March 2009
Volume 8, Issue 1

The ChainLetter

The International Food & Agribusiness Management Association Newsletter

The House of Parliament, Budapest, Hungary

IAMA President Report

László Vajda
Ministry of Agriculture and Rural Development, HU

Dear Friends of IAMA,

The world economy is currently in crisis and the recession is effecting the agri-food sector as well.

We need to strengthen existing ties, establish new contacts, and invent new methods of production and marketing in order to find the way to recovery

The IAMA yearly conference offers a unique opportunity for all participants to come together to discuss strategic issues in agribusiness and also develop bilateral relations.

I would like to personally invite you to attend the 19th IAMA Agrfood World Forum and Symposium "Global Challenges – Local Solutions" which will be held in Budapest, June 20-23, 2009. The venue will be hosted at the Europa Congress Center located in the green belt of Budapest right at the foot of the Buda Hills, only 10 minutes from the City Centre and 15 minutes from the M1-M7 highways.

This year's comprehensive program includes:

- The World Forum features 7 Sessions
- Bridge Session on Agribusiness Education
- Scientific Symposium with 18 Sessions (126 Papers and 62 Posters)
- IAMA co-sponsored 1-1/2 day workshop presented by the FAO
- Case Conference
- Student Case Competition featuring 12 University Teams.
- Task Group Meetings and Discussion Sessions offering 10 interesting themes.

The Social Events will offer conference participants a variety of networking opportunities in a mix of cultural, historical and, educational settings. These include:

- Student - Industry Reception at the Europa Congress Center.
- Welcome Reception at the Museum of Hungarian Agriculture. Enjoy the Vajdahunyad Castle and a Violin Concert.
- Presidential Banquet at the Lazar Equestrian Park near Gödöllő.

We have carefully planned some truly unique conference tours for participants. Some routes as an appetizer include:

- An Eger and Tokaj wine-tour
- Hortobagy Puszta tour and Debrecen University, Hajduszoboszlo wellness
- Szeged, a university town, famous for PICK Salami and Paprika
- Danube Bend Tour includes a trip through Szentendre, Visegrad, Esztergom.
- Lake Balaton, Tihany's Abbey, golf competition for Herend Porcelain prizes.

Read more about these tours later in this issue of ChainLetter.

We are convinced that the manifold variety of the program will fulfil the expectations of all stakeholders and academics of the Agrifood World. The registration fee is quite reasonable because of the support secured from a high number of the sponsors.
For on-line registration visit IAMA's website: www.ifama.org.

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If you have any questions please contact the IAMA Business Office. Plan on registering soon because the rooms available at hotels of the Europa Congress Center have a limited capacity.

Reservations for hotel accommodations and the registration for the outstanding Pre- and Post-Conference tours should be made through the local Conference Bureau, Visit: http://www.congressline.hu/iama/.

We are looking forward to seeing and meeting you in Budapest during the World Forum.

Best regards, László Vajda

IAMA President Elect, 2009 - 2010

Paul "Tuck" Jasper

CEO, Covered Logistics Transport LLC

The 2009 Conference is fast approaching. The quality of the Symposium submissions is excellent and the Forum agenda will provide attendees with new information and take-aways. We look forward to seeing you in Budapest June 20-23!

Work on the 2010 Conference in Boston June 19-22 is progressing. The venue will be the Park Plaza Hotel & Towers, which is a beautiful, historic property that has been fully renovated. 2010 is the 20th anniversary of the founding of IAMA in Boston. There will be a tribute to the founding and intention of IAMA, and implementation of the renaissance and focus of IAMA into the future as defined in the Strategic Plan.

A major restructuring of the Conference will take place for the 2010 meeting, making the Conference even more topical, important and useful to participants. The 2010 Program Planning Committee currently consists of:

- Mike Boehlje, Purdue University, Co-Chair,
- Bill Whipple, Wells Fargo, Co-Chair,
- Mary Shelman, Harvard University
- Ken McCorkle, Wells Fargo
- Francisco Mere, Societe Generale, Mexico
- Kristian Moeller, Global GAP, Germany
- John "Trey" Key, Monsanto
- Carole Brookins, New York City
- Marcos Neves, University of Sao Paulo, Brazil
- Francis Declerck, ESSEC Business School, France
- Bill Gorman, New Mexico State University
- Jay Lillywhite, New Mexico State University, Symposium Chair
- Greg Baker, Santa Clara University, Case Conference Chair
- Eluned Jones, Texas A&M, Student Case Competition Chair

We will be asking for additional participants over the next month so the Planning Committee has a broad geographical representation of issues and ideas.

Mark your calendars now for Boston 2010.

BioFuels Task Group Update

By Belen, Frers, IAMA Event Coordinator

Hector Laurence, Chair of the Biofuels Task Group, is taking the lead in coordinating the two Biofuels sessions that will be offered during the Conference in Budapest next June.

Dr. Laurence is delighted to announce that almost all the speakers invited to participate on the panels are already confirmed.

The first session scheduled for Sunday 21st, afternoon will provide a more European and international viewpoint, with Jozsef Popp from the Agricultural Economics Research Institute of Hungary; Jordi Rosell from Fundacion Triptolemos, Spain; and a third participant from FAO.This panel will discuss the current situation in Europe both as producing and demanding market, the legal frame and projections for 2020, logistics, sustainability and environmental concerns; trade barriers and characteristics in Europe such as where; how much; and at what cost?

The second session scheduled on Tuesday 23rd, will consist of speakers from three big bio-fuel producing countries: William Scott from Agland Investments Inc., USA; Marcos Jank from UNICA, Brazil and Hector Huergo from Clarin, Argentina. The speakers will provide the most accurate data on supply projections, comparative costs, new technologies, trading opportunities and barriers.

Dr. Laurence would like to make an extensive invitation to all conference participants to attend these two promising and informative sessions.

Is Metropolitan Agriculture: Creating the New Green Revolution?

Sander Mager, Vice-President of TransForum, The Netherlands

Pre-announcement for a working session on Metropolitan Agriculture in Budapest

Sunday June 21, 2009, 2:00 - 6:00pm

In February 2009 the United Nations Environment Programme (UNEP) presented the report 'The Environmental Food Crisis'. "We need to deal with not only the way the world produces food but the way it is distributed, sold and consumed, and we need a revolution that can boost yields by working with rather than against nature." said UN Under-Secretary-General and UNEP Executive Director Achim Steiner at the presentation of this report.

The report shows that many of the factors blamed for the current food crisis - drought, biofuels, high oil prices, low grain stocks and especially speculation in food stocks may worsen substantially in the coming decades. Add to that climate change and the fact that the world's population is expected to grow to over 9-billion people by 2050, from about 6.7-billion at present, and trouble lies ahead. "We need a Green revolution in a Green Economy but one with a capital G", said Steiner.

We feel that the challenge might be even bigger than described in the Environmental Food Crisis: It is not only about boosting yields, it's also about (re)connecting with a growing number of values. Especially in metropoles the situation is urgent.

