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## **Executive Summaries**

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### **Explaining Environmental Management System Development: A Stakeholder Approach**

*Harry Bremmers, Onno Omta and Derk-Jan Haverkamp*

This article stresses the changing role of the stakeholder environment with respect to the development of environmental management systems (EMSs) in the Dutch agri-food sector. It is argued that the relevant stakeholder groups are different for internally versus externally oriented EMSs. Moreover the role of governmental organisations changes from stressing monitoring and control towards co-operation and persuasion. Managers will have to readjust their network and open up towards the stakeholder environment, to get the right signals for adjusting their strategies. In this way, they can avoid hindering path-dependencies as a result of available administrative devices (like HACCP, ISO etc.), that have an internal, rather than an external focus.

### **Analyzing Linkages between Strategy, Performance, Management Structure And Culture In The Spanish Fresh Produce Industry**

*Marian García Martínez and Nigel Poole*

This article reports on an industry-level study that seeks to identify empirical regularities between firm strategy, management style, organisational structure and performance in the Spanish fresh produce industry using strategic group analysis. Performance levels did not differ systematically between strategic groups, but performance was found to be influenced by the alignment between entrepreneurial culture and organisational structure. A move towards greater flexibility and/or adopting an entrepreneurial style are both likely to improve the overall performance of the firm.

### **Market-Driven International Fish Supply Chains: The Case of Nile Perch from Africa's Lake Victoria**

*Andy Thorpe and Elizabeth Bennett*

Increased consumption of fish species and the attendant growth in the complexity of supply chains has highlighted the symbiotic relationship between fishery management decisions, market conditions and events in seafood markets. Understanding the nature of the relationship between governance mechanisms in

the post-harvest supply chain is therefore important to the wider management of seafood markets as is the increasingly important role of quality assurance on product and market formation.

Traditionally, literature on supply chains has assumed the interdependence of the constituent parts, yet no participant in the chain is an island: more effective governance mechanisms are needed to ensure that profits/returns are maximised at the chain level. In response to the changing nature of the supply chain Folkerts and Koehorst (1998) advocated an analytical approach to chain management that focused on improved governance of chain strategy and activities. A key factor in the Folkerts and Koehorst approach is the concept of 'chain reversal' (whereby consumer demands exert a strong influence over chain structure and operation) and this paper asks how widespread this is within the agri food sector. Taking the fish chain that extends from the Nile Perch fishery on Lake Victoria in East Africa to the supermarkets of Europe as an example, this paper illustrates the complex nature of contemporary fish chains and the multiple actors to be found within. The paper clarifies what is understood in the context of this article by a fish chain, before proposing a framework that permits a more detailed analysis of the nature of such chains. This analytical framework is applied to the Nile perch fish supply chain and the issue of quality assurance within the chain is examined identifying, in the process the governance mechanisms which have/are emerging entrusted with improving/upholding these standards.

The paper finds that the Nile Perch fishery is an excellent example of the 'chain reversal' thesis put forward by Folkerts and Koehorst. Moreover, the paper argues that, given the impact that quality demands from the EU has had on the Nile Perch industry in the past, governance mechanisms should not just be limited to issues of intra chain equity but they should be equally considered if quality assurance objectives are considered imperative.

The paper aims to stimulate further research into the extent to which production driven supply chains are being transformed into market driven supply chains within the wider agri food sector and the consequences such transformations have (are likely to have) on stakeholders in the chain.

## **The Demand for Wine Tourism in Canyon County, Idaho**

*R. Garth Taylor, Stacie Woodall, Philip Wandschneider and John Foltz*

Wineries have been explosive growing agribusinesses. In 2001, the Sonoma and Napa wineries attracted over 10 million visitors, who spent \$2 billion. With the addition of North Dakota in 2002, all fifty states now have wineries and Washington has been adding a new winery every 20 days. Wineries in prominent grape-growing areas produce a dual product: commercial wine and wine tourism. Since A demand study would help understand the values and dynamics of Idaho wineries, but, because wineries charge no entry prices, wine tourism demand can only be ascertained using a shadow price for winery visitation. Demand for wine tourism visits for Canyon County in southern Idaho was estimated using the travel cost method (TCM). Trip demand was inelastic (-0.4 to -0.6) with respect to own

price. The average value of Canyon County wine tourism ranged from \$6 to \$12 per person per trip, depending upon the assumed opportunity cost of travel time. The trip value is above and beyond the amount visitors spend on wine and other purchases. Wine preferences (quantity and quality) were specified in the TCM demand function. Frequency of wine consumption was significant, while wine quality did not affect winery visitation. Canyon County wine tourists enjoy frequently drinking the moderately priced, quality wines, which are Idaho's forte. Wineries advertising brochures, newspaper advertisements, and guidebooks positively influence visitors to make additional trips.

