



## 2. Objectives, Definitions and Key Concepts

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# Workshop objective and outputs

How to explore market opportunities for agricultural biodiversity and derived products as part of on-farm conservation strategy?

## Objective with two pathways

Share former experiences, approaches and methods that help to facilitate value chain development for native species and varieties

1. **Unleashing market value of species and varieties**
2. **Explore certification options**

**Workshop slightly different than usual...**



# Workshop outputs

- Participants have improved their knowledge to understand, design and implement interventions to improve agricultural biodiversity-based value chains.
- Discussed a refined list of 3-6 most potential crops and value chains in the two project sites
- Developed action plan and value chain upgrading strategy for 2 domestic and 1 export value chain
- Developed action plan for exploring biodiversity-friendly certification options





# Key Concepts in Marketing and Value Chain Development



# Key definitions – what is the difference...

- Agricultural biodiversity and natural biodiversity?
- *In-situ* conservation and on-farm conservation?
- Markets and marketing?
- Value chain and supply chain?
- Value chain stakeholders and actors?
- Business, trader and agent?
- Livelihoods, income and poverty?

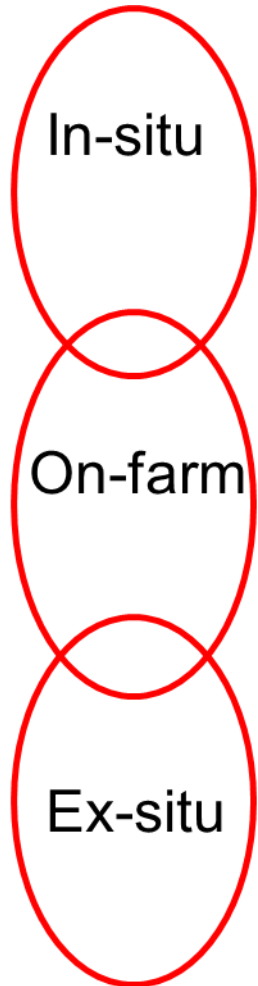


# Agricultural biodiversity

*...the variety and variability of animals, plants and micro-organisms, at the genetic, species and ecosystem levels, which are necessary to sustain key functions of the agricultural ecosystem, its structure and processes in support of food production and food safety. (CBD)*

- Result of nature and human interaction and selection over time*
- On genetic, species and ecosystem level*
- Includes supportive species and ecosystems (soil, pollinators)*
- Includes wild collected and cultivated species and varieties*

# On-farm and in-situ conservation of PGR?



- **Protected forests, sanctuaries, national parks, sacred groves – within its natural habitat**
- Communal lands
- Cultivated or stored at the farm
- Community seed banks
- **Genebanks, seedbanks, botanical gardens, field genebanks - outside its natural habitat**



# What is a Market?

- A **market** is one of the many varieties of systems, institutions, procedures, social relations and infrastructures whereby parties engage in exchange
- In a **market** parties exchange goods and services by barter or in exchange for money (wikipedia)



# What is Marketing?

- More than 'telling and selling'
- Marketing involves finding out what your customers want and supplying it to them at a profit (FAO)
- The process to create value for customers and build customer relationships in order to capture value from customers in return (Kotler 1992)
- ***Capture value by building customer relationships to satisfy customer needs (Kotler 1992)***

# What is a Value Chain?

- A **value chain** is the sequence of related business activities (functions) from the provision of specific inputs for a particular product to primary production, transformation, marketing up to final consumption (GIZ 2007)
- An institutional arrangement linking and coordinating input providers, producers, processors, traders and distributors (**actors**) from primary production to end consumption of a particular product. (GIZ Value Links Manual 2007)



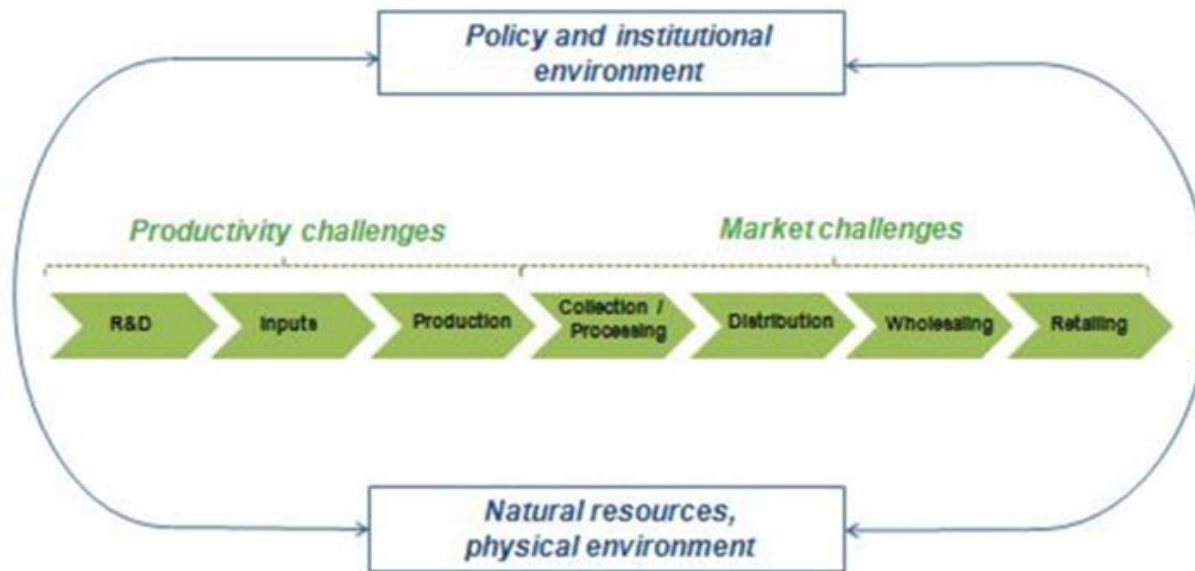
# Supply chain – difference in perspective

Perspective from **the company** – how to organize efficient supply of key ingredients and services for our products

The difference is that the supply chain refers to the (upstream) sourcing and (downstream) marketing linkages of an **individual enterprise**. Therefore, supply chain management is a tool for business planning and logistics rather than a development concept.

