

## **HAL Supply Chain Solutions workshop June 1<sup>st</sup> 2006**

### **Executive Summary**

The Australian Horticulture industry has swung into action to address issues raised at the HAL Supply Chain Solutions workshop on 1<sup>st</sup> June. The HAL event followed a morning seminar, "Mastering the Supply Chain", hosted by the PMA. Many of the morning's topics were echoed in the afternoon session, which posed the question "What are the supply chain issues that would benefit from HAL's involvement?"

The participants, comprising key commercial businesses from right across the produce marketing chain, left HAL in no doubt of the need for it to engage more fully in this area. The issues raised included Information – what information would be most useful, how to share it and how to apply it to "work smarter" along the chain; Coordination – particularly in promotion of the health message and in export initiatives, and; Innovation – where the lack of finance can be a barrier to technology that would result in higher-quality produce.

One participant summarised the common issues raised in the discussion as:

- Cooperation with information (eg supplier-buyer partnerships)
- Consumption – increasing this by a range of means (eg market access, promotion, food service and flavour) is an issue for every one
- Competitiveness – we must understand global issues such as labour costs and capitalise on our competitive advantages

HAL has convened a small task force to advise it on addressing these and other across-chain issues, beginning with how to deal better with information. However, time was short on the day so, along with this meeting summary, all commercial supply chain businesses in horticulture are invited to submit any additional thoughts and issues.

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A summary of the workshop is posted in the HAL website at: [www.horticulture.com.au](http://www.horticulture.com.au)

Attachments:

1. PMA and HAL Supply Chain meetings summary
2. PMA "Mastering the Supply Chain" seminar notes
3. HAL Supply Chain workshop: Case Study Summaries
4. HAL Supply Chain Workshop notes
5. Response to some issues raised at PMA and HAL Supply Chain events

## **Appendix 1: PMA and HAL Supply Chain meetings summary**

Industry leaders from all parts of the horticultural supply chain met in Sydney on 1<sup>st</sup> June 2006 to participate in the workshop which followed a morning seminar on "Mastering the Supply Chain" organised by the Produce Marketing Association (PMA) and attracting over 150 participants.

The two-hour HAL workshop involved representatives from major supermarkets, wholesalers, smaller retailers, exporters, growers, packers and logistics. They took the opportunity to tell HAL how it could help resolve supply chain issues that individual industries or businesses can't address in isolation. The message to HAL was clear – "we need you to make this happen!"

Some of the issues raised in the workshop included:

- Lack of market information up and down the supply chain
- Coordination opportunities being missed
- Barriers to adopting the innovations available to improve product quality and reliably satisfy consumers.

Similar issues emerged at the morning's PMA session, which covered trends and strategies in the US retail and foodservice sectors. Dynamic speakers Steve Junquero and Janet Erickson shared their expertise, both as senior managers in these sectors and also as senior members of the influential Produce Marketing Association. One of the strengths of PMA was demonstrated by Janet as she presented new data on the Australian foodservice industry, gathered by the PMA Information Centre!

Some issues that stood out in the PMA presentations and panel session included:

1. The emphasis on taste as well as health and nutrition (although, in fast foods, pizza, burgers and fries are still the top-sellers!)
2. The role of food service in blazing the way for developments at retail e.g. fresh cuts, novel ingredients
3. The importance of supplier/buyer partnerships, coupled with consolidation on both the supply and buy sides.

Both Australian and US participants agreed on the crucial importance of attracting good people to work in the industry. The technology involved on farm and through the chain makes work more interesting for young people. PMA also has a number of initiatives in this area.

Participants agreed that poor timing and/or availability of information such as supply & demand, market conditions and throughput in the various marketing channels is reducing profitability and competitiveness of all players.

"The workshop participants acknowledged that to move toward information sharing throughout the supply chain would involve a significant cultural change," HAL's Supply Chain Portfolio Manager Gerard McEvilly said. "The first step in change management is the acceptance that a change is needed, by those who need to change, and this feedback says that many in the commercial sector of our industry have taken that step already".

