



*International Food and Agribusiness Management Review*  
*Volume 12, Issue 2, 2009*

## **Executive Summaries**

---

---

### **RESEARCH**

#### **Lessons from the Canadian Cattle Industry for Developing the National Animal Identification System** *Ryan G. L. Murphy, Dustin L. Pendell and Gary C. Smith.*

The continued development of new markets, outside of the U.S., is creating incredible opportunities for livestock and meat firms. However, with increasing movement of people and trade of animals and animal products across international borders, the risk also increases of inadvertently introducing foreign animal diseases into the U.S. Animal identification programs are information systems, which—if developed appropriately—can minimize the potentially devastating effects that an animal disease outbreak would have on a nation’s economy. In addition, these systems can be integrated into a firm’s production operations as a valuable management tool. The primary objective of this paper is to provide a series of recommendations for the U.S. to consider as it continues to develop the National Animal Identification System (NAIS). The secondary objective is to explain how some progressive operations, spanning all sectors of the live cattle and beef industry supply chain complex in Canada, have utilized the technology of the mandatory cattle identification system to improve management intensity. The authors recommend that an animal identification system should: be a mandatory program; operate with a single national database to avoid creating unnecessary and confusing database differences; standardize radio frequency identification technology and establish specific requirements for tag manufacturers to meet in order to be eligible to sell official animal identification tags; be implemented as a phase-in program; and, be harmonized with the identification programs of trading partners to extend their potential value across borders. Secondary benefits of animal identification include age-, source- and process-verification, improved supply chain and inventory management, as well as reduced labor costs associated with handling and analyzing production data.

## **Drivers of Demand for Imported Horticultural Commodities:**

**A Cross-Country Comparison** *Bradley J. Rickard, Christine M. St. Pierre, and Gabriel M. Becker*

Horticultural commodities represent a large share of the global value of agricultural production and trade, and international markets for these products are increasingly important in many regions of the world. Part of this growth has been fuelled by the use of horticultural crops as ingredients in a wider range of processed food products. Much research has focused on trade patterns for meat, grain, and oilseed products; however, trade flows of key horticultural crops are understudied in the agribusiness and agricultural economics literature. Using panel data for five developed countries and up to five emerging countries between 1991 and 2005, the drivers of per capita import demand for six horticultural commodities were estimated. Our empirical results show that own-price elasticity estimates were negative in all import demand models and, in most cases, the effects were statistically stronger for importers in emerging countries. Overall, import demand for horticultural commodities in developed countries has been driven primarily by prices and the level of trade openness while income and diet considerations were more important in emerging countries. Results also indicate that trade openness is especially important for commodities that are commonly used as food ingredients (cocoa, tomatoes, and palm oil). In addition, our findings show that the determinants of import demand differed across the six models, and therefore information can be lost if data for horticultural commodities are aggregated.

## **The Effectiveness of Facilitated Business-to-Business Word-of-Mouth Marketing Strategies on Target Participants' Information Sharing**

**Behavior** *Joan Fulton, Pei Xu, Corinne Alexander and Jay Akridge*

Agribusiness marketers have recognized the importance of facilitated business-to-business (B2B) word-of-mouth marketing (WOM) on firms' decision making. In particular, the impact of facilitated B2B WOM on information transmission decisions among participants and other business buyers has been explored, but little, if any, academic research has validated the link between facilitated B2B WOM and participants' information sharing decisions.

By surveying 202 business participants and investigating the impact of WOM on information sharing about two products, this study identifies the characteristics of participants in facilitated B2B WOM who share information. For example, satisfied participants and participants who view themselves as credible information sources are found to be more likely to transmit information to other firms. Once agribusiness marketers know who is most likely to share information with peers, they can improve the effectiveness of the WOM program to expand customer groups and enhance profits

## **CASE STUDIES**

### **Opportunities for Producing Table Grapes in Egypt for the Export Market: A Decision Case Study** *Yaser A. A. Diab, Magdi A. A. Mousa, Daniel F. Warnock and David Hahn*

This case study was developed for use in a capstone course of the Faculty of Agriculture at Assiut University in Upper Egypt. It explores an agricultural situation that can be taught to both classroom and extension learners. The case study discusses the situation of a fruit farm owner located in Nobarya along the Cairo-Alex Desert road, northwest of Cairo, Egypt. The owner produces exportable fruit crops, mainly focusing on table grapes. The challenges faced by the management of Barakat Fruit Farm are similar to those faced by other orchards or horticultural crops including potential market identification, cultivar longevity, production expansion, labor management, using intermediaries effectively, and increasing market share for product. A primary challenge this farm faces is to produce grapes early enough to catch a window of opportunity for fresh table grapes in Europe. The case chronicles how the management decisions for a crop production mix made early in the establishment of Barakat Fruit Farm have negatively affected the farm's ability to effectively compete in the current fruit export market. This case provides production, market, and financial information for evaluating the potential for shifting current grape production practices from a late season crop to an early season crop. The case uses a documentary format, secondary data resources, and interviews with the farm manager and exporters. The farm manager describes his perspectives on the challenges that he faces in producing early grapes. The teaching notes narrative describes the opportunities for producing table grapes in Egypt for export and offers strategies for classroom learning situations. Students completing the case will have a better understanding of grape production systems, gain decision making and analysis skills, and become familiar with using financial analysis principals for strategic business decisions. The Teaching Notes are available upon request.

## **INDUSTRY SPEAKS**

### **Implementation of a Traceability System from Constraints to Opportunities for the Industry: A Case Study of Quebec, Canada** *Gilbert Lavoie and Jean-François Forest*

The laws and regulations governing traceability are not well adapted to the industry. With respect to sanitary control and food security, they are generally embedded in the Government's overall strategy. Accordingly, the implementation is often managed by government veterinarians and human health specialists. Hence, the needs and constraints of the industry, while accounted for, are often treated a posteriori in spite of the precedence of public protection objectives. This creates a situation where the introduction of a traceability system leads to large resistance on

the part of the industry that takes the tangible and short-term constraints and costs more into consideration than the opportunities that can be generated.

The sustained follow-up and management of farm information relating the links of the agri-food chain offers, in reality, a lot of opportunity to the industry; whether this is to maintain access to international markets, to identify the origin of convenience goods for marketing, to improve livestock or field management practices, or else. However, the main problem is that most of the advantages stay intangible and somewhat hypothetical in the short-run, and become concrete only in the event of an epidemiological or food safety crisis or in the long-run when various opportunities will arise.

The implementation of a traceability system is challenging to the industry in terms of optimally reducing of the associated costs and constraints, and perceiving the potential benefits from the opportunities thereof. It is, therefore, essential that the decision-makers responsible for the setup of such a system be aware of this challenge. They should also pay attention to and account for the priorities of the industry. This article presents the case of Quebec's traceability system where the cooperation between the industry and the Government has been the key factor used to facilitate the implementation process.

## **EXECUTIVE INTERVIEW**

### **Global Supply Chain**

#### **An Interview with Mary Shelman**

*Doug Joses*

Mary Shelman discusses forces driving higher food prices and some of the changes which are impacting the global food supply chain. Shelman coordinates Harvard Business School's premier Agribusiness Seminar attended annually by more than 200 CEOs and top managers from global firms. She also organizes and teaches similar programs in Europe, Latin America and Asia. Her research focuses on the forces shaping global agribusiness. Her experience bridges academia, as an author and teacher of dozens of case studies on strategic change and challenges in global agribusiness firms, with industry experience.