Already last year an IAMA-Taskgroup was set-up by TransForum addressing this challenge. The Taskgroup is working on the concept of Metropolitan Agriculture. We feel that the challenge might be even bigger than described in the Environmental Food Crisis: It is not only about boosting yields, it's also about (re)connecting with a growing number of values. Especially in metropoles the situation is urgent. Most metropoles are situated in a delta, which offers the most fertile soils for agricultural production. Feeding the world cannot be done without these areas. Worldwide deltas are renowned for their high biodiversity. But these deltas are also characterized by the largest and quickest urbanization. Consumers are becoming ever more critical about food – not just in the West but also in emerging industrial countries such as Brazil, Russia, India and China. Not only is the demand for high-quality and varied food rising, the consumer also wants to know more about the way food is produced. Think of values such as health, sustainability and animal welfare. New technologies such as biotechnology and novel protein foods open up new possibilities, but these technologies also have a clear downside: on account of increases in scale and intensification, the license to operate of the agro-industry is coming under pressure. The city and countryside have ceased to be segregated worlds in metropolitan areas. Urban development is taking place in agricultural areas and agro-activities are to be found in the city.

The food production system and lack of space are not isolated phenomena: both are closely interrelated with the earth's ecology. We cannot therefore disregard systemic problems such as the absence of sufficient drinking water, the climatic consequences of industrial production and the shrinking availability of energy. In combination with a complex administrative environment – in which stakeholders, media and social movements play an important role – this means that finding a solution to this worldwide problem is not straightforward. Despite the fact that no solution is immediately apparent, numerous innovative experiments in the Netherlands and other metropolitan areas are giving rise to a vision, or set of guiding principles, and an approach that helps shape the renewal of agroproduction and counter the shortage of space.

Guiding principles

The most important guiding principle in the 'Metropolitan Agriculture' vision is the establishment of links. These concern new or renewed links among producers, sectors, raw materials, energy and waste flows, triple-P values and stakeholders. By establishing such links it becomes possible for the changing and competing demands that metropolitan society makes of agriculture and food production to be met on a sustainable basis. Metropolitan Agriculture makes optimal use of the strength of the metropolitan environment, such as logistical hubs, strong networks and trendsetting consumers. In addition its specialised and sophisticated agro-know-how promotes synergy among these strengths. In this way the agroproduction system becomes a boon rather than a burden for the metropolitan environment. The system also ensures that the growing demand for sufficient, healthy and diversified food and a high-quality landscape in metropolitan areas is satisfied. Whereas the first Green Revolution saw huge increases in agricultural output, the new Green Revolution is leading to a renewed recognition for agriculture by the establishment of these new links.

Metropolitan Agriculture-Continued from page 3

Shared Value Creation

A characteristic feature of metropolitan agroproduction is that it requires that businesses and stakeholders, such as knowledge institutions, governments and NGOs, jointly create value by linking up people, planet and prosperity. This enables the growing demand for sufficient and varied food and the high-quality, multifunctional use of space to be met. But how is this to be achieved? One way is to devise new cooperation and business models, making optimal use of the opportunities afforded by the metropolitan network structures. In addition these models make use of the economic and ecological efficiency afforded by the spatial concentration of logistical hubs for production and processing. In this regard we recognise that agroproduction is necessarily highly technological, but that other forms of agriculture, such as organic farming, also have an indispensable contribution to make in order to meet the varied demands of metropolitan society. At the same time the incentives leading to the productive link-up of various agricultural systems are embedded in the business models and result in the multifunctional use of space.

Shared Vision

The metropolitan agroproduction system is complex and dynamic, and involves a great many stakeholders. In order to ensure the success of the system it is important for those concerned to work together on establishing new links among the parties. Realistic knowledge, divergent value systems and the respective interests of all the stakeholders must be joined up. A shared vision for the long term is needed. Leadership is indispensable: only then will it be possible for metropolitan agroproduction to show the effective feeding of metropolitan populations and the high-quality organisation of the surrounding landscape can be combined.

Bringing the Vision to Practice

All around the world various experiments are taking place that bring this vision of Metropolitan Agriculture into practice. The Taskgroup on Metropolitan Agriculture, chaired by Dr. Henk van Latesteijn, CEO of TransForum and Dr. Kees Slingerland, CEO of Alterra, Wageningen, is dedicated to sharing the important lessons learned within the IAMA community. During the World Forum in Budapest a special working session is organized around several business-cases. This half day working session will be held on Sunday afternoon on June 21st and is open to all to work together on Metropolitan Agriculture. And in fact, we need your input, your experience and your reflections to further strengthen the guiding ideas of Metropolitan Agriculture! For more information on the working session please contact Karin Andeweg, e-mail: Andeweg@transforum.nl

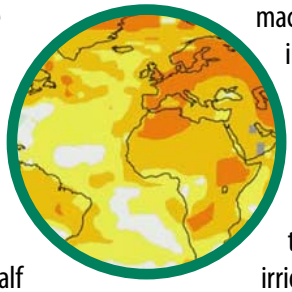
Social and Economic Development Task Group

Piya Abeygunawardena, Associate Director & Professor
Borlaug Institute, Texas A&M University, USA

A case for discussion for the IAMA 2009 World Forum and Symposium in Budapest

Many believe, to help bring food security to the 8 billion people projected in 2025, the world needs another green revolution. The productivity gains of the past simply aren't enough to feed an additional 2 billion people by 2025 or 3 billion in 2050. The green revolution that began in the 1960s has helped keep food supply ahead of rising demand over the past 30 years. By doubling and tripling yields, it bought time for developing countries to start dealing with rapid population growth. The first Green Revolution raised the productivity of the three main staple food crops—rice, wheat, and corn. Between 1950 and 1990 grain yields increased by nearly two and a half times, from 1.06 metric tons per hectare to 2.52 tons. But the Green Revolution represented only a "temporary success". As Dr. Norman Borlaug pointed out, it is not enough to boost yields on existing cropland; slowing population growth also is crucial.

The next green revolution would need to go beyond the traditional sciences and more recent developments in genetically modified (GM) seeds. Poor farmers often cannot afford the high prices charged by companies that own rights to GM seeds. In many nations, especially in Europe, consumers remain unnecessarily wary of GM foods. Despite advances in GM crops over the past decade, world crop yields have risen at about half the yearly rate since 1990 than they did during the two previous decades of the green revolution. The next revolution also must raise the productivity of other important food crops such as sorghum, millet, and cassava—foods produced and consumed mainly by the world's poor.



Because most increases in food supplies must come from currently cultivated land, raising productivity will require new technologies and better farming practices. Additional new lands are not available if the world has to maintain the environmental sustainability threshold limits. On the other hand, poor farmers cannot afford large amounts of fertilizers, pesticides, and other agricultural inputs that increased yields in the first green revolution. So, the next green revolution must produce more output with lower levels of inputs. It must recognize the mistakes of the first green revolution. It relied too much on the assumption of cheap oil and on farmers' ability to afford expensive pesticides and chemical fertilizers.

The easy gains in rice productivity were also based on building massive irrigation systems. For example, irrigation is widely thought to provide 40% of the world's food from around 17% of the cultivated area. This is particularly true for grain production and it has been an instrumental factor in the success of the 'green revolution' in meeting food needs over the past 40 to 45 years. These successes have come at significant environmental costs through river regulation, dam construction, building of massive canal systems and land clearance with inputs to intensive agriculture. It is stated that irrigation consumes about 70% of diverted water resources in Asia, where irrigation development has been mainly concentrated.

