An integrated food system model – working beyond the supply chain

Ron Lemaire, Canadian Produce Marketing Association
Increasing sales within a food system approach

Ron Lemaire,
President, CPMA
Systems Thinking
Global in Nature...but does it drive sales?

- South Australian Food Strategy
- Food Harvest 2020 – Ireland
- A New Strategic Approach – CAPI
- Future of Food - University of Oxford
Systems Thinking

- Connecting all the pieces together to address two key elements:

1. Consumer need
2. Societal Expectations

How well do you know the customer?
Nothing is Easy - data is key reality is not always black and white!
THE SALE...

• Price?
• Demand?
• Quality?
• Access to your product?

• More....?
Sales Drivers— in a Produce systems model

Market Catalysts
• Consumer dynamics
  • Frequency of Shopping
• Community engagement
• Social links
• Societal Influences
• Consumer Demand

Regulatory
• Market Access
• Food Safety
• Traceability

Industry Catalysts:
• Price
• Supply/Demand
• Weather
  • Size
  • Quality
  • Seasonality
• Relationship to the Buyer
• Logistics – Cold Chain Management
• Innovation
• Merchandizing
F&V Supply Chain
Integrated F&V Supply Chain

Producers
Repacker
Distributor
Wholesale
Retail
Foodservice

Packaging, equipment, info technology
Academics, scientists, researchers
 Governments (3 levels)
Adjacent sectors: e.g., health, environment

Input Suppliers
By-products; bio-applications
Transportation; ports

Entrepreneurs; financial services
Ecological systems: water, soil, carbon

Consumer
Integrating System Principles

1) Setting common objectives; metrics
2) Supporting highly-collaborative supply chains
3) Collaborating w/non-food partners
4) Meeting consumer needs
5) Addressing societal expectations
6) Managing sustainability
7) Aligning policy & regulation
Systems Happening Around Us
CPMA Driver: Increasing Consumption to Improve Population Health and Industry Prosperity

Ecological systems: water, soil, carbon

Academics, scientists, researchers

Entrepreneurs; financial services

Adjacent sectors: e.g. health, environment

Governments (3 levels)

Transportation; Borders

Packaging, equipment, info technology

Reliable supply (Food Security)

Healthy population

Sustainability/ Responsibly-produced food

Consumption

Prosperity

Input suppliers

By-products; bio-applications

Restaurants; food services

Retailers (grocery)

Wholesalers

Distributors

Re-packer/Shipper

Producers

Adapted from:
CAPI - Canada's Agri-Food Destination – A New Strategic Approach
How do we move from Supply Chain thinking to System and why can it help Sales?
Questions To Driving Sales

1. How do we link economic success to consumer / societal food expectations?
2. What do you do to support the market?
3. How do we measure success?
Systems Questions

• Market Requirement
• Value Proposition
• Collaborative Partnerships
• Supply Capacity

1) how collaborations can be strengthened among supply chain members;
2) how more meaningful collaborations can occur among many other diverse players (outside the supply chain);
3) how meeting consumer product needs differ from evolving societal expectations about food;
4) how managing sustainability is becoming more pervasive as a market driver; and,
5) how common objectives (among players) can help achieve the above (and how objectives are measured).
Sales Drivers— in a Produce systems model

Market Catalysts
• Consumer dynamics
  • Frequency of Shopping
• Community engagement
• Social links
• Societal Influences
• Consumer Demand

Regulatory
• Market Access
• Food Safety
• Traceability

Industry Catalysts:
• Price
• Supply/Demand
• Weather
  • Size
  • Quality
  • Seasonality
• Relationship to the Buyer
• Logistics – Cold Chain Management
• Innovation
• Merchandizing
Market Requirements

• Understanding “market requirements” relates to the issues that dictate or influence access, restrictions and opportunities for an identified market.

• Factors include: consumer attitudes, societal expectations, the regulatory and voluntary requirements governing each market and the other matters that affect the overall economic environment.
Product Value Proposition

• This is about trust, brand and consumer satisfaction.
• Many factors shape the “product value proposition”, such as how it is targeted to meet consumer needs in a given market, how it is promoted and demonstrated as fulfilling the brand promise.
Collaborative Partnership

• “Collaborative supply chains” are essential to efficiently deliver quality product to consumers every day.
• Collaboration depends on a common desire to work together and this can be facilitated in a number of ways, such as by sharing information across the supply chain as a basis to improve quality and value.
• The food system concept also involves industry increasingly collaborating with many, diverse, non-traditional players who can influence the operating environment in which supply chains work, such as those in the health field, research and in the information technology sector.
Supply Capacity

• “Supply capacity” involves the steps to ensure reliable food production and supply.
• This starts with ensuring that food can be sustainably grown and that every step operates with a focus to sustainable supply.
• Capacity also refers to the ability to remain a viable supplier, whether in terms of coping with production disruptions due to weather, having human resources capacity, deploying R&D, achieving productivity improvements, and managing the availability and cost of inputs.
Commonalities for Success

• Clear vision - Leadership
• Diversified none food sector partners
• Common Goals
• Public and Private Sector Support
• Consumer Knowledge
Drivers for Growth

1. Clarity of CEO – focus and clarity... direction
2. Differentiation at each level of the operation
   - from partnership development to innovation
3. External relationship – Breadth and Depth
4. Enabling Macro Conditions

Adapted by CAPI
How does your company start?

• Clarity from CEO downward
• What does it mean to you to support the Market Demands?
• Be sure to link economic success to consumer / societal food expectations?
• Identify your partners?
• Measure success?
Answers to Questions To Driving Sales

1. How do we link economic success to consumer / societal food expectations?
2. What do you do to support the Market?
3. How do we measure success?
CPMA Systems – In Action

- Expanded Sector and Non-Food Sector Partnerships
- New Health Summit Event
- Market Research Report
- New Consumer Program Development
- Tool to confirm ongoing strategic development and measures for success
DATA

• Why is it important?

¾ of Canadians have tried a new fruit or vegetable

Kale is most popular with those under 30, second generation Canadians, and those who prefer organic produce

China, India and the Phillipines will be adding 1 million people/decade, 1/3 of all Canadian immigration