"What HAL and the audience heard was the people responsible for producing and handling a huge proportion of our fresh produce in Australia making a call for action and giving HAL a mandate to facilitate some urgent solutions".

In response to industry feedback from the HAL Commercial Supply Chain Solutions Workshop a new task force has been formed to advise on solutions to the lack of market information sharing up and down the horticultural supply chain, from producer to consumer.

“With the advice of the task force, plus wider collaboration and consultation, we will do everything we can to work out a realistic approach to help bring about this change,” Mr McEvilly said.

## Appendix 2: PMA "Mastering the Supply Chain" Seminar notes

### 1. The Produce Marketing Association (PMA)

- the PMA describes itself as the "Heart & Soul" of the Produce & Floral industry
- non-profit global trade organization with 2100 members in 50 countries
- growers, exporters, distributors, importers, transport, input suppliers, wholesalers, supermarkets, foodservice
- Annual PMA Fresh Summit (October 20 – 24, 2006, San Diego), plus Foodservice conference, Leadership symposium & other events, webinars
- working groups (Councils), Education Foundation, University/Pack fund
- Information, solutions. Industry/consumer research, emerging technology and standards
- more PMA members in Australia than any other country outside North America, PMA rep in Australia is John Baker
- [www.pma.com](http://www.pma.com)

### 2. Mastering the supply chain – Retail

- Steve Junqueiro, Save Mart
- Importance of produce dept – increasing consumer expenditure, influences store choice, high Gross Margin (34.8% in 2004), 15-18% of store profit, increasing variety of offer (636 SKUs in 2006)
- Retail consolidation in USA – top 5 companies are 50% of retail food sales and Wal-Mart is 25%, but also competition – natural foods, club stores, convenience stores, Aldi, Foodservice
- Consumer food dollar split 50:50 between restaurants/food service and retail
- Therefore, fewer buyers, dependent on suppliers for service, drive to supply chain efficiency
- Supplier consolidation around 50% in tomato and tablegrapes in past 20 years
- "Be the best at providing the value package to your customers"
  - Taste (tomatoes, summerfruit, berries)
  - Convenience
  - Experience (25% of consumers say that shopping is a disagreeable experience)
    1. cooking classes, cafes, babysitting, dieticians etc
    2. technology: scanners, information stations, intelligent scales and shopping carts
- Suppliers and buyers working together to increase business
  - Drive business thru product, pricing, promotion, presentation
  - Grow the whole business "pie"
  - Product Quality, Supply, Availability
  - Move from adversarial to shared information and shared goal – satisfy the consumer
  - S. hemisphere products have enabled 12 month categories
- Challenges & opportunities
  - Government regulations & intervention
  - Food safety
  - Workforce attraction
  - Standardised technology (eg RFID, case & pallet codes)