Modern technologies made the green revolution possible. Advancements in chemical sciences yielded new pesticides and herbicides, and mechanical engineering was able to provide necessary advancements in combine harvesters and land preparation machines. Between 1950 and 1984, world grain production increased 250 percent. However, these advances came with drawbacks. Farm labor usage dropped despite the rapid rise in human population over the same period. Green revolution has also increased water utilization dramatically. Today, agriculture accounts for two thirds of all our water utilizations. It is no doubt that the irrigation which is an essential part of the green revolution, causes salinity, changes the river routing, and depletes our aquifers. The monoculture system of farming invites attack from pests though it favors the green revolution. It is extremely difficult to protect monoculture systems from insects, birds and animals without sprays, traps and killings.

The green revolution has also increased energy inputs to agriculture to levels around 50 times more than those of traditional agriculture. The world knows that currently we are enjoying a painful pleasure of low energy prices and as the world economy recovers, energy prices will start an upward trend once more. Recent research responds to criticism that i) the green revolution depends on fertilizers, irrigation, and other factors that poor farmers cannot afford and that may be ecologically harmful; and that ii) it promotes monocultures and loss of genetic diversity. The increasing energy cost, primarily based on oil and gas is inevitable.

Social and Economic Development Task Group- continued from page 5

improved varieties of corn or wheat that could increase yields by an additional 20 to 40%? Could these varieties be grown on marginal land under harsh growing conditions? Could they be grown by poor farmers? Have similar developments been made by the International Potato Centre in Peru? Could these varieties of new potato be resistant to potato blight or could they be grown by the poor farmers who live under difficult conditions all over the world? Have other important food crops such as sorghum, millet, cassava, or legumes been able to make similar improvements?

Those countries that need higher crop yields will also need to adjust to new types of social contracts including donor assistance or direct foreign investments. Today, aid focuses on private market development rather than strengthening of government hands. Most donors expect long-term accountability from the recipients while aid is managed for development results. Strings will be attached, such as demands to remove trade barriers and divert more government resources to rural areas. Moreover, the population of developing countries is much larger than it was in the 1960s, the amount of arable land per person is less, and natural resources are more degraded. Therefore the next green revolution would be challenge for every stakeholder—breeder, farmer, input supplier, banker, output processor and millions of consumers from all over the world. Each and every one of them will have a historically new role.

A proposed session by the Social and Economic Development Task Group will be held during IAMA's 19th Annual World Forum and Symposium in Budapest on Sunday June 21st. The discussion will be led by Dr. Edwin Price, associate vice chancellor and director at the Borlaug Institute. An open invitation is extended to conference atendees representing cross section of stakeholders to discuss the Next Green Revolution and how it could be shaped up in the future. Piya Abeygunawardena can be contacted at: pabeygunawardena@ag.tamu.edu

2009 World Forum & Symposium Sponsors and Supporters

Siebert Family Trust ❖ Ross McLaren ❖ Jeanne Sullivan

A FAO SPECIAL EVENT

Agribusiness and Agro-industries: Development in Central and Eastern Europe

June 20 - 21, 2009
Budapest, Hungary

IAMA is pleased to again partner with the Food and Agriculture Organization of the United Nations to host a simultaneous workshop held during IAMA's 19th Annual World Symposium.

Significant changes occurred in the agrifood chains and related market relations throughout Central and Eastern Europe during the last decades. In spite of very different transition patterns and political, demographic, climatic and geographical conditions, the agribusiness and agro-industries in the region are currently challenged by the need to comply with the European Union and the World Trade Organization regulations in order to access broader and more diversified markets. As a result, the need to improve the competitiveness of agrifood industries throughout the region has become imperative and a concern for policy makers and agrifood chain stakeholders, particularly farmers and small and medium-sized enterprises.

Changes in technologies, distribution systems, urbanization and in the nature of consumer demand for agrifood products have brought about new challenges to the multiple organizations involved in production and distribution of agrifood products. Agrifood chains now require improved planning and coordination, and in particular stronger linkages between farmers, traders, agro-processors and retailers. Agribusiness managers must not only possess corporate management knowledge, but also skills in areas such as cooperation and relationship building with farmers, in order to enhance and transform supply chains into harmonised, integrated value chains.

The development of competitive agribusinesses and agro-industries has been recognised as crucial for creating employment and income opportunities, as well as for enhancing the demand for farm products. In that context, the business environment represents one of the most important drivers of competitiveness for domestic and export-oriented agro-enterprises and agro-industries. The challenge is to provide an enabling environment involving public-private partnerships, building of local linkages and institutions supporting innovation and investment in agricultural knowledge-based technologies to support diverse livelihoods, as well as improved management skills for market-oriented agriculture..

To address these and other issues pertinent to agribusiness and agro-industries development in Central and Eastern Europe, the FAO Workshop will bring together industry leaders, high level policy makers, scientists and practitioners, as well as agrifood chain stakeholders in general, to discuss and exchange views on regional needs and priorities for sector development, as well as on the perspectives for more effective integration of agribusiness and agro-industries of the region in the global marketplace.

Fees and Registration

Attending entire IAMA Conference $50 plus IAMA registration fee
Attending FAO Workshop Only $250

Speakers: Carlos DaSilva, Doyle Baker, Stjepan Tanic.
This workshop will feature a keynote speaker and three to four panelists in each session.

Participants can easily register for this workshop which will be hosted by IAMA and held simultaneously during IAMA's 19th Annual Forum and Symposium in Budapest by visiting IAMA's website at: http://www.ifama.org/dispatch.asp?page=budapest_2009 and click the Conference Registration Button.

CALL FOR PAPERS AND GRANT APPLICATIONS

In collaboration with the International Food and Agribusiness Management Association (IAMA), the Food and Agriculture Organization of the United Nations (FAO) will hold a workshop on "Agribusiness and Agro-industries Development in Central and Eastern Europe", as part of the technical programme of IAMA's Annual World Forum & Symposium in 2009.

The development of competitive agribusinesses and agro-industries has been recognised as crucial for creating employment and income opportunities as well as for enhancing the demand for farm products. In that context, the business environment represents one of the most important drivers of competitiveness for domestic and export-oriented agro-enterprises and agro-industries. The challenge is to provide an enabling environment involving public-private partnerships, building of local linkages and institutions supporting innovation and investment in agricultural knowledge-based technologies to support diverse livelihoods, as well as to improve management skills for market-oriented agriculture.

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To address these and other issues pertinent to agribusiness and agro-industries development in the region, FAO Workshop will bring together industry leaders, high level policy makers, top scientists and practitioners, as well as other stakeholders to discuss and exchange the views on the regional perspectives of more effective integration of agri-food sector in the global marketplace.

The goal is to offer a platform whereby regional experiences in agribusiness and agro-industries development can be discussed, lessons can be learned and recommendations can be made to improve the effectiveness of agribusiness and agro-industries promotion initiatives by governments and development organizations. Areas of special interest for discussion include:

- Meeting Consumer Requirements
- Enabling Environment Reforms
- Supply Chain Management and Agrifood Sector Competitiveness
- Implications for Poverty reduction and Rural Development

Potential contributors to the workshop should send a proposal consisting of an extended abstract (250 – 400 words) and a brief resume to Stjepan Tanic Agribusiness and Enterprise Development Officer, FAO Regional Office for Europe and Central Asia.

