

Towards Developing Aotearoa Value Chains



Agribusiness
& Economics
Research Unit
LINCOLN UNIVERSITY



OUR LAND
AND WATER

Toitū te Whenua,
Tōiora te Wai

National
SCIENCE
Challenges

**E ngā mana, e ngā reo
kārangaranga.**

**He mihi maioha ki a koutou
ngā kaipāmu, ngā kamupene,
ngā kaitiaki whenua whai
oranga.**

**He rauemi tēnei hei
whakaohooho, hei
whakawhānui i ngā
whakaaro e pā ana ki tēnei
kaupapa manahau, kaupapa
whaipaiinga.**

Welcome to you all.

**A warm welcome is extended
to all our farmers, businesses,
and environmental guardians
who seek well-being.**

**This resource aims to bring
awareness about the value
chain and its aim to support
well-being and benefits.**

What is a supply chain?

If you produce and sell a product then your business is part of a supply chain. A supply chain covers on farm production (including inputs from other suppliers) and stretches to the purchasing and consumption of a product or service.

A business that operates in a supply chain will often have a relationship with immediate suppliers and buyers.

The business may not have much knowledge of what happens further down the chain towards the final customer.

There may be ways to increase the value that your business creates and captures (i.e. increase income) by becoming part of a value chain.



What is a value chain?

Just like a supply chain, a value chain involves all the processes and activities involved in getting a product from the farm to the final consumer. Some people call this "gate to plate" or "farm to fork".

The key difference between a supply chain and value chain is the focus on creating and capturing value through understanding what is valued by the final consumers, and using this in product creation.

For example, a group of consumers may value eating meat that is pasture raised and organically grown, and may be willing to pay a premium for this.

Producing a product that meets these demands, and making sure consumers know about this, allows businesses in the value chain to capture extra premium.

In a value chain, information about what the final consumer values is shared with members of the chain, and a story, or marketing message, is developed to share with the final customer. Information flows both ways along the chain!

A value chain may be long, needing many businesses to get a product to market. A good example is selling meat overseas.



On the other hand, it may be short; for example, selling farm produce at a local farmers market.



Moving from financial value to shared values

Moving from a supply chain to a value chain requires thinking about your business, the products you offer, and how this will provide value for the final consumer.

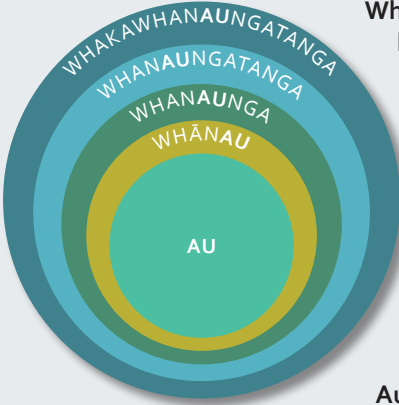
Economists often define value as financial return. However, our research identified that shared and articulated values are often just as important they provide the glue that holds the value chain together.

Best practise value chains not only produce commercial value, but build on, and enhance, the values that each agribusiness in the value chain holds.



Whakawhanaungatanga

This conceptual framework comes from the He Kākano, Ministry of Education, that encourages educational leaders to view themselves as cultural beings that move into different spaces. In the same way, we see people in a value chain as beings of culture and values who can create and add value in different ways, and at different levels. Note that each individual, denoted as 'au', can progress through each level of engagement.



Whakawhanaungatanga: relationship building (enacted through shared history, shared experiences, whakapapa, shared values, common interests)

Whanaungatanga: relationships (identifying business purpose)

Whanaunga: stakeholders, landowners, beneficiaries

Whānau: focal company, business entity, trust, organisation, enterprise

Au: Individual

Key question

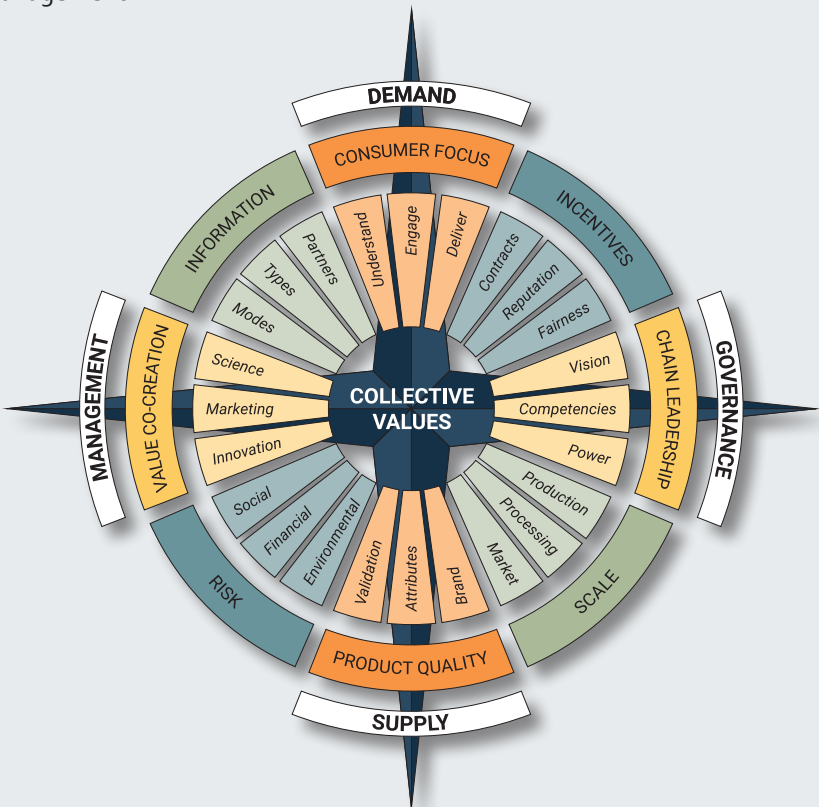
What special quality do I have that can add credibility and value as it passes through, circulates and recycles through each level?