While the demand study shows the potential for wineries to charge an entrance fee, results question any fees. In emerging wine regions, such as Canyon County, wine tourism not only gives wineries another sales outlet but also promotes brand awareness, thereby boosting both wine sales and wine prices in the faddish and fickle wine market. A 100% increase in the price from the mean of \$2.51 would cause winery visitation to drop by 42%. As Canyon County wineries establish themselves, this drop in visitors may be a poor tradeoff for such a miserly boost in revenues.

## **Development in Central Europe Includes Food Processing Business**

*Francis Declerck*

The economic integration of Central European countries to the EU started in the beginning of the 1990's. ESSEC Business School (in partnership with Warsaw Agricultural University SGGW) and food companies have heavily invested in Central Europe, particularly Poland, before May 1, 2004 the official date of the EU enlargement to 8 Central European Countries: Estonia, Hungary, Latvia, Lithuania, Poland, the Czech Republic, Slovenia and Slovakia. With more than half the population and business activity of these countries, Poland is the « big » Central European country.

Based on their professional experience in food and agribusiness industries and retail, some alumni express their points of view about Central European countries in a larger European Union with 25 members and 455 million inhabitants:

- Lionel Piquemal, Management Controller at Lactalis Polska,
- Marcin Dobek, Purchaser at Geant Casino Polska,
- Christine Louppe Product Manager at Fromageries Bel, Prague, Czech Republic,
- Alfred Gerber, Director Nestlé Purina Polska.

## **Heritage Family Specialty Foods**

*Jayson L. Lusk and Michael A. Gunderson*

This case considers the difficult task of pricing finished products when input prices are uncertain. The setting for the case is the rapidly growing food service sector and the position of an innovative new company, Heritage Family Specialty Foods. The case follows owner/operator Daniel Brackeen as he tries to maintain the highest quality product while offering more price-competitive bids on salad dressings and

salsas. Competitors that supply large restaurants with mayonnaise, BBQ sauce, salad dressings, and salsa often compete fiercely on prices. One important factor for Daniel to consider is the uncertainty of ingredient prices and how to appropriately set finished product prices.

The case begins by providing information regarding the history of Heritage Family Specialty Foods and its position in the food service sector. Students can learn about the rapid growth of the firm as well as its goals and strategies for the future. cursory information regarding the sector is also provided to give a feel for the role of the firm in this industry.

The case then focuses upon ingredient cost issue. Data is provided to calculate break-even prices for some of the key products. Additional information is provided to lead participants to different risk management strategies that available to the firm, including contracting, futures, options, cross hedging, and strategic vesting. Issues associated with vertical integration are also discussed.

## **Strategic Marketing Problems in the Uganda Maize Seed Industry**

*Donald W. Larson and Swaibu Mbowe*

### **The Research Question**

This case study illustrates the strategic issues and challenges facing maize seed marketing firms in a modernizing third world country such as Uganda. The seed firms have many strategic decisions to make as they strive to become market leaders in the seed industry. Maize seed firms must develop a marketing plan to analyze what each firm can do to improve customer satisfaction and strengthen its competitive position in the market.

### **Study Description**

The case proposes to describe the maize seed industry and then to apply the concepts of a marketing plan to analyze what firms can do to improve their competitiveness. Each firm will have to identify ways to gain competitive advantage as it offers its products and services to the maize farmer customers. The authors developed this maize seed marketing firm case during a field visit to Uganda in August of 2003. We completed personal interviews with a number of persons in the maize seed industry to obtain the raw material for the case and collected secondary data from the Food and Agriculture Organization of the United Nations.

### **Findings and Results**

The maize seed industry has changed dramatically from a government owned and operated industry to a market oriented industry with substantial private firm investment and participation. The new maize seed industry is young, dynamic, growing rapidly, and very competitive. Several foreign and Ugandan firms want to expand their position in the local market and export maize seed to neighboring countries. Uganda has a competitive advantage in commercial maize seed

production because the country can produce two crops per year. Maize seed firms need to differentiate their products and services to gain a competitive advantage in the local market and in the export market.

### **Managerial Implications**

Opportunities exist for foreign and domestic firms to expand maize seed sales in Uganda and in Southern Africa. Approval of a proposed plant protection law will create important incentives for firms to invest in seed production and commercialization in Uganda. Maize seed firms must develop a marketing plan to analyze what each firm can do to improve customer satisfaction and strengthen their competitive position in the market. Developing sound marketing plans is fundamental to food and agribusiness firm success in developing and developed countries of the world.