

What is Value Added Agriculture?



Value Added Ag

- What does this mean to you?



Value Added Agriculture

.... The idea of diversification, innovation, change, or growth of products.

USDA defines value added through the following lenses:

- **A change in the physical state or form of the product (such as milling wheat into flour or making strawberries into jam).**
- **The production of a product in a manner that enhances its value, as demonstrated through a business plan (such as organically produced products).**
- **The physical segregation of an agricultural commodity or product in a manner that results in the enhancement of the value of that commodity or product (such as an identity preserved marketing system).**

What is the Food Value Chain?

“In its simplest form, the food value chain begins at the farm, with the growing or raising of our food, and ends with us (the consumer) eating it. However, the more complicated truth is that the food value chain is more than just a linear chain of events; it’s a network of stakeholders (businesses, organizations, and people) with common goals that work together to add value to a food product.”

-AG For Life

SUPPLY CHAIN OF PEANUT BUTTER





Let's break down each process in the food value chain...

Consumer Preferences

-We need to know what consumer audience we are targeting and what do they want to see.

-What are our audiences/consumers wants and needs?

Factors that influence consumer preferences may include but are not the only influences: cost, marketing campaign, branding, brand loyalty, health factors, cultural influences, social factors, personal preference, quality, accessibility, etc.

Can you think of any other influences on consumers?



Stakeholders Involved

- Inputs
- Production
- Manufacturing and Processing
- Storage and Distribution
- Government Regulations
- Outputs/Waste Management
- Consumers
- Retail
- Marketing



Inputs

This is what we need to begin: seed, feed, equipment, technology, etc

-These stakeholders supply the producers with what they need. They use a team of scientists, researchers, engineers to come up with the best possible inputs that will produce at the highest yields and highest qualities.

-Agriculture education is very important for this stakeholder to give producers the best starting blocks.

Example: Seed Plants, Fertilizer Plants, Livestock, Feed Suppliers



Production

This is where food is grown and raised. The heart of the food value chain!

- Important stakeholder and one that is decreasing
- The risky stage in the food value chain as this is where most loss happens.



Manufacturing and Processing

This is where our basic commodities get made into something else that may add value to them.

- Example cattle into beef products-hamburgers/steaks, Grain get made into breads or cereal
- Packaging is another part of this stakeholder- to keep food fresh, safe from contamination and spoilage.



Storage and Distribution

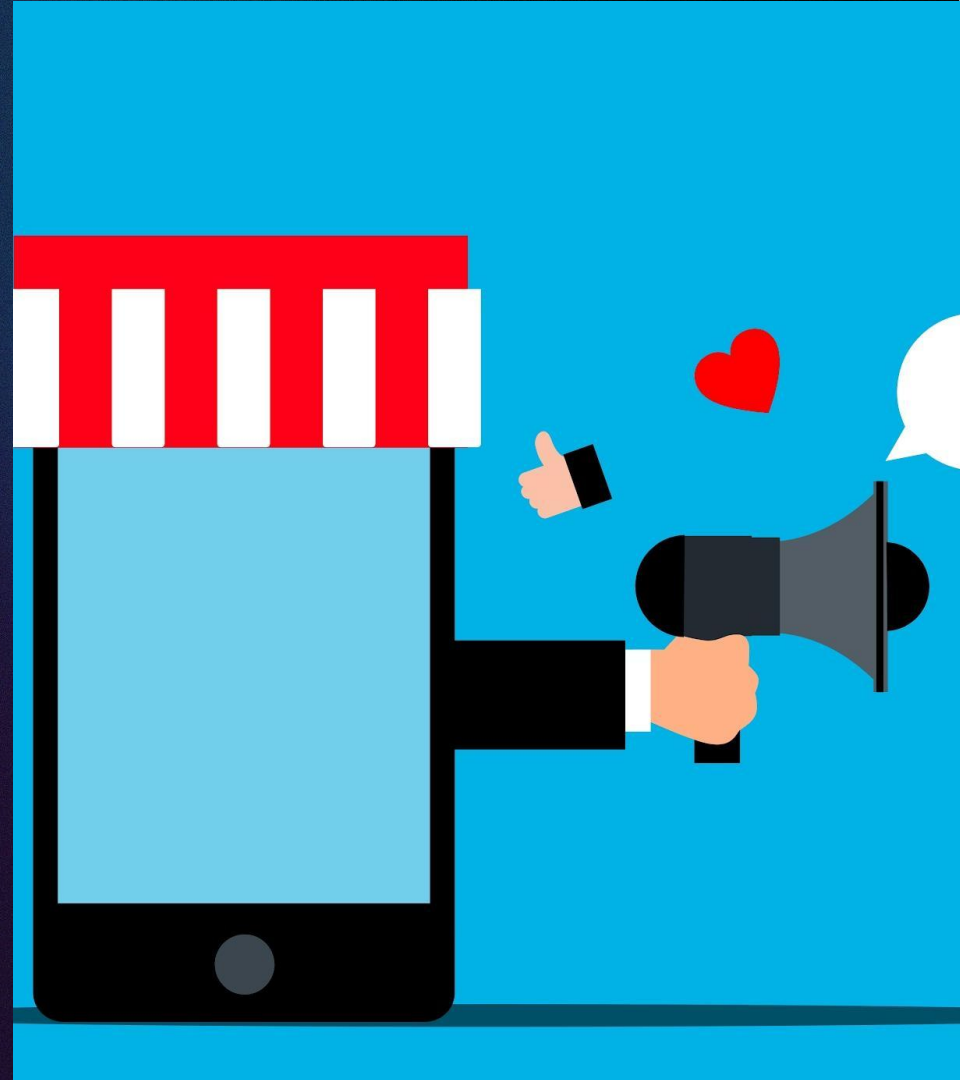
- Storage is used to keep food safe between stages of the food value chain. Keeping commodities safe from moisture, pests or spoilage. As well as keeping food safe during manufacturing and distribution.
- Distribution is moving the food from place to place- road, rail, port, air



Marketing

A critical component of selling products.