Important Dates

- Submission of an extended abstract (max 400 words): 25th March 2009
- Communication of acceptance and grant eligibility: 10th April 2009
- Submission of the full paper (max 7500 words): 31st May 2009

For more information contact:

Stjepan Tanic Stjepan.Tanic@fao.org
Agribusiness and Enterprise Development Officer
FAO Regional Office for Europe and Central Asia
Benczur utca 34, 1068 Budapest, Hungary
Tel.: + 36 1 461 2011 Fax: +36 1 351 7029

FAO WORKSHOP SCHEDULE

SATURDAY, June 20

Registration
Lobby

8:45AM – 10:15AM
Overview of Agrifood Sector Development in CEE
Copenhagen Ballroom

10:15AM – 10:45AM
Networking Break – Pool Area

10:45AM – 12:15PM
Meeting Consumer Requirements
Copenhagen Ballroom

12:15PM – 1:30PM
Lunch – Pool Area

1:30PM – 3:00PM
Enabling Environment Reforms
Copenhagen Ballroom

3:00PM – 3:30PM
Networking Break – Pool Area

3:30PM – 5:00PM
Supply Chain Management and Agrifood Sector Competitiveness
Copenhagen Ballroom

5:00PM – 5:30PM
Networking Break – Pool Area

SUNDAY, June 21

8:00AM – 9:30AM
Implications for Poverty Reduction and Rural Development
Copenhagen Ballroom

9:30AM – 10:00AM
Networking Break – Pool Area

10:00AM – 11:30PM
Conclusions
Copenhagen Ballroom

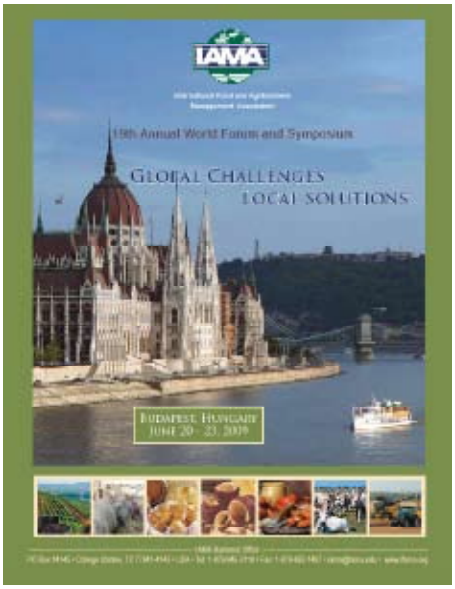
GLOBAL CHALLENGES - LOCAL SOLUTIONS

June 20 - 23, 2009 – Budapest, Hungary

- VIEW FORUM SESSIONS AND SYMPOSIUM SCHEDULE
- UPCOMING TASK GROUPS AND DISCUSSION SESSIONS
- CASE CONFERENCE
- STUDENT CASE COMPETITION
- FAO 1-1/2 DAY SIMULTANEOUS WORKSHOP OFFERED
- SOCIAL EVENTS
- PRE-POST CONFERENCE TOURS-Book Now
- HOTEL ACCOMMODATIONS-Book Now
- CONFERENCE REGISTRATION- Book Now SAVE $100

FOR COMPLETE DETAILS AND TO REGISTER VISIT:

www.ifama.org



Register Now
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2009 Conference Social Events

Student-Industry Reception
Saturday, 20 June, 2009 19.30-21.00

Europa Conference Center
Price: included in the registration fee
Extra tickets: 40 Euro / per person

A casual-social networking event for student, industry, government and academic conference participants.

Welcome Reception
Sunday, 21 June, 2009 19.00-21.30

Museum of Hungarian Agriculture
Price: including in the registration fee
Extra ticket: 70 Euro / person

The evening will feature dinner and a Violin Concert at the Museum of Hungarian Agriculture which is the largest agricultural museum in Europe located in the City Park near the Vajdahunyad Castle in Budapest. Best Paper and Student Case Competition Award winners will be announced during the reception.

Presidential Banquet
Monday, 22 June, 2009 18.30-23.00

Lazar Equestrian Park
Price: included in the registration fee
Extra tickets: 75 Euro / per person

The equestrian park, established near Gödöllő, is located about 35 km from Budapest and features the world champion carriage-riding Lázár brothers. Guests can take a walk in the Hungarian village yard and become familiar with ancient Hungarian domestic livestock breeds grey cattle, long-wooled sheep, mangalica pig, and the puli dog. The dinner program features an equestrian show with folk and gypsy music.

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2009 Pre-Post Conference Tours

Sightseeing Tour in Budapest

Sunday, 21 June, 2009 9.30-13.30
Monday, 22 June, 2009 9.30-13.30

Price: 25 Euro / person (Minimum number of participants: 15 persons)

An approximately four-hour sightseeing tour, which shows the most attractive features of the capital. Participants will also have an opportunity to visit the impressive Hungarian House of Parliament and view the Coronation Regalia, followed by a stop at the Hungarian State Opera House. Transportation is by bus, with an English-speaking guide, refreshments and all entrance fees included.

The Jewish Sights of Budapest

Tuesday, 23 June, 2009 10.00-13.00

Price: 30 Euro / person (Minimum number of participants: 15 persons)

A three-hour long walking tour of the world's second largest Synagogue and its surroundings. The Synagogue complex includes the Jewish Museum, ghetto and World War II area history. The Synagogue and the nearby Jewish Quarter have a rich history. By the end of the 18th century Jewish people were allowed to leave the Buda side of the city and they created this area known as the Jewish Quarter of Budapest located on the Pest side. Transportation is provided by bus. Fees include an English-speaking guide, entrance fees and refreshments.

Budapest Art Tour

Sunday, 21 June, 2009 9.30-13.30

Price: 30 Euro / person (Minimum number of participants: 15 persons)

A half-day visit to the Hungarian National Gallery and the Museum of Fine Arts. Featuring a gallery of old masters: including the Spanish, Renaissance and Venetian Collection. Transportation by bus, an English-speaking guide, entrance fees and refreshments are included.

Evening Danube Cruise and Party

Tuesday, 23 June 2009, 20.00 - 22.00

Price: 80 Euro / person (Minimum number of participants: 50 persons)

Take an evening sightseeing-tour on the River Danube. Welcome-drink and a light dinner will be served on the boat. During the meal a Hungarian jazz band plays evergreens. The boat cruises from Margaret bridge to the National Theatre and the Palace of Arts, and you can enjoy the fascinating sights of the illuminated Budapest.

Eger and Tokaj

June 25-26, 2009
Departure: 07.30 Arrival: 21.00

A two-day excursion to the Northern and Eastern part of Hungary, first to the wine-region of Eger which is famous for its red wine, the Bull's Blood. Visit the medieval fortress and the baroque town of Eger, and also get a short impression of the Szépasszony Valley the location of the traditional vineyards and cellars. Dinner is served in a winery and overnight accommodations will be in a hotel nearby.

The second day begins with a tour to the town of Tokaj, the centre of the Tokaj wine-region where 186 working cellars can be found. An optional tour to the mountains and the cellars are planned. Visit Sárospatak, the cultural centre of the region, where one of our most beautiful and historically famous renaissance monuments, the Castle of Sárospatak can be found at the foot hills of the Zemplén Mountains.

Transportation by bus, an English-speaking guide, entrance fees, half-board and 1 night accommodation in double room are included.

Minimum number of participants: 15
Price: 200 Euro / person in double room

Debrecen, Hajdúszoboszló and Hortobágy

June 25-26, 2009
Departure: 07.00 Arrival: 19.00

A two-day excursion to the Eastern part of Hungary. The first stop is the Cora Supermarket in Fót. After arriving in Debrecen participant will visit the Debrecen University, Centre for Agricultural Sciences. Later the group travels to Hajduszoboszló, for an afternoon of relaxing and bathing in Europe's largest thermal wellness bath complex. Accommodations will be in Hajdúszoboszló. Dinner will be served at a traditional Hungarian Restaurant.

