

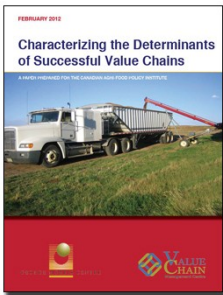


Value Chain Management International (VCM) enables businesses to compete more effectively by creating environmentally and financially sustainable value chains through measurement, analysis, training, and implementation.

Measurement || Analysis || Training || Implementation

VCM has worked in all sectors of the agri-food industry worldwide, providing its clients with in-depth research and analysis. Published reports and case studies per sector can be accessed via the company website under the headings below. VCM has also co-authored several publications on **FOOD WASTE** and is a leading public and industry voice in bringing awareness to the opportunities and solutions surrounding food waste reduction, traceability, and the environment. A selection of VCM's key reports follows with digital links to the full report.

### Characterizing the Determinants of Successful Value Chains ([LINK](#))



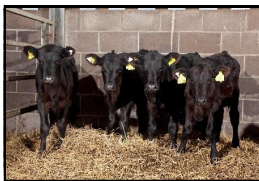
Value chain management (VCM) is more than a theory; it is a strategic business approach that is helping a growing number of businesses increase their long-term competitiveness. It would be extremely difficult, if not impossible, to achieve such competitiveness by operating as an individual business within a fragmented value chain. This paper addresses misconceptions surrounding value chains and VCM. It provides an informed, objective perspective on VCM by demonstrating how value chains operate at the business level rather than the sector or sub-sector level. It also describes the factors required for effective VCM. In doing so, the paper provides businesses with a roadmap for improving their competitiveness. It also provides a basis for more informed discussions to occur on developing initiatives that could lead to a more competitive and profitable agri-food industry, regardless of the county in which a business operates.

### Australia's Innovative Beef Traceability System ([LINK](#))



The effectiveness and value of any traceability system is ultimately determined by the system itself and the rigour with which it is applied. Both factors must exist for a traceability system to succeed in enabling businesses to increase their profitability and an industry to protect its competitive interests. Full chain traceability is a relatively simple concept. In practice, it is a highly complex undertaking, which can require enormous investments and produce little benefit if not planned and executed correctly. In conjunction with Beef Farmers of Ontario, VCM studied Australia's National Livestock Information System (NLIS) to identify how one of the most effective livestock traceability systems in the world operates and the lessons this offers the Canadian livestock industry.

### Blade Farming Beef and Veal Production ([LINK](#))



Traditional beef production sees farmers produce an animal that meets their definitions of quality, then sell that animal to whoever is offering the best price at the time of sale. Even if they are loosely aligned with a processor, this approach equates to farmers producing cattle according to a largely personal perception of value, then speculating that the animal will find a market at a price that sufficiently exceeds the cost of production to support a viable farming operation. Blade Farming reflects the more strategically aligned and sustainable model of beef production that is gaining momentum in the UK and elsewhere. Production begins by defining the attributes that target consumers value, particularly those for which they are willing to pay. The involved businesses (input suppliers, farmers, processor, distributor, retailer/restaurant) then partner to establish the standards and business arrangements that enable them to produce, process, and market beef more profitably than otherwise possible. This approach also enables them to mitigate risks associated with traditional methods of production and selling on the open market.

## Increasing the Profitability and Competitiveness of Ontario's Potato Industry ([LINK](#))



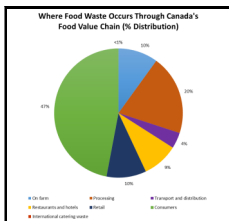
In collaboration with the Ontario Potato Board, Loblaw Companies Limited, and Downey Farms, VCMI and George Mitges & Associates sought to identify how Ontario's fresh potato industry can increase its competitiveness and profitability. The study comprised three interconnected activities. A review of potato marketing practices occurring in South Africa, the UK, Australia, New Zealand, and the US sought to identify approaches and formats that could be emulated in Ontario. The international review influenced the design and delivery of a detailed study into 1,053 Ontario consumers' attitudes towards potatoes and their purchasing habits when buying fresh potatoes. The third activity, a high level value chain analysis, involved interviewing twelve industry experts and analyzing industry data to identify opportunities to reduce costs or increase revenues throughout the process of producing, packing, distributing, and marketing Ontario grown potatoes.

## Increasing the Profitability of Ontario Apple Producers ([LINK](#))



Ontario's apple industry competes in a global industry composed of fierce and increasingly capable competitors. Focusing primarily on cost cutting and productivity is unlikely to produce the long-term results achieved by implementing only those processes necessary for creating value from the perspectives of customers and consumers. The benefits of taking the "market driven" approach to business – where the entire value chain works collaboratively to continually increase the effectiveness and efficiency with which it creates value for consumers – include loyal repeat consumers, stronger business relationships, higher levels of innovation, reduced costs, and greater profitability. In conjunction with the Norfolk Fruit Growers' Association (NFGA), VCMI undertook a project to identify opportunities to capture greater value from the production, grading, packing, marketing, and retailing of Ontario apples. The resulting insights are enabling NFGA to help Ontario apple growers increase their long-term competitiveness and profitability, and to work with retailers to reposition Ontario apples in the marketplace.

## Food Waste in Canada — \$27 Billion Revisited ([LINK](#))



VCMI revisited its 2010 "Food Waste in Canada" report, which estimated that Canadians waste a staggering \$27 billion of food annually. Four years later, VCMI ascertained that the figure is in fact 15% greater: the quantifiable value of food waste in Canada is actually \$31 billion. The true cost of food waste in Canada is in fact \$107 billion. This is calculated by taking United Nation's Food and Agricultural Organization's estimation of the value of food wasted representing only 29 percent of the true cost. For businesses, the total cost of waste along a value chain can exceed the combined margins of the involved companies. For consumers, avoidable food waste can increase the cost of

food by 10 percent or more. Through reducing food waste, businesses can reduce operating costs by 15 to 20 percent and increase profitability by the equivalent of 5 to 11 percent.

## Motivating and Enabling Value Chain Innovation in Canada's Agri-Food Industry ([LINK](#))



Innovating as a value chain enables businesses to create competitive advantages that are extremely difficult for competitors to copy. This paper commences by explaining why value chain innovation is important to the future prosperity of Canada's agri-food industry. It then discusses the factors that determine businesses' motivation and ability to innovate in line with market demands. Inhibitors to value chain success are also presented. The penultimate section of the paper describes the influence that government policy plays in enabling and motivating market-driven innovation in the agri-food industry. It concludes by describing the role that industry, government and academia can play in facilitating and motivating Canadian agri-food innovation at the business level, leading to a more competitive agri-food industry.