

Québec's agri-food industry must rise to significant challenges in the global business environment. Other countries and regions of the world are also facing similar situations and have responded with innovative solutions, such as value chains.

The Fonds de Développement de la Transformation Alimentaire (food processing development fund) recently launched an initiative in this area and held a conference on the subject, with SGF taking part.

The value-chain approach, which is a true management method, is based on a set of specific principles, including:

- Reversal of the chain: The agri-food supply chain has traditionally taken a farm-to-table approach (from the producer to the consumer). It is often wiser, however, to produce what customers would like to buy rather than looking for outlets for products. The idea is to make the consumer the starting point for the entire process.
- Value creation: Once the process has become consumer-focused, it is important

to ensure that each activity in the chain contributes to an effective response to the consumer's needs. All the stages have to be understood and evaluated as a function of the value they add to the final product.

- Co-operation: Since a value review must include all stages of production, it concerns all the links in the supply chain (producer, processor and distributor). The partners must go beyond their strict business relations; they must engage in discussions, integrate their various processes and design their product offering together.



The Value Chain,

More than a trendy concept, it's a source of inspiration
for Québec



The success achieved with these principles, in the Netherlands for example, indicates that Québec's industry could find a relevant source of inspiration in value-chain management.

Moreover, Québec has certain advantages that could help it derive benefit from these principles, such as creative, flexible entrepreneurs, R&D resources and recognized production and processing expertise, to cite only a few.

Certain Québec companies, such as Viandes Laroches and Meunerie Milanaise, have already embarked

on value-chain initiatives, with initial results that look very promising.

SGF, an actor committed to the economic development of Québec and its regions and a historic partner of the province's agri-food sector since 1976, is interested in this new management approach and recognizes the important role it can play in our efforts to enhance Québec's competitive edge.

For more information: www.fdta.ca