Day two is a tour of Hortobágy, which is the largest continuous natural grassland in Europe which was not formed as a result of deforestation or river control. The first Hungarian national park was established in 1973 and is the country's largest protected area (82 thousand hectares). After a jeep-tour at the landscape, lunch will be

2009 Conference Tours-continued from page 10

served in a traditional inn at Hortobágy, before returning to Budapest. Transportation is by bus. An English-speaking guide, entrance fees, full board and one night accommodation in double room are included. Minimum number of participants: 15 Price: 220 Euro / person in double room

Szeged Tour

June 24, 2009

Departure: 08.00 Arrival: 22.00

The tour begins at Szeged. One of the world-famous products of the town is the matchless Pick Salami and Szegedi Paprika which gives many Hungarian foods the good flavor. Paprika is used to flavor the famous Szegedi Fish soup as well. Szeged is situated near the southern border of Hungary just to the south of the mouth of the Maros River, on both banks of the Tisza River. A large part of the town lies on the right bank, while Ujszeged (New Szeged), a suburban district of residential housing and parks, is on the left bank of the river. Szeged is the cultural and economic center of South-Eastern Hungary and a thriving university town, also famous for its open-air theater. One of the city's best known historic buildings is the "Thanksgiving" Church, which is actually a Cathedral. It was erected between 1913 and 1930, from pledges given by the survivors of the 1879 flood.

The city's most famous festivaltakes place in the Dóm Tér (Cathedral square), and has been held in front of the Cathedral since 1931 and is the Szeged Open-air Theatre.

During the Sightseeing Tour participants can visit the University Quarter, the main walking areas in Szeged downtown and the most important and most impressive buildings of this beautiful city. A visit is planned to the Water Tower and the Soda Museum which was reconstructed and reopened in September 2006. From the top of the Tower you can enjoy a marvellous panorama view of Szeged.

In the afternoon participants will visit the Szeged University of Sciences, Centre for Agriculture and Biology. Dinner in the most famous Fisherman's Inn of Szeged at Fehértó. Minimum number of participants: 15 Price: 100 Euro / person in double room

Danube Bend Tour

June 24, 2009

Departure: 08.00 Arrival: 19.00

This one-day program begins with a visit to Esztergom, the birthplace of the first Hungarian King and the residence of the Hungarian Cardinal Archbishop (Basilica, Treasury). Next participants take a short walk to the picturesque Visegrád, which was the seat of the Hungarian Kings, exploring the ruins of the old Royal Palace and the medieval fortress. Lunch will be served at the Renaissance Restaurant, which offers a unique atmosphere and good cuisine. The return trip includes a stop at Szentendre, the colorful artists settlement.

Transportation is by bus. An English-speaking guide, entrance fees and lunch are included. Minimum number of participants: 15 Price: 80 Euro / person in double room

Lake Balaton

June 24–26, 2009

Departure: 08.00 Arrival: 19.00

The trip begins with an excursion to the northern part of Lake Balaton. and a visit to the Herend Porcelain Manufacturer which is more than 150-years-old. Visitors can discover how the bulky vats of paste are turned into the most delicate porcelain. Across the attractive courtyard – Porcelanium Square – is the Herend Porcelain Museum, a treasure trove of priceless porcelain pieces. Lunch will be served at the Apicius Restaurant. In the afternoon the group will travel to Héviz and have an opportunity to walk around the city. Hotel accommodations and dinner will be in Héviz.

Day two features a visit to the Keszthely and Festetics Castle. Lunch will be provided in Keszthely. Next, participants will visit the Pannon University, Georgikon Agricultural Faculty and the local agency of the Hungarian Museum of Agriculture. Dinner and a wine-tasting will be provided in Badacsony before returning to the hotel in Héviz.

The third day is highlighted with a trip to Balatonudvardi for a Golf Competition, where the novice to advanced golfers have an opportunity to enjoy and compete for beautiful Herend Porcelain prizes. Lunch will be served in Balatonudvardi before travelling back to Budapest. The trip concludes with an excursion to peninsula Tihany. Tihany's Abbey was founded nearly 1000 years ago. Standing near the Abbey, visitors can admire the beautiful scenery and view of the entire Lake Balaton.

Transportation is by bus. An English-speakinguide, entrance fees, full-board and 2 nights accommodation in double room are included.

Minimum number of participants: 30
Price: 390 Euro / person in double room.

System Dynamics and Innovation in Food Networks

Third International European Forum

Jerome Siebert, Executive Vice President, IAMA

Innsbruck, Austria

This conference was held in Innsbruck-Igls, Austria on February 16 - 20, 2009. The objective was to provide an interdisciplinary and creative discussion environment with the goal of developing new ideas for innovative and multidisciplinary research in the food sector. Its focus was on the analysis of the food system dynamics and interdependencies; the identification of drivers for sustainable system dynamics in the decision sphere of the system actors (e.g. chain management); and on the identification and promotion of potential system innovations. The last day of the conference, Friday, February 20 was reserved for the topic of "Science meets the World of Regulators"

Sponsors of the conference included EAAE (European Association of Agricultural Economists), AIEA2 (Association International di Economia Alimentare e Agro-Industriale), INFITA (International Network for IT in Agriculture, Food and the Environment), and IAMA (International Food and Agribusiness Management Association). One of the sessions at the conference featured a roundtable discussion on how each of these organizations complement and in some ways compete with each other and how a more coordinated and cooperative approach can be structured. From this discussion, agreement on transparency, sharing of information, linking each others organizations and programs, and exploring joint programs and activities surfaced.

The conference began with a discussion centering on the current turmoil being evidenced in the food system and on emerging issues in food science technology. Both of these topics centered on a futuristic look at the food system and its issues. From this opening the conference then went into presentations and discussions addressing specific issues. A number of different issues were covered that included consumers, marketing, media, knowledge and information management, food quality, safety, innovation, new products, food technology, trust and transparency, logistics and chain dynamics, local, global, and organizational differentiation, and risk. Each session featured two presentations that set the stage for at least 30 minutes of discussion. Presentations and an overview of the conference can be found on the following web site: www.fooddynamics.org.

The concluding session focused on the topic of "Science Meets the World of Regulations". Speakers included Dr. Hartwig de Haen, former Assistant Director and Head of Economic and Social Development for FAO; Dr. Franz Fischler, former EU Commissioner of Agriculture; Michel Coomans, Head of Unit Food Industry, European Commission; Alfons Schmid, Retail Consultant, Board Member of GlobalGap, and former executive with Ahold; and Christine Majewski, EFSA European Food Safety Authority. The problem statement for this session was led by Dr. Krijn Poppe, Secretary General EAAE. The following issues set the stage for discussion.

1. In the development and implementation of regulations, is it appropriate to view the entire food chain (agriculture, processors, retail, etc.) as one entity?

2. Does it make sense to still have a separate Common Agricultural Policy (CAP) in light of changes in the global food industry?

3. What is the sense of policy discussions in the WTO regarding reduction of trade barriers if the operational barriers are primarily due to private sector regulatory schemes.

4. Could a better integration of public and private quality assurance be useful, and, if so, how?

5. How and where do retail and industry brands, quality labels, and labels of origin fit in?

6. What can be done to make standard setting in different political and law systems (e.g. EU, US, China, etc.) more compatible and to reduce compliance costs for international business?

