to value suppliers. Australian agrifood and wine businesses can no longer think of themselves as commodity producers only. Even when

supplying volume, consumer value must be acknowledged, built in to the offering and used to align the chain around it.

Through the development of capability and capacity building frameworks, government assists businesses and industry leaders to glimpse what is over the horizon and, using cutting edge thinking and tools, prepare for the future.

2.14. Next steps

By combining the multidisciplinary innovation diffusion, change and learning models, the Fearne value chain analysis of the South Australian agrifood and wine industries, and the Fearne recommendations, the opportunity exists to create a powerful program for change in these industries.

PIRSA responded to the Fearne Recommendations by setting up the Value Chain Development Unit in 2009, with complementary capabilities within Rural Solutions South Australia (RSSA) and the South Australian Research and Development Institute (SARDI). The goal of the unit is to act as a change agent within the private and public sectors of the full value chain of the agrifood and wine industries. This is being achieved through education, capability development, demonstration projects and acting as an information hub for up to date industry and government level value chain research and information. The program is using the above models as a change management guide and the recommendations to create partnerships and galvanise collaborators in the change program. The vision is the ongoing maintenance and growth of productive, competitive and sustainable agrifood and wine industries in South Australia.

2.15. Follow-up on Recommendations

The South Australian food and wine industries and relevant government agencies are currently grappling with the translation of the Fearne residency and recommendations.

The South Australian food and wine industries and government have collaborated for many years, through the Premiers Food Council, the South Australian Wine Industry Council and relevant strategic plans. The councils have (sometimes without knowing it; that is, unconsciously competent) emulated three of the key principles of the value chain approach; strategic alignment, strengthened relationships and improved information flows. In response to the Fearne Recommendations, they are currently being stretched, beyond the known, to consider including the full chain in their representation and to bring consumer insights into their deliberations. If that is achieved, the councils will then be well placed to advise government on how to truly improve the productivity and competitiveness of their industries.

The recently released South Australian Food Strategy 2010-2015²¹ is aimed at the full food value chain. In response to the Fearne Recommendations, this is the first time in the history of South Australian food plans, that the full food value chain; from paddock to plate plus recognizing the relationships and information required to build consumer value, is included in the strategy. The next five years will be a time of all the food chain businesses and government agencies learning to build consumer value into their business models and work together in this way.

The value chain approach is embedded in the South Australian Food Strategy 2010-2015 and the recommendations and corresponding capability and capacity building are included into the Food Strategy Operational Plan.

3. Conclusions

- The Fearne Residency was an experiential residency on food and wine value chains in South Australia that informed contemporary national policy agenda, exemplified by the Federal Minister's recent reference to food and whole-of-chain thinking and practice as fundamental to the contribution of the sector to the national productivity challenge.
- The recently released South Australian Food Strategy 2010-2015 includes awareness of 'value chain thinking and management' as a contemporary opportunity to drive competitiveness.
- The Fearne Report and Recommendations contain clear messages for agri-food and wine stakeholders that value chain thinking and management includes new opportunities for whole of chain research as a basis for adjustments that better align chains to customer specifications and consumer preferences. Policies and actions which are unable to embrace the chain as the locus of contemporary food and wine can be expected to diminish sectoral capacity to deliver stated national productivity goals.

²¹ http://www.pir.sa.gov.au/__data/assets/pdf_file/0019/126091/safood_strategy_final_web1.pdf

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