### 3. Mastering the supply chain – Foodservice

- Janet Erickson – Del Taco Inc
- Foodservice in Australia (from PMA Information Centre research)
  - 29,000 businesses, 560 million meals/annum
  - \$12billion annual sales
  - Australians eat out/takeaway 1.8 times/week
  - “experience” – taste, convenience, indulgence
- Foodservice in the US
  - 925,000 restaurants
  - \$511 billion sales in 2006 up by 5%
  - 47.5% share of consumer dollar
  - Americans eat out/ takeaway 4.2 meals/week
  - Changing demographics – Asian, Hispanic
- Foodservice produce innovations
  - Fresh-cut pre-packaged vegetables
  - Creative menu ideas
  - Introduction of new exotics
- Trends
  - Menu diversity
  - Health & nutrition (baby boomers)
  - Entrée salads are #1 growth item in full-service
  - Consumers ordering more fruits & veg in both full-service and quick-service
  - Taste is #1 reason for ordering
  - Also, nutrition, diet, medical condition
  - Produce provides health option at a time when fast food is blamed for obesity
  - New flavour experiences, exotic produce types
  - Growing opportunities in: organics, locally grown, vegetarian
  - Many reasons to get more produce on the plate, including health perception, but top 3 purchases are still fries, burgers and pizza, for men and women
- Success stories include
  - Wendy’s. McDonald’s, Burger King
  - Chick-Fil-A (adopting 5-a-day)
  - Applebees (Weight Watchers menu option, kids health menu)
  - Au Bon Pain, ARAMARK, Brinker International, Buca di Beppo
  - Season’s 52 (seasonal menu, freshness, items <475 calories)
  - Subway (Jared Fogle diet story)
- Does health sell produce on the menu?
  - Success comes not from selling health, but taste, flavour and experience
  - Respond to customers looking for flavour, texture & “mouth appeal”
  - Respond to the quest for food as enjoyment
- What is needed from a foodservice supplier
  - Market orientation, broader product lines
  - Year round supply, stability (can’t juggle menu pricing)
  - Food safety, traceability, packaging innovation
  - Business partners, menu development
  - Ways to avoid produce increasing labour costs
  - Provide flavour, cost, decent profit

- **Understand the process and scale of an operation before pitching**
- **Solve their problems**
- **Respond to technology needs**
  1. **electronic ordering, invoicing, payment**
  2. **contract administration & reduced admin costs**
  3. **price deviation reports**
  4. **consolidated usage reports and per restaurant ordering info**
- **build the relationship with regular business reviews**

#### **4. Panel discussion session**

- **David Harris, Michael Burow, Fabien Carniel, Bill Chalk, Ian Pavey, Damien George, Steve Junquero, Janet Erickson, moderated by Michael Simonetta**
- **How do we generate interest in fruit and veg amongst children?**
  - **Need to educate people how to look after produce – all in the chain are responsible**
  - **Give them taste (eg Camerosa strawberry)(also grape tomato)**
  - **Tablegrapes marketed immature are a problem, better to extend season for US fruit until local fruit tastes as good**
  - **How important is the 1 – 18 yrs demographic? Foodservice – don't target kids with produce yet. Retail – involvement through schools, sport etc**
  - **2&5 campaign needs better coordination and collaboration. Issue is greater than individual chains programs – needs some independent facilitation**
- **What about competition from imports?**
  - **Supermarkets state that only 3.5% of fresh produce is imported and majority is counter-seasonal**
  - **COOL (Country of Origin Labelling) – adapting to this absorbed 3 months worth of potential promotional budget**
  - **Retailers want to buy local grown**
  - **Import replacement program in place eg baby corn**
  - **Baby corn was 30% higher cost, but sales are increasing rapidly due to freshness, flavour, local-grown preference**
  - **Need to understand overseas costs, consider automation, eg broccoli harvester, optical sorting & automatic packing, automatic irrigation**
  - **We will have problems competing with overseas product by 2015**
  - **Recent launch of 100% Australian grown frozen products**
- **Workforce: labour and leaders – how to attract young people?**
  - **Too much negative media coverage of farming/horticulture**
  - **Need to promote it as a high-tech industry**
  - **Be aware of attitudes & needs of Generation X and Y**
  - **Encourage training – eg supermarkets have Institutes**
  - **Reference to Toyota presentation at the AUF conference**
  - **Problems all over the world getting people**
  - **Should be going to health departments and education departments and showing people the importance of the industry and that it has a great future**
  - **Kids don't want to do this job**