7. Is it true that the competitiveness of agriculture (both in developed and developing countries) is primarily determined through a "best" integration into the quality value chain with industry and retail and less through isolated policy activities?

8. Is there a need to better identify the boundaries of the food sector?

9. What does science bring to the discussion which builds traditionally on separation into policy, business management, market research, marketing, etc.? Would science have to re-orient its approaches as well as government, industry, and regulators?

While no one set of conclusions was reached, the discussion did open the door for an examination of how regulation can use science and, in turn, provide insight into what research agendas science should be pursuing to be more relevant to the regulatory process.

The Business Case for Building a Responsible Food Supply Chain: Successes and Outcomes from New Research

Jhana Senxian, Practice Leader, Sustainability & Corporate Responsibility
Aberdeen Group

Editorial Note: IAMA recently cooperated with the Aberdeen Group on a study that explores the pressure points, planned actions, and best practices in sustainable food supply chain management. It is part of a United Nations' initiative on sustainable consumption and production (SCP). The results of the survey have been finalized into a report intended to educate the market about the many innovative ways in which private sector companies are partnering with public and NGO-type entities to powerfully boost their own abilities and positive social and environmental outcomes. The results of the study are highlighted here.

The dominance of high profile food-safety issues—from milk to nut recalls, and legal suits topping world-wide headlines in the last year alone, attest to the urgent need for the global food industry to dramatically enhance visibility, collaboration, and standards for ethics and safety all along the food value chain.

The hyper-visibility and critical nature of food company actions and missteps have driven thought leading companies to adopt more holistic and integrated approaches to responsibly sustaining not only the firm but also the environmental and social infrastructures upon which the firm depends. The threat of contamination can be disastrous for both public health and the business, prompting companies of all sizes to focus on Corporate Responsibility and sustainability initiatives designed to ensure the health and well-being of the entire food and beverage ecosystem.

Data collected by the Aberdeen Group shows that for a growing number of companies, positive social and environmental performance is inextricably tied to their vision of long-term viability and success.

Sustaining the Global Food Supply Chain: Three Keys to Competitive Advantage, takes an in-depth look at the sustainability initiatives of 40 food and beverage and was conducted in support of the United Nations' initiatives on sustainable consumption and production (SCP), the study, explores specific pressure points, planned actions, and best practices in sustainable food supply chain management. The report further analyzes the opportunity for alignment between best business practices and global, sustainability-driven food ecosystem goals and challenges.

New Models for Competitive Advantage

The emergence of responsibility-framed strategies for business sustainability underscores the increasing importance of social and environmental stewardship to shareholders, customers, trading partners, and regulators alike. The increasing integration of sustainability criteria into organizational strategy marks a dramatic shift in the culture of the business ecosystem worldwide. Indeed, this shift in vision and action has decisively transformed the global market and the very nature of internal and external processes, requirements, alliances, and opportunities. Figure 1 below illustrates seven key pressures driving food and beverage companies to focus on sustainability.

In addition to the need to lower costs, increase competitive advantage, responsibility, reduce inefficiencies, meet market expectations, and ensure safety and quality, the food and beverage supply chain faces growing challenges and complexity due to:

- Insufficient visibility and traceability
- A lack of adequate data integration and sharing
- A lack of process efficiencies and controls ensuring minimal waste and maximum safety
- Weak structures and supports for collaboration
- Increasing compliance mandates
- Rising commodity prices
- Quickly changing consumer needs and expectations

On multiple levels, Best-in-Class companies have proven that entities within the Global Food Supply Chain can dramatically optimize the performance, reputation, and opportunity of the entire value chain with sustainability initiatives geared toward: traceability, data integration and sharing, performance tracking, collaboration, and improving visibility and efficiency. These initiatives are being leveraged to drive down costs, increase food quality and safety, and positively impact sustainable development goals that ensure the stability, security, and viability of the entire food supply chain.

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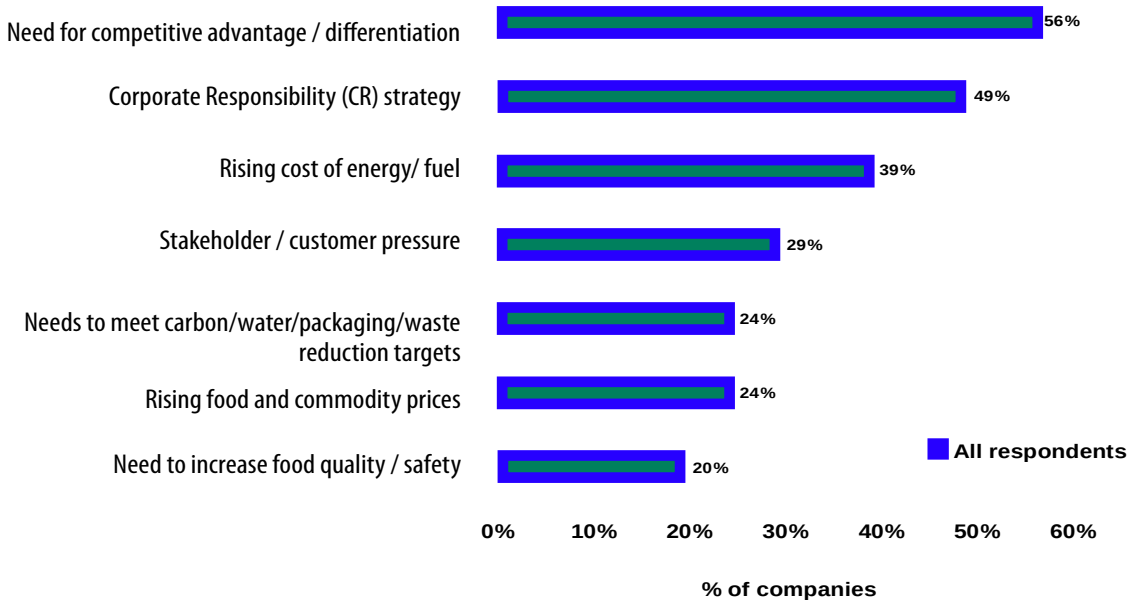

Figure 1: Top Seven Drivers for a Sustainable Food Value Chain
Source: Aberdeen Group, February 2009

While the business value of sustainability has been made, conceptually, how top performing sustainability strategies are best crafted, managed, measured, and communicated remains elusive to many organizations. For 80% of the companies in this study, their supply chains are global in scope and complex in nature and can involve thousands of actors. Such extended and geographically dispersed supply chains present a key challenge to organizations in terms of meeting multi-national safety and quality. Aberdeen data has shown that sustainability is of growing importance to companies worldwide as they rethink and retool business processes, stakeholder and client relationships, and environmental and social impacts. Particularly in tough economic times, food and beverage business viability and success is inextricably linked to social and environmental stewardship.

Corporate Responsibility: A Compelling Business Case for Challenging Times

Results demonstrate that the Best-in-Class have made a resoundingly strong business case for the adoption and expansion of genuine, sustainability-driven strategies and initiatives. Findings continue to demonstrate that sustainability delivers dramatic competitive advantages - particularly in recessionary times. In fact, responsibility-driven companies are achieving impressive benefits all across the value chain - from bottom line cost reductions and enhanced brand value to optimized performance and an improved ability to attract and satisfy both talent and customers.