The Value Chain Compass

The Value Chain Compass offers a guide for enterprises wanting to create a new value chain, or to transform an existing supply chain into a value chain.

Based on five years of case study research, this value chain compass resource offers an in depth information guide that explores a series of value chain attributes to consider when developing a value chain strategy.

It highlights nine key characteristics of successful value chains and presents them in an organised way around demand, supply, governance and management.



Connections

Whakawhanaungatanga is an invitation to build relationships and make connections. Alongside values, our research highlights two key connections that underpin a successful value chain: between consumers and producers; and between governance and management.

Consumers and Producers

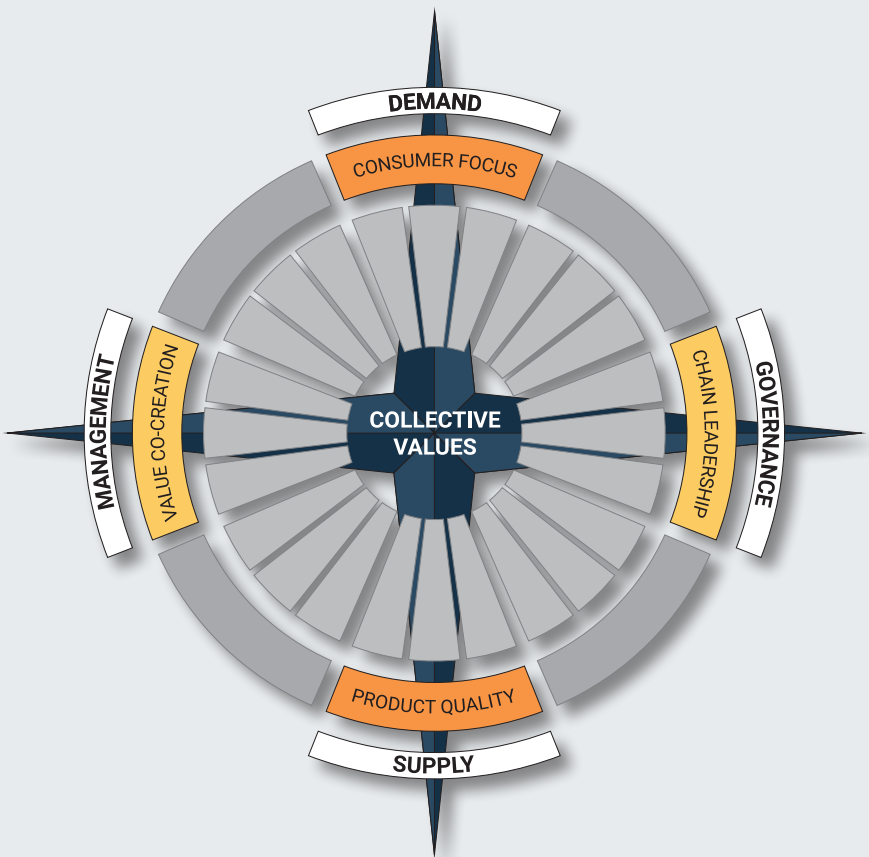
- Do we understand what our consumers want?
- Do we understand what our products offer?
- How do we connect what we produce with what the consumer values?
- How to we connect with our consumers and tell 'our story' how the product was developed?

Governance and Management

- How do we ensure our values are maintained and upheld?
- How do we turn our values into a business strategy?
- How do we collaborate with other businesses that share our business values to create value?
- In our value chain, what does whakawhanaungatanga mean and how can we express it?

Values

- What are the values that guide ourselves and our organisation?
- How do our partners, or potential partners, share and articulate our collective values?
- What do we have in place to express these values from paddock to plate?





Find out more

Our research has produced case studies and reports that are aimed at helping people design successful value chains. Learn more at the following websites:

<https://www.aeru.co.nz/valuecompass>

<https://ourlandandwater.nz/the-value-project>



Further Resources

Mika, J. P., Dell, K., Newth, J., Houkamau, C. (2022). Manahau : Toward an Indigenous Māori theory of value. *Philosophy of Management* , 21, pp. 441-463.

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Retrieved from <https://hekakano.tki.org.nz/The-programme/Outside-school-wananga>.

Disclaimer

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