-Make connections to consumers to increase sale and sell our product. Using advertising techniques, consumer influences, visually appealing packaging and other marketing strategies.



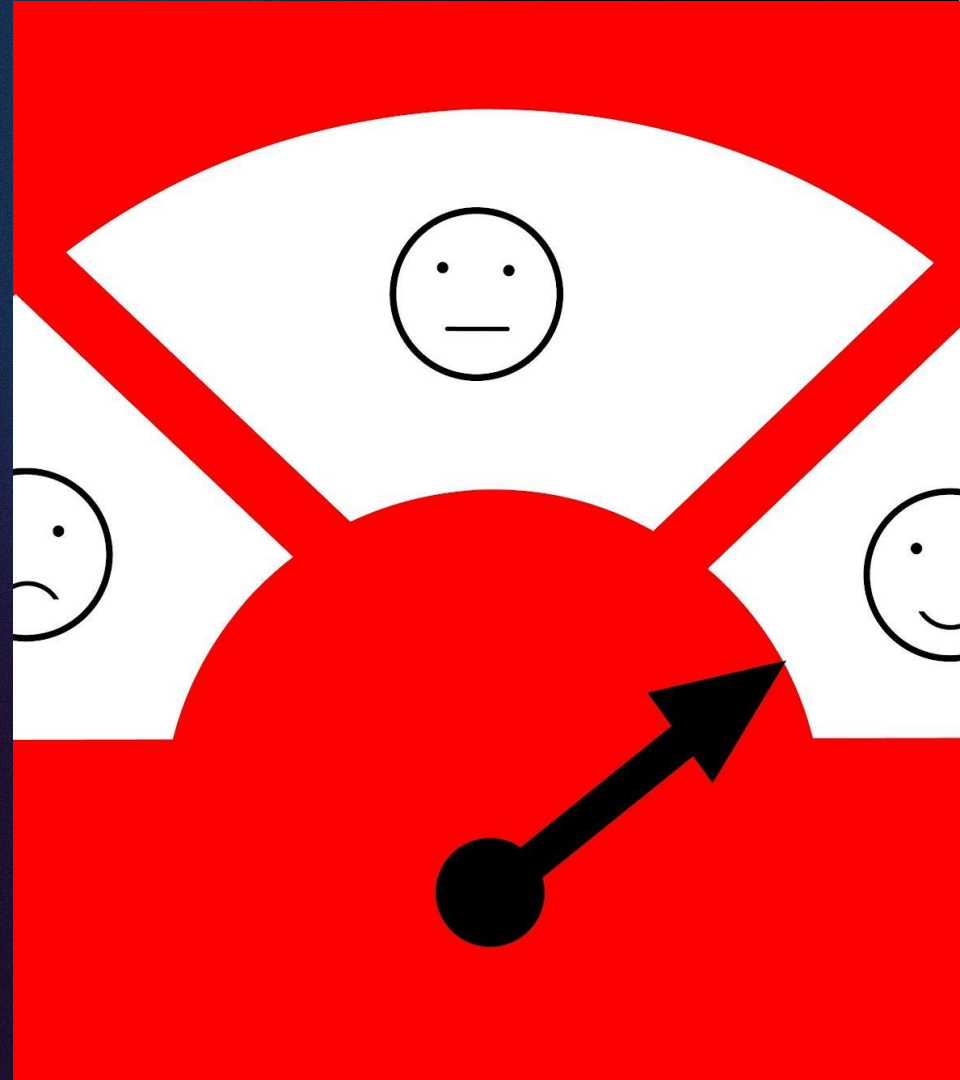
Retail

- Where products become available for consumer purchasing and consumption.
- Grocery stores, restaurants, farmer's markets, online shopping, etc.



Consumers

- The driving force of the whole cycle.
What consumers want is what we produce (the reason for the value adding)
- Consumer education of products is important
- The importance of health and nutrition has been an increased consumer trend



Outputs and Waste Management

- The products and by-products produced at all stage of the food value chain.
- Reducing these amount is a globalized issue these stakeholders are trying to solve
- Approximately $\frac{1}{3}$ of all food produced worldwide is wasted (with a growing population to feed this problem needs to be solved)



Government Regulation

- Government works with health organizations, consumers, industry stakeholders, inspection agencies to create policies and regulations to ensure safe products for consumers.
- Canada is said to have one of the safest food systems in the world



Activity:

What does the food value chain look like? Draw a visual representation of each stakeholder/stage in the food value chain, and indicate how they interact with one another. Include inputs, production, manufacturing and processing, storage and distribution, marketing, retail, consumer, outputs, and government regulation.

Hint: Plan out a rough draft before starting. What shape will it take? Are all the stakeholders connected?

Let's Discuss!

Response Assignment:

Submit to me a paragraph response via email answering this question-
What do you think the future food value chain will look like? Does it include the same stakeholders? What will change, what will stay the same?