Based on Aberdeen's Competitive Framework and interviews with end users, analysis of top performers demonstrates that leading food supply chain companies are remarkably advantaged by the early adoption of a philosophical framework that emphasizes the interconnection between the well-being of the business and the well-being of the environment and society. This holistic and integrated approach finds leading food supply chain actors deeply engaged in initiatives and strategies such as those that conserve and restore water, soil, and crop diversity as well as support the development and economic viability of disadvantaged rural and urban communities. This level of social and economic development leads to stronger and healthier food, processes, workers, and infrastructure.

On multiple levels, top performing companies have proven that entities within the global food supply chain can dramatically optimize the performance, reputation, and opportunity of the entire value chain with sustainability initiatives geared toward: traceability, data integration and sharing, performance tracking, collaboration, and improving visibility and efficiency. These initiatives are being leveraged to drive down costs, increase food quality and safety, and positively impact sustainable development goals that ensure the stability and viability of the entire food supply chain by focusing on the stability and viability of the social and environmental infrastructure. Thought leading food and beverage companies have taken on aggressive goals to ensure end-to-end visibility and quality, reduce negative impacts on the environment, and enhance positive change on society through frameworks of shared value. These goals

Responsible Food Chain-continued from page 14

Table 1: The Business Benefits of Responsibility-driven Strategy

Definition of Maturity Class	Mean Class Performance
Leaders: **Top 20%** of aggregate performance scorers	▪ 19% decrease in year-over-year energy costs relative to changes in volume of business ▪ 17% decrease in year-over-year waste / disposal costs relative to changes in volume of business ▪ 15% increase in customer acquisition rate as a result of sustainability / CR initiatives ▪ 13% decrease in defects / nonconforming goods over last 12 months ▪ 5% decrease in year-over-year overall operational costs relative to changes in volume of business
All Others: **Lower 80%** of aggregate performance scorers	▪ 9% increase in year-over-year energy costs relative to changes in volume of business ▪ 1% increase in year-over-year waste / disposal costs relative to changes in volume of business ▪ 7% increase in customer acquisition rate as a result of sustainability / CR initiatives ▪ 1% decrease in defects / nonconforming goods over last 12 months ▪ 5% increase in year-over-year overall operational costs relative to changes in volume of business

Source: Aberdeen Group, February 2009

emphasize the importance of an efficient, educated, enabled, inclusive, and responsible supply network. Companies have implemented visionary agendas focused on sustainable development projects that align with:

- The TBL goals of benefiting: people, planet, and profit
- United Nations programs on hunger and poverty (WFP, MDGs, etc.)

Thought leading food and beverage companies have taken on aggressive goals to ensure end-to-end visibility and quality, reduce negative impacts on the environment, and enhance positive change on society. These goals emphasize the importance of an efficient, educated, enabled, inclusive, and responsible supply network.

The significant opportunity to reduce bottom line costs and wastes while acquiring new customers is a compelling business case for implementing and expanding sustainability platforms and better understanding the successful roadmap of the leading companies in this sample. Table 2 summarizes the characteristics of these companies.

Table 2: The Best-in-Class PACE Framework

Pressures	Actions	Capabilities	Enablers
▪ Need for competitive advantage / differentiation	▪ Implement customer collaboration initiatives ▪ Engage in / expand social and economic development projects	▪ Assets / materials end-of-life handling ▪ Environmental accounting / waste monetization ▪ Integrated sustainability planning across value chain ▪ Item or lot-level traceability ▪ Ability to measure carbon footprint	▪ Carbon tracking or modeling solution ▪ Supply chain visibility platforms ▪ Product lifecycle management ▪ Product traceability software ▪ Business Intelligence (BI) / performance management solution ▪ Environmental, Health, and Safety (EHS) solution ▪ Digital documentation software

Source: Aberdeen Group, February 2009

Responsible Food Chain-continued from page 15

Aberdeen research has shown that while sustainability is many things to many organizations, the Best-in-Class embrace it as a holistic framework of enterprise-wide responsibility and performance quality that ensures the overall sustainability of its business ecosystem. In this approach, a collaborative, lean, integrated, ethical, and engaged lens is integrated into organizational DNA and everyday practice. A great deal of business-focused, sustainability research emphasizes a transformation of business processes that support the goals of planet and profit and neglects the centrality of people in making it happen. Top performing organizations leverage the power of collaboration, communication, education, and leadership with both internal and external stakeholders to build lasting frameworks of shared value. These Best-in-Class CR agendas overwhelmingly revolve around a Triple Bottom Line strategy, as they understand that the depth and dynamism of needed process changes must be supported by deep and dynamic changes in enterprise culture focused on not only environmental improvements but also societal improvements. In fact, before business processes or strategy can be successfully transformed in a sustainable manner, the Best-in-Class have demonstrated that a cultural and people-centered transformation often makes the difference between good results and great results -- or even between wild success and dramatic failure. Sustainability requires organizations to change and innovate in fundamental ways and represents, in and of itself, a sea change in the way society views the role of business and the centrality of business ethics. For the private sector, it also represents a dramatic shift in global business paradigms, systems of value, and models and opportunities of growth.

Click here to register and access a full copy of the complimentary report.

Jhana Senxian leads the Sustainability and Corporate Responsibility Practice and directs Aberdeen's strategic research partnership with the United Nations on private sector involvement in Sustainable Consumption and Production (SCP). Jhana is a Harvard-trained social anthropologist who brings over ten years of international experience in professional research, analysis, writing, and training to Aberdeen. Jhana is a co-author of the forthcoming, Green IT for Dummies (Wiley Press, 2009). You may contact her directly at: jhana.senxian@aberdeen.com

IAMA News

Welcome Back Russell Garrett

Russell Garrett has been hired to serve as IAMA's new Business Manager. He is replacing Derek Dictson who has taken a position with the Community Foundation of the Brazos Valley, a non-profit organization located in the Bryan-College Station, Texas area.

Russell was previously the IAMA Business Manager from 1999 thru 2002. He left IAMA to pursue private business opportunities. In his last endeavor, he served as the CFO for a U.S. Virgin Island based food and restaurant company. Russell's main objectives for the first six months of 2009 are to review the web and customer relationship management systems, as well as, manage the financial and logistic details of the upcoming 2009 Budapest, Hungary conference. We are pleased to have Russell back on board in the IAMA Business Office.

Derek Dictson can be contacted through the Community Foundation at http://www.cfbv.org

IAMA Academic Elections

The terms of the 4 regional IAMA Board memberships expire in June 2009. Therefore, IAMA is asking for nominations for these expiring seats. If you are an Academic and current IAMA member you should have received an e-mail with a link to the nomination website. If you think you should have received notice of the election, but did not, please contact iama@tamu.edu.

When you click on the link provided in the ballot nomination e-mail, you will see info regarding the election process, and a list of eligible members. Please nominate up to 3 members from your region who you would like to stand for election to the IAMA Board of Directors.

Once we have processed the nominations, we will alert you with ballot procedures. If you have any questions, please contact Russell in the IAMA Business office at: iama@tamu.edu.

IFAMR Article Summary

The following articles are featured in (Volume 12, Issue 1) of the IFAMR , February 2009.

RESEARCH

Supplying Improved Seed to Farmers in Rural Kenya: The Case of Freshco Kenya Ltd.