- **Not easy to get people to accept the quality & service requirements of the foodservice sector**
- **What sectors of the supply chain is the PMA education Foundation targeting? With the support of the Pack family, PMA is bringing young people to the PMA Fresh Summit convention. Maybe look at expanding this to students from other countries? Also assist culinary students to attend the culinary conference. Five universities are participating with the Pack Foundation and looking to involve others around the world.**
- **Future of the Central Markets?**
  - **History shows how they declined in the US, but now looking to reintroduce**
  - **In Barcelona, central markets service secondary industries and enforces standards**
  - **Need to accept changes in the way things operate – we need to have a central market system, but it is now operating as a virtual market**
  - **In the US, how is pricing determined without Central Market system to establish prices? Suppliers and buyers are negotiating much more than just price**
- **Role of Promotion?**
  - **Taste-testing, not cheap, but effective if done well, with knowledge and passion**
  - **“supercook” program using own trained people to demonstrate**
  - **Can be difficult for suppliers to support their own products with a marketing budget, but PR eg magazine stories linked back to farm**
  - **Banana suppliers ran store training with produce managers and video for large numbers of staff**
  - **Supermarkets are keen to offer opportunities to educate store staff about products – “crying out for information”**
- **How can we better coordinate the media promotion with actual seasonality?**
  - **Value of food service in that chefs and food writers talk about products**
  - **But there doesn’t seem to be any place people can ring up and find out about them – needs a unified approach**
  - **Missing opportunities to do media launches with new products, eg strawberry season launch**
  - **People running promotions need to be aware of the lead time for retailers**
  - **Consider the lifecycle of a “hot” item (eg broccoli rabe/rapini): often starts at fine dining, takes time to build up supply and supply chain before you can move into widespread distribution and promotion**
- **Internet-based retail?**
  - **So far in Australia, only minor impact, due to difficulty integrating it with existing store and DC logistics, results in high wastage**
- **Organics?**
  - **In the US – initially popular on the East Coast (3%) but now developing in southern California – potentially a big future in organics**

### **Appendix 3: HAL Supply Chain workshop: Case Study Summaries**

The HAL supply chain initiative via its strategic plan has three legs supporting its approach to improving horticulture's competitiveness. Those three legs are Information, Coordination and Innovation (I.C.I).

#### **'Information' Case Study**

At the workshop Chris Fairless, marketing manager from apple and pear grower, packer and marketer Geoffrey Thompson Fruit Packing Company P/L talked about the AFFCO (Australian Fresh Fruit Company) "Well Informed Grower" Initiative. This HAL-funded project has provided knowledge to underpin programmed marketing and allocation of product in a range of sales environments nationally. This includes not just apples and pears but also other competing products. The project facilitates apple and pear growers and packers to communicate regularly about factors such as crops, market conditions and quality, to help growers make more profitable marketing decisions.

Mr Fairless's key points were:

- An information imbalance exists between growers and sellers that needs to be addressed
- Profitability could be positively influenced by better short and long term orchard development and marketing decisions – information becomes a tactical and strategic resource
- Each business in the supply chain has a crucial role in identifying information priorities, sourcing appropriate data, packaging the information to be meaningful to industry and communicating this information by the best means possible
- This cannot happen by accident – it must be a dedicated activity with appropriate resources as the future of the business will depend on it.

#### **'Coordination' Case Study**

The next speaker was Gympie Packhouse Manager, Alan Cross. He outlined the success green bean growers in Gympie, Queensland, have had through taking a coordinated approach to their own supply chain. Back in the late 90s a group of mid-sized green bean producers recognised they couldn't compete directly with much larger machine harvest operations and so collaborated to gain business efficiencies and started their own niche marketing and packing business. Their point of difference was their high quality, hand-harvested product.

Mr Cross shared some keys to their success:

- They needed to overcome fragmentation, inconsistent supply and quality resulting from entrenched behaviours
- The process cannot be expected to happen 'over night' – this one started in 1994 and is still evolving, starting with small steps (common specifications) and moving through to an integrated well-equipped packhouse, with an integrated cool chain and transport infrastructure
- Evolving coordination has enabled more resilience to big picture issues such as labour, best cultivars, chemical registration, packaging changes, value-adding, labour utilisation and new technology
- Coordination has enabled access to grower (supplier shareholders) and matching Government funding.

