Supply Chains in New and Emerging Fruit Industries: The Management of Quality as a Strategic Tool

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Abstract

The literature on new and emerging industries in horticulture is dominated by studies of the fit between new species and their environment. Very little attention has been paid to how a successfully adapted new species may lead to a successful new industry. In practice, it is the marketplace that converts new products into income, so adaptability and marketability both drive success in new industries. However, studies that integrate both these drivers in a systems view of how a new industry emerges are rare.

Recently, supply chain management has emerged as a conceptual framework for describing and analysing the complex system that links the production of food and fibre products to their consumption. It is a framework that captures the logistical, economic, marketing, technical, information and human resource elements of the production-to-consumption chain.

The relatively few studies of success and failure in new agricultural industries point to three conditions associated with failure: poor orientation to the market; lack of reliable information; and lack of collective behaviour among industry participants. It is possible to address each of these issues using a supply chain management framework, so it is reasonable to question whether adopting such a framework would give a new horticultural industry an improved chance of success.

This paper draws from research over the last eleven years with three new horticultural industries in Australia: sweet persimmons, bamboo and native flowers. It demonstrates how supply chain management principles have provided a strategic framework for a core group to focus collaboratively on its marketing, production and information systems. Paramount to the approach is the need to achieve quality across all the activities of the core group – not just product quality as perceived by the consumer. Results indicate that attention to quality not only satisfies consumers, but it also builds trusting relationships among chain partners. Trusting relationships bind the members of the chain, particularly when facing difficult decisions. As a result of this research, each of these three new industry groups is developing a competitive strategy based around their own high quality ‘hand crafted’ supply chain.

Keywords

new industries; supply chain management; quality; intervention; empowerment

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