# What is Value Chain Research?

- A **system perspective** including actors and service providers (supportive or enabling environment)
- To understand their role, structure, relationships, linkages and behaviour
- To identify barriers and strategies for improvements



# Value chain stakeholders, actors & operators

**Actors** is same as **operators** and are individuals or organizations that perform core functions such as farmers, traders, companies, retailers, consumers etc. who at some stage 'own' the product.

This is different from **operational service providers** such as truck drivers or transport companies.

**Stakeholders** includes both actors (those directly involved in the value chain) and those providing services feeding into the value chain. For example government, certification agency etc.



# Business, trader and agent

A **business** or **company** creates added value by creating or transforming the product or its packaging. A company takes risk and owns the product.

A **trader** does not transform the product as such but provides functions such as storage, transportation, sorting & grading, repackaging. Trader takes risk and owns the product

An **agent** does not own the product and does not take a risk position but performs same functions as trader for a fixed fee.



# Sustainable livelihoods approach

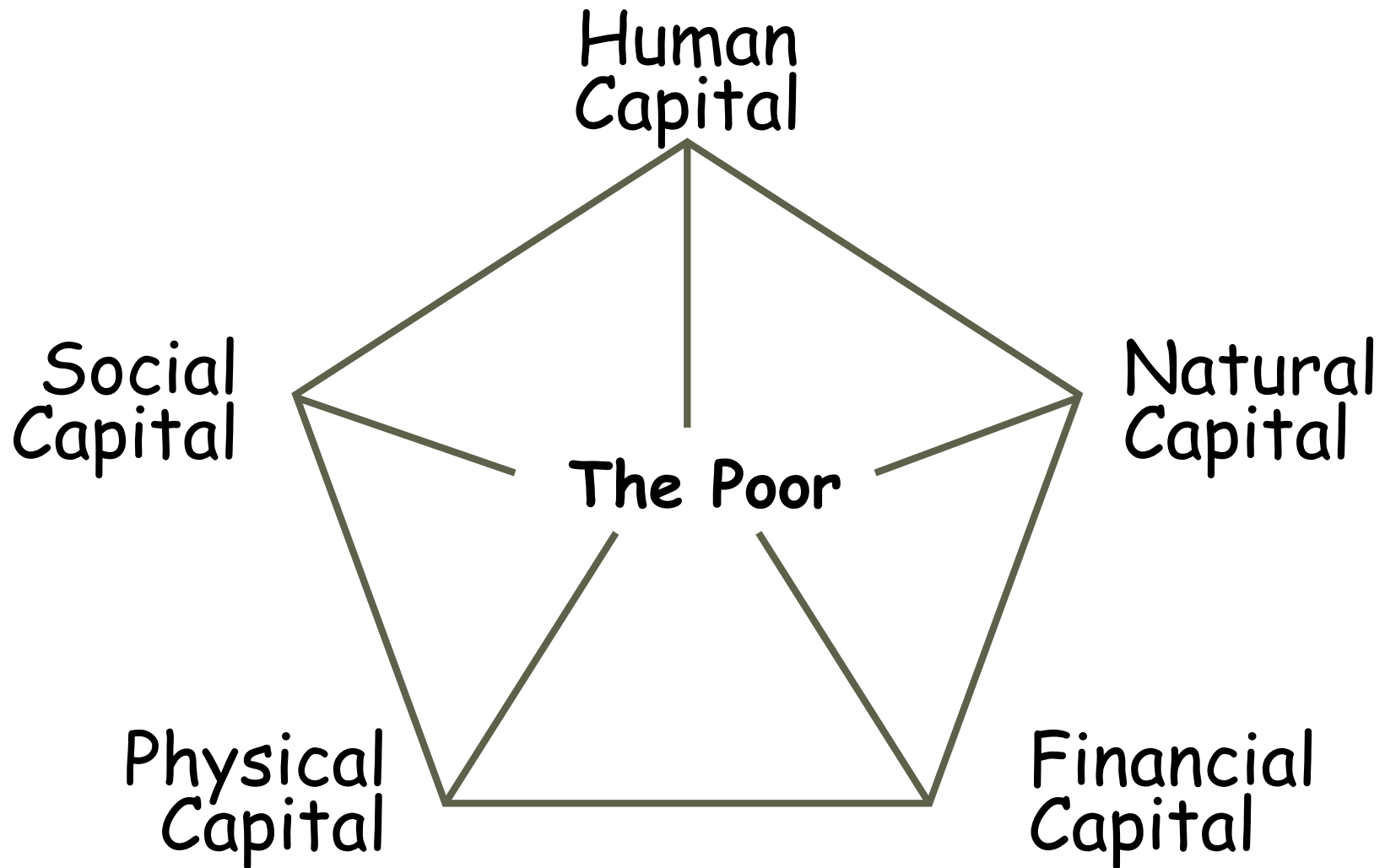
# Livelihoods, income and poverty?

Income is the direct cash obtained through sales of farm products and non-farm activities

Livelihoods encompasses all the activities of an household that generate income and ensure self-subsistence. It includes farm and non-farm activities.

Poverty is broader than just income or wealth accumulation. It is accumulation of household assets and endowments (human, social, physical, financial and natural assets).

# Livelihoods assets



# The Sustainable Livelihoods Framework