## **'Innovation' Case Study**

The final case study presented in the workshop centred on innovation, using the example of an innovative new variety – a model that has applications across all industries. Northern Territory grower Haig Arthur gave an overview of how a total supply chain approach to developing a new variety of mango, 'B74' marketed under the trademark 'Calypso™', has been central to addressing two key factors - meeting consumer needs for eating quality and grower needs for economic returns. This approach also addresses a third factor – the need to manage the risk inherent in introducing a new variety.

Mr Arthur said the innovation did not just refer to the variety but the approach taken along the entire supply chain. This included capping tree numbers per climatic zone with grower non-propagation agreements, researching (through HAL) the ideal production and postharvest practices to maximise performance, appointing a sole marketer and using scan data to track sales to then refine marketing strategies.

"Many supply chain inconsistencies have been removed," Mr Arthur said. "While it's impossible to eliminate risk from a venture such as this, we have certainly been able to manage it better thanks to the partnership with HAL and the marketers, The Harvest Company, part of the OneHarvest group, in this project"

## **Appendix 4: HAL Supply Chain Workshop notes**

### **Chris Fairless - INFORMATION - The "Well-informed Grower" project**

- Information imbalance exists between growers and sellers that needed to be addressed
- Profitability could be positively influenced by better short and long term orchard development and marketing decisions – info becomes a tactical and strategic resource
- Must identify information priorities, source appropriate data, package the information to be meaningful to industry and communicate this information by the best means possible
- Cannot happen by accident – must be a dedicated activity with appropriate resources as the future of the business will probably depend on it.

### **Alan Cross – COORDINATION – The Gympie Packhouse project**

- Needed to overcome fragmentation, inconsistent supply and quality resulting from entrenched behaviours
- Process cannot be expected to happen 'over night' – this one started in 1994 and is still evolving, starting with small steps (common specifications) and moving through to integrated well-equipped packhouse with integrated cool chain and transport infrastructure
- Evolving coordination has enabled more resilience to big picture issues such as labour, best cultivars, chemical registration, packaging changes, value-adding, labour utilisation, new technology, etc.
- Coordination has enabled access to grower (supplier shareholders) and matching government funding.

### **Haig Arthur – INNOVATION – The "Calypso™" mango project**

- Growers can produce more of the same (Kensington Pride) despite its limitations or innovate to differentiate with a better product that provides greater customer satisfaction? Answer is obvious. Fortunately B74 (marketed as "Calypso™") is a good grower- and packer-friendly variety too.
- Innovation is not just the variety but the entire supply chain including capping of tree numbers per climatic zone with grower non-propagation agreements, researching (through HAL) the ideal cultural practices to maximise performance, appointing a sole marketer and using scan data for tracking sales to refine marketing strategy.
- "Many supply chain inconsistencies have been removed."

### **Discussion: What supply chain issues will work better with HAL involvement?**

#### **1. Information**

- Food service presentation showed that the USA has more info on our industry than we do! Information needs to go beyond production and into retail and food service. A cultural change will be necessary for some, to build trust and a commitment that accurate information benefits all and inaccurate information disadvantages all, including those who provide it.
- A mountain of raw information is of limited value. Prioritisation, analysis and interpretation are crucial to making information work for supply chain participants from production to retail. The major supply chain players should agree on the key information to be collected.
- Need to identify who is responsible for leading the drive for more (relevant and useful) information. For some, it is the individual industry organisations who need to lead while others

contend that this is an across industry activity needing facilitation by HAL.

- Like any project, a stock-take of what data/information is currently available will assist with identifying the gaps and accessibility required.
- Information takes many forms but starting with identifying what consumers want and working back to what supply chains deliver best is the key. The latter, like supply and demand data, requires an honest 'open book' approach and may require significant cultural change. It is difficult for many players to recognise that their individual brands are not necessarily as valuable as they think and attempting to protect them by withholding data is never going to work.
- Consumer information is imperative to work out why, despite (the apple) industry believing they have a world-class product, per-capita consumption is comparatively low. This could be as fundamental as sensory analysis to help build specifications for taste and eating quality or purchase behavioural research. Certainly One Harvest has found that taste panels, focus groups and customer feedback surveys are the most critical aspect of a new project like Calypso™ mango. Information on agronomic issues, scan data at retail sales and margins through the chain follow in successful supply chains with a shared vision and a commitment to the business.
- Retailers are committed to the GS1 System to track, trace, gather data and pay for produce. This will become imperative for suppliers to 'get on board' if they wish to be part of the (near future) supply chain, particularly if they are in a category manager role. This will be particularly important, for example, in managing the planned program for ramping up banana production post Cyclone Larry in order to avoid unnecessary and expensive peaks and troughs in production and price well into 2007.

