

Taiwan study visit on Supply Chain Management to the Netherlands

Dr. CHIEN Li-Hsien (Hank)

December 2013

General Objective	<ul style="list-style-type: none"> To support the Taiwan Council of Agriculture (COA) in preparing a strategy for improving the vegetable supply chain in Taiwan by providing insight into the organization and working processes of vegetable supply chains in the Netherlands .
Target group	<ul style="list-style-type: none"> Dr. CHIEN Li-Hsien (Hank), Associate Professor, National Chung-Hsing University
Needs of target group	<ul style="list-style-type: none"> To learn from the Netherlands expertise in supply chain management in the vegetable sector in order to provide advice to COA in this respect.
Specific Learning Objectives	<ul style="list-style-type: none"> How are supply chains for vegetables set up, with emphasis on the lettuce sector? Who are the major players in the supply chains? What are the arrangements in the chains? How are these arrangements made? What is the role of the government in supply chain development? What is the role of knowledge institutions in supply chain development?
Subject Matters	<ul style="list-style-type: none"> Supply chain actors and organisation Supply chain agreements Chain performance <ul style="list-style-type: none"> Product collecting system Storage and processing Logistics Food security and food safety Information management Driving forces in supply chain development Role of government in supply chain development Research on supply chain development and management
Methodology	<ul style="list-style-type: none"> Visits to stakeholders in specific vegetable chains <ul style="list-style-type: none"> Growers (-organisations), trading and processing companies and LEI
Results	<ul style="list-style-type: none"> Mr Chien visited and/or talked to representatives of vegetable growers associations, distribution and processing companies, a seed company, Flora Holland, a farmers' union, a greenhouse demonstration, research and training centre and LEI Wageningen UR. See detailed programme. During these visits various aspects of the supply chain were discussed with the hosting companies and growers.
Major observations of Ben Kamphuis	<p>Relations in the supply chain</p> <ul style="list-style-type: none"> The (lettuce, chicory, tomato) farms visited during the study tour represent the top segment in their 'branch'. They are associations around 10-15 years ago established by individual family farms. By setting up a cooperative, the farmers were able to meet the increasing demand of supermarket chains for a supply of vegetables of standard (high) quality, in sufficient quantities, in the right time for a certain price. Mutual trust among the cooperating farmers is a key element for success, recognizing each other's skills and expertise for the benefit of all. Agreement on product quality (seed variety, crop management etc.) and timing of production/harvest is a precondition for meeting the demand of the customers. Close cooperation with the direct customers, i.e. trading or processing

	<p>company, is required to know the volumes and quality of products needed.</p> <ul style="list-style-type: none"> ▪ Delivery is done from the available storage facilities of the individual farms or from newly built collecting/storage/distribution facilities. ▪ Flexibility is required to adjust the deliveries to the fluctuations in consumer demand. ▪ Negotiations between farmers' associations and customers is more focussed on product quality and delivery schedule than on price. ▪ In some cases, the one-product based association developed into a collecting and distribution centre for a number of vegetables. ▪ In course of time the visited farmers (associations) expanded their acreage considerably, amongst others by renting land of others farmers. ▪ As a result the number of vegetable growers in the Netherlands is decreasing fast and it is expected that in the near future only a small number of relatively large scale growers will remain. ▪ The Dutch national and provincial governments do not play a direct role in this process, but the EU policies do, through the subsidy programmes to encourage small-scale farmers to set up associations. <p>Public-Private Partnership</p> <ul style="list-style-type: none"> ▪ The success of Dutch agriculture and horticulture is based on various factors, such as the open, market orientated policy of the Netherlands, the location at the centre of the most prosperous part of Europe, as well as the relatively high level of education, knowledge and skills of the farmers and their cooperative attitude. ▪ In the past the Dutch government played an important role in the development of agriculture through its support to agricultural education, research and extension. ▪ The role of the government, however, is diminishing: the extension service has been privatised and the government budget for practice oriented research and training is decreasing. ▪ These tasks has been taken over by companies, which activities are driven by the requirements of their customers (farmers) and sponsors (agricultural suppliers) as illustrated by Demokwekerij. ▪ Instead of the government, the business takes the lead in setting up research and training projects. Public-private partnership is the starting point for development.
--	---