Edward Mabaya, Laura K. Cramer, Veronica K. Mahiga, Huong Q. Pham, Tara M. Simpson, and Xiaowei Tang

Freshco, a small producer and distributor of hybrid maize seed and macadamia seedlings, was one of the first private companies to enter the Kenyan seed market after its liberalization. The company's mission is to distribute agricultural inputs that increase the wealth of smallholder farmers with a vision to be the most preferred producer and supplier of seed in East Africa. Currently the company produces and markets six high yielding maize varieties that are suited for diverse agro-ecological conditions. Despite the company's encouraging growth in the local maize seed market, Freshco's executives recognize the need to scale up its operations to maintain growth. However, the maize seed industry presents a broad set of challenges. Competition is fierce, and government bureaucracy and poor infrastructure add to the difficulties of managing a business in a developing country. The East Africa region and Kenya's developing seed industry are both extremely dynamic contexts; preparing for different challenges and taking advantage of opportunities that emerge is imperative for Freshco's long-term profitability. As Freshco pursues its vision of becoming a seed industry leader, the CEO of the company will need to maintain a keen insight and understanding of the environment in which it operates. There are a number of trends, actual and potential, that will have a significant impact on Freshco: (1) revitalized interest in seed development in Africa, (2) regional integration efforts, 3) aggressive market penetration by multinationals and (4) continued presence and impacts of not-for-profit organizations in the region.

Competitive Analysis and Market Power of China's Soybean Import Market

Baohui Song, Mary A. Marchant, Michael R. Reed, and Shuang Xu

Globally, China is the number one soybean importer, and the U.S., Brazil, and Argentina are the top three soybean exporters. In 2005, China's soybean imports accounted for 41% of the world total, and soybean exports from the above three soybean producing countries accounted for over 90% of the world total. This research develops and estimates a U.S.-China two-country partial equilibrium trade model (that includes Brazil and Argentina as competitors) to test which country has stronger market power in the Chinese soybean import market. This model incorporates U.S. residual soybean supply, Chinese residual soybean demand, and the market equilibrium condition, whereby residual supply equals residual demand. This equation system was estimated simultaneously.

Results of this competitive structure analysis imply that the U.S. and South America are seasonal complementary soybean suppliers for China. Empirical result supports the hypothesis that Chinese soybean importers have stronger market power relative to U.S. soybean exporters. It seems that the increased availability of South American soybeans throughout the marketing year seems to have allowed more market power for the Chinese. The implications are that the US, Argentina, and Brazil have a common interest in developing new and expanding existing markets for soybeans to help combat this market power of the Chinese. More market outlets for soybeans will bring new customers to compete with the Chinese for exported soybeans, reducing the reliance on Chinese imports and possibly shrinking Chinese marketing margins.

Efficiency and Productivity Changes in the Indian Food Processing Industry: Determinants and Policy Implications

Jabir Ali, Surendra P. Singh, and Enefiok Ekanem

This paper evaluates the performance of various segments of the Indian food processing industry in terms of total factor productivity (TFP) and efficiency change during pre and post market liberalisation periods. The Indian food processing industry has immense potential for generating income and employment through value addition due to availability of resources, labour, technology, a huge market and favourable business environment. The 10% per annum output growth of the industry is largely driven by the incremental use of input. However, this growth is constrained by the lack of productivity augmenting technologies, as a major quantity of the food is being produced in the unorganized sector where resource utilization is very limited. The average technical efficiency score is estimated to be 0.902 under the Variable Returns to Scale model, with an average scale efficiency score of 0.870. This implies that the average technical inefficiency could be reduced by 10 percent by improving scale efficiency and eliminating pure technical inefficiencies. It is also important to note that technical efficiency scores for the food processing industry have declined during the 1990s as compared to the 1980s.

The analysis of returns to scale in the food processing sector suggests that most of the sub-sectors have moved from increasing returns to scale to constant and decreasing returns to scale during the last two decades, with the exception of meat and meat products, fish and fish products, fruits and vegetables, and starch and starch products. This result indicates that additional investment in the food processing segments, with increasing returns to scale, will give encouraging and profitable output, while food segments with decreasing or constant returns to scale will need reorientation and modernization in the production process. The Indian food industry needs to modernize its

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production system for improving the capacity utilization of factor inputs, mainly in the areas of raw material, capital and energy. As raw material constitutes about 85 percent of production cost, proper methods of sourcing quality raw material for food production should be adopted to shorten the supply chain of the food processing industry.

Market Segmentation Practices of Retail Crop Input Firms

Aaron Reimer, W. Scott Downey, and Jay Akridge

While market segmentation and the associated idea of target marketing are not new, there are questions about how the strategy of market segmentation and target marketing is being used in retail agribusiness firms. Previous research has demonstrated that distinct groups of farmers/customers exist (Alexander, Wilson and Foley 2005). However, retail crop input firms tend to be of modest size and are geographically bound. Both lack of resources and confinement to a specific geographic market present challenges for successful implementation of a market segmentation/target marketing strategy (Stolp 1998).

In this study, market segmentation/target marketing practices were explored in two types of crop input retailers: independently owned and operated firms (9 firms) and agricultural cooperatives (11 firms). A number of questions related to market segmentation/target marketing strategy were assessed via a web-based survey and telephone interviews. Referencing Best's seven-step framework, market segmentation is compared and contrasted by firm type; gaps in market segmentation strategy execution are identified; and challenges to implementing a market segmentation strategy are considered.

Results show that market segmentation/target marketing was employed by 85% of the crop input retailers in the sample. Key gaps identified in market segmentation strategy execution include measuring market segment attractiveness; evaluating market segment profitability; developing a product-price positioning strategy for a tailored offering; expanding the positioning strategy to include promotional and sales elements of the marketing-mix; and evaluating the progress/success with each target market segment. Addressing these key gaps will aid industry professionals as they work to serve the needs of a continuously evolving farmer/customer base.

CASE STUDIES

Greene Gardens

Gregory A. Baker and Kirk O. Hanson

This teaching case describes the 2006 E. coli outbreak in the California spinach industry. It unfolds over a period of about one month, with four separate eventful days described in detail. At the end of the narrative for each day, the reader is provided with several questions and asked to decide how he or she would respond to the events and justify his or her decision.

The case may be used to teach business ethics, crisis management, marketing, communications, and public relations. It lends itself well to teaching with little or no student preparation. The four one-page sections of the case may be passed out one at a time and the instructor can lead a discussion of each section before moving on to the next. The case realistically portrays the decisions of food industry managers confronting a food poisoning crisis and the ethical and management choices they face.

Call for Chain Letter and IFAMR Articles

Contribute to the Chain Letter

Our electronic newsletter is one of IAMA's most effective methods of communicating with members and other interested parties regarding current events connected to the global food chain. The Chain Letter is published quarterly and includes information about upcoming conferences, meetings, implications of research, and analysis of current events. It also affords IAMA members a platform to express opinions and ideas related to the food chain. Submissions to the Chain Letter are encouraged and should be submitted via email to the IAMA Business Office (iama@tamu.edu). Submissions should be no more than 1,000 words in length.

IFAMR Journal Call

The International Food and Agribusiness Management Review (IFAMR) publishes high quality, peer reviewed, scholarly articles on topics related to the practice of management in the food and agribusiness industry. The Review provides managers, researchers and teachers with a forum where they can publish and acquire research results, new ideas, applications of new knowledge, and discussions of issues important to the worldwide food and agribusiness system. The Review is published electronically in the member's section of the IAMA website, and can be accessed free of charge by IAMA members. Submission guidelines are available on the publications page of the IAMA website.

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