## **2. Coordination issues**

- The AFFCo model for industry coordination, albeit not the only one, demonstrates that crucial R&D can be addressed when the critical mass of growers with a commercial focus address their key critical issues.
- Promotion activity could be more coordinated and across industry, particularly regarding health messages. 'Good for you' only goes as far as 'good taste' so the health message must be reinforced to the health and dietician sectors. Increasing government funds into 'Go for 2 & 5' are increasing cooperation but more can be done, particularly in coordinating activity with retailers by adequate lead times.
- Greater coordination of export promotion is also desirable and warranted. HAL has numerous case studies of where this coordination greatly increases the effectiveness of limited industry funds for investment in this area.

## **3. Innovation - finance barriers**

- Markets need continuity from one season to another. Weather (rain) is the major reason for lack of continuity for cherries but costs for purchase and installation of rain covers are prohibitive. Seek government assistance for a 10 year loan program with repayments commencing in year 4.
- In Sunraysia, netting has been shown to generate a good return on investment by improving quality, productivity and product range. However, development funds can be difficult to attract

and means to increase attractiveness need to be investigated in order to drive innovation and growth.

- Availability is one thing but the eating quality of the product must match the promise or efforts to ensure availability will be wasted. The cool chain in particular must be spot on, all the time, to ensure continuity works in our favour, not against it.

#### **4. Market access**

- For cherries to USA. Must increase demand by increasing market opportunities. Disinfestation requirements are being addressed but we must find more customers, quick. Numerous others supported the need to increase (and maintain) market access and to be 'less compromising' when negotiating free trade agreements.

#### **5. Labour issues**

- HAL needs to lead a labour forum to identify how to attract adequate skilled labour and how to make more efficient use of the labour that we have.

#### **Wrap up comments by participants Rowan Little, Mark Panitz, Jenny Margetts, and Gerard McEvilly:**

- Cooperation with information
- Consumption – increasing this by a range of means (market access, promotion, etc) is an issue for every one
- Competitiveness – we must understand global issues such as labour costs and capitalise on our competitive advantages
- HAL has many roles but primarily to create a shared vision for the future and then develop a strategic focus on the key issues such as:
  - Market access
  - Information access provision and solutions
  - Technical solutions – automation, best practice production, etc
  - Collaborative issues – getting the right people together
  - Health promotion
  - Ensuring that the activities recognise that there are different scales – business; chain; industry – and tailoring solutions to fit the needs of each level.
- Information is critical
- We must formally drive a cultural change from one of rugged individualism to one of cooperative chains
- Case studies from within horticulture, from agriculture and from outside primary production will help greatly by showing what is possible
- People don't know what they don't know
  - We must provide tools to aid learning
  - Industry and supply chain participants must acquire better leadership, communication and negotiation skills
- Rate of change is increasing so there is a real sense of urgency to get on with focussed activities that refine our supply chains
- There are commercial opportunities but there will be obstacles to overcome.

