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Effectiveness of a "whole of chain" approach in linking farmers to market: a case of Pakistan mango market

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Abstract

Mango is the second major fruit crop in Pakistan. The domestic retail market for mango in Pakistan is dominated by small retail shops, street hawkers, and road side stalls. The fruit sold in these retail outlets is prescribed by the traditional quality standards of size, appearance and price. However the growth of superior outlets/supermarkets chain especially in the major cities are setting additional quality standards such as blemish free, improved packaging, prestige, convenience to deliver premium quality mangoes. Similarly the export market is mainly targeted to the expatriate Pakistani consumers rather than quality conscious foreign consumers. This is because of inadequate market information and understanding all along the chain. A whole of chain approach is undertaken to improve the market understanding in an ACIAR project. Since the approach is new, a conceptual framework is developed in order to assess the effectiveness of the approach. The results indicate that the participants all along the chain would change their practices if they find the compelling reason to change in their existing businesses.

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1. Introduction

Pakistan is a country of 180 million people, two-thirds of whom reside in rural areas. The agricultural sector is one of the mainstays of Pakistan's economy, contributing 21 per cent of GDP, employing 45 per cent of the country's workforce, and being a major source of foreign exchange earnings (Government of Pakistan 2010). Mango (*Mangifera Indica*), commonly called 'king of fruits', is native to Southern Asia, especially Burma and Eastern India. The mango is considered a fruit of excellence, and thus has a prominent position among the commercial fruits grown in Pakistan. It is the second major fruit crop after citrus, with an annual production of around 1.72 million tonnes in 2008-09 (MinFAL 2010).

Marketing of mangos is mainly in private hands and the role of the public sector is confined to creating an enabling environment that may include the provision of physical infrastructure, regulatory measures, market intelligence and market promotion. Pakistani people are mango-loving consumers and 93% of the mangoes are consumed in the local market (Mehdi 2012). The domestic retail markets are dominated by small retail shops, street hawkers and road-side stalls. The fruit sold in these retail outlets is prescribed by the traditional quality standards of size and price which is mainly sourced from wholesale markets located in the cities. The wholesale markets are dominated by the traders such as contractors and commission agents who have main focus on volume sales because of associated incentives in form of commission. The main concerns of the traders is to sell out the volume as quickly as possible therefore drove the whole markets down by creating supply gluts in the wholesale markets

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and ignoring the quality oriented supermarkets emerging rapidly in the big cities. Consequently, misappropriation of value by the traders through traditional quality standards is common in which the growers and the quality oriented consumers were the main victims.

In 2006, an initiative was taken to improve market understanding through involving all key stakeholders, growers, traders, retailers, in a demonstration project commissioned under the Australia Centre for International Agricultural Centre (ACIAR) Project. The ACAIR project built technical capacity among the commercial stakeholders all along the chain through a market oriented approach over a period of three years and the approach is known as a "whole of chain" approach. The main objective of the project was to demonstrate the benefits of premium quality at high end markets so as to modify the existing practices on improved market knowledge and skills at each level of the chain.

There is little evidence in the literature that provides the basis of assessing the effectiveness of a "whole of chain" approach in an industry development in developing countries. This study develop a conceptual framework to evaluate the effectiveness of a "whole of chain approach" in linking farmers to their market and the implication of the approach in transitional economies.

2. Review of literature

Maintaining reliable supplies of product that meets consumers increasing quality standards is one of the biggest challenges facing growers in the developing countries (Batt 2005; Murray-Prior et al. 2007; Shepherd 2007; Van der Vorst et al. 2007). Some critical issues in this regard are the lack of technical knowledge at the farm level in establishing and implementing quality management systems in connection to market needs and lack of infrastructure facilities from farm to market. These deficiencies inhibit efforts to improve the functioning of commodity chains (Batt et al. 2005; Murray-Prior et al. 2007; Van der Vorst et al. 2007).

Consequently, to address these problems the farm to market linkages approach which was previously focused on improving the productive capacity of rural producers in isolation needs to be revisited in a more holistic way to emphasize the interdependency of the on-farm activities and those further downstream in the marketing system (Shepherd 2007; World Bank 2010). The approach therefore have been conceptualized as 'learning and innovation network' or marketing network which holds production challenges 'inside' to the rural areas with opportunities 'outside' in the external environment or 'marketing' (Murdoch 2000; Packham et al. 2007; World Bank 2010). Companies located within these marketing clusters or networks would benefit from innovations, access to employees with the right skills and improved transparency (Porter 1998; Maropoulos et al. 2008).

Batt and Purchase (2004) supported the network approach in a supply chain management context and emphasized to build coordination among the enrolled entities on commonly identified issues so as to achieve a collaborative action based on trust and commitment. Dunne (2001) extended the arguments and declared supply chain management is a competitive strategy where businesses in a supply chain servicing a specific market segment, deliberately decide to cooperate with each other so as to improve their competitive position by enhancing the value they collectively create for their customers. Experiential learning in group of diversified stakeholders, therefore, has got prominent place in the development and extension project both in developed and developing countries (Packham et al. 2007). From a whole of chain perspective the composition of the participants involved is extended to include off-farm members of the marketing network in the ACIAR project (Collins et al. 2006).

Kolb (1984 p. 38) described experiential learning as 'the process whereby knowledge is created through the transformation of experiences'. He presented four critical dimension of experiential learning in a cyclic form- experience to reflection to conceptualization to application, which is to be continued and repeated. Experience and conceptualization are associated with obtaining knowledge while reflection and application involve transforming the knowledge into practice.

Dunne (2006) drawn on Argyris and Schön (1996) that an individual's existing practices are determined by their mental models, or theories-in-action, of what they deem to be appropriate behavior. However, if the outcomes (experience) associated with this behavior is not desirable (observation) then the individual questions why (reflects) and plans modifications to existing practices (conceptualizes) that are designed to restore outcomes to expectations. Hence, the learning cycle is completed until another unintended outcome is observed. This process is called single-loop learning (Argyris & Schon 1996).

An individual's mental models are the basis of their conceptual framework which comes into play during the reflection and conceptualization stages of the learning cycle, and govern the range of options that an individual can contemplate as acceptable behaviors or practices. Persistent dissatisfaction with outcomes generate by single-loop learning can motivate an individual to question their conceptual framework and seek the knowledge and skills necessary to transform their existing practices (Kim 1993; Knowles, Holton, and Swanson 2005). This process of self-reinterpretation is referred to as double loop learning (Senge & Tosey 1990; Argyris & Schon 1996) or second order learning (Knowles, Holton, & Swanson 1998).

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