- Providing access for all growers to tools for better supply chain management practices must be a priority
- There are lots of good innovations coming through to take advantage of – need to find better ways to showcase these

**Appendix 5: Response to some issues raised at PMA and HAL Supply Chain meetings (current at 16<sup>th</sup> June 2006):**

Issue	Current Situation
<b>Significance of Foodservice sector and the fact that PMA have better information on it than we do in Australia?</b>	<p>There is currently little readily available information on this sector in Australia.</p> <p>Foodservice has been highlighted in Ausveg IPP program and a research project is due to be commissioned</p> <p>HAL is also currently considering a proposal to research this sector</p>
<b>How do we generate interest in fruit and veg amongst children?</b>	<p>HAL and others have funded a project "Ollies Island" which fits with the Australian school curriculum and educates children about food – where it comes from, how it is produced etc. To be launched December 2006.</p> <p>Some of the Central Markets also run significant schools- and web-based activities</p>
<b>Better coordination of the health message?</b>	<p>There are currently a number of different approaches to promoting the health benefits of produce in Australia.</p> <p>HAL coordinates the Australian Fruit &amp; Vegetable Coalition (AFVC) with across-industry funding. AFVC successfully worked with the Commonwealth Dept of Health on a major advertising campaign in autumn 2005 using the Go for 2&amp;5 campaign materials developed by the WA Dept of Health. Research showed that this was effective. Ongoing State and Commonwealth funding support also relies on coordinated funding commitment from industry. AFVC is currently licensing the Go for 2&amp;5 materials to any interested partners.</p>
<b>Promotion coordination?</b>	<p>Several HAL member industries have promotion budgets but these currently raise some \$11m, spread across the various industries and the various channels, including export. The promotion investment is tailored to the available budget, ranging from in-store and PR through to TV advertising. HAL marketing portfolio managers work closely with major retailers and the central markets to coordinate campaigns. Other promotion programs are organised independently by various Central Market committees, regional grower organisations, category managers and retailers. (see "information coordination" issue below)</p>
<b>Taste/flavour issue?</b>	<p>Overall, there is very little high quality objective data on consumer sensory preferences. HAL has carried out some sensory R&amp;D in citrus, tablegrapes, mild onions and macadamias. HAL reviewed this in 2006 and has convened a "Community of Practice" among interested people including overseas researchers, to agree best practice and develop cost-effective methods</p>
<b>Automation/mechanisation?</b>	<p>Overall, there is little information available benchmarking Australian production and supply chain costs against overseas producers.</p> <p>HAL has co-funded the development of a broccoli harvester with Matilda Farms and the National Food Industry Strategy. HAL also commissioned a feasibility study into mechanisation in the vegetable industry in 2006 and is currently considering proposals in this area.</p>
<b>Workforce: labour and leaders - How to attract young people?</b>	<p>This needs to be considered at several levels, however, there is presently no integrated strategy addressing this issue.</p> <p>In terms of influencing people's <b>"attitude"</b> towards horticulture as an</p>

	<p>industry”, HAL has recognised this in its “strategic outcome 4 - Enhance the reputation of Australian horticulture”. (see also “Ollies Island” above)</p> <p>In terms of “<b>attracting young people</b> to horticulture” as a career, the HAL project of the same name reported in 2004. The issue has been progressed by the consultants through some pilot programs with DEST support and a possible “national centre” is under discussion with DEST and HAL’s sister R&amp;D Corporations.</p> <p>In terms of <b>labour</b> issues, some representations have been made by some industry organisations and the Horticulture Australia Council regarding backpacker and other temporary worker visas.</p>
<b>Information coordination?</b>	<p>This has also been identified as a key area in the HAL Supply Chain Strategic Plan. HAL members have been encouraged to undertake a comprehensive Marketing Information Audit in order to understand the complete information landscape and prioritise information gaps that should be filled. Information covers a broad area from production stats through to marketplace dynamics that may involve issues of confidentiality.</p> <p>The meeting participants indicated that more information sharing would provide broad benefits to all in the supply chain and gave HAL a mandate to facilitate some solutions.</p> <p>HAL has convened a small Task Force across the supply chain to advise further on addressing this.</p> <p>See # below</p>
<b>Can we replicate the “Well-informed Grower” information initiative?</b>	<p>Some other industry groups are already looking at applying this model to their situation. It should be realised that the model is still developing – it is only in its second season – and each industry situation is unique. HAL can assist in establishing projects and sourcing the facilitation skills needed.</p> <p>See # below</p>
<b>How can we apply the Coordination initiative?</b>	<p>The Gympie Packhouse is only one of many case studies in horticulture where groups of growers have adopted new business practices in order to improve competitiveness. There is much to learn from past examples supported by a wide range of organisations and many of these are referenced on the HAL website.</p> <p>See # below</p>
<b>How can we benefit from Variety commercialisation?</b>	<p>New varieties offer an opportunity to market differentiated products that provide a better “value offer” to the consumer and a competitive edge to the grower and other supply chain members.</p> <p>There are a number of different approaches to commercialising new varieties - HAL is managing several projects designed to help appreciate the pros and cons of the various options. HAL expects to release a “commercialisation casebook” and “best practice manual” in the next few months and is also funding a series of publications and workshops by ACIPA (Australian Centre for Intellectual Property in Agriculture).</p> <p>See # below</p>
<b>How serious are the Finance barriers to innovation?</b>	<p>This has yet to be determined. HAL has funded a scoping study by HLB Mann Judd, which is designed to quantify this issue and, if necessary, develop some solutions. To provide input to this, please contact HAL.</p>
<b>How can we drive</b>	<p>This process is managed by HMAC, the Horticultural Market Access</p>

<p><b>Market access and manage Free Trade Agreements (FTAs)?</b></p>	<p>Committee. HAL chairs this group, which includes industry, exporters research and government agencies and funds a coordinator. The particular example raised, cherries to the USA, is being addressed??? ....???. There is comprehensive information on the market access process on the HAL website.</p>
<p><b>What's happening about Export coordination?</b></p>	<p>HAL has an export plan, based on Market access, Market development and Market Growth strategies. Once access is gained, there are a number of options for developing the market in a coordinated and disciplined way. In some cases, industry has elected to ask HAL to utilise Export Efficiency Powers, in order to reduce the risk of multiple exporters driving prices down in overseas markets. In other cases, exporters have worked together of their own accord, sometimes using additional resources provided by HAL or agencies such as NFIS.</p> <p>Industries with promotion levies also have the option to devote funds to Market Growth programs – this is often arranged by HAL as a Cooperative program, with the exporter providing matching funds.</p>
<p><b>How can we address Global competitiveness issues?</b></p>	<p>A report (AH04027) commissioned by HAL on the impacts of globalisation was the basis for a members forum on the topic in May 2005. This provides a useful overview of the threats and opportunities from globalisation. The issues and impacts vary from industry to industry and need careful analysis and planning to determine the appropriate individual and across-industry strategies. HAL has drafted a "best practice" guide to planning which also focuses on the need for better information (see above) to underpin such planning.</p>
<p><b>Where are the tools to help learn better supply chain management practices?</b></p>	<p>The good news is that help is available to improve competitiveness with supply chain management skills. Many state and Commonwealth business development and rural development programs are listed on the HAL website. The bad news is that it can be quite confusing to pick and apply for the appropriate program. HAL is working with NFIS and other programs on the "Food Industry Network (FIN)" concept to better align and streamline these programs.</p> <p>More good news is that these programs have already developed some exceptional resources and case studies. These, plus others from horticulture and other industries, are also referenced on the HAL website. <b>See # below</b></p>
<p><b>How can other supply chain issues needing HAL facilitation be flagged?</b></p>	<p>There is an open call for such issues to be registered with HAL. Contact HAL (details below)</p>
<p><b>#How can HAL assist in supply chain initiatives?</b></p>	<p><b># HAL is calling for Voluntary Contribution-funded proposals addressing any aspect of supply chain from now to September 2006. See website for details</b>  <a href="http://www.horticulture.com.au">www.horticulture.com.au</a></p> <p><b>Also contact the HAL Supply Chain Portfolio Manager at</b>  <a href="mailto:Gerard.mceville@horticulture.com.au">Gerard.mceville@horticulture.com.au</a></p>