

Success story: Greening agrisupply chains for sustainability, safety, and competitiveness

In January 2006, I participated in the APO multicountry study mission to Japan on Greening the Agri-Food Supply Chain for Enhanced Food Safety, Competitiveness, and Sustainable Agriculture Development. That mission focused on market-oriented, eco-friendly food value chain activities and showcased the cooperation among starred hotels, supermarket chains, and small-scale farmers in the production of eco-labeled foodstuffs.

With the exposure gained from that project, I decided to set up a pilot-scale green food chain in Sri Lanka by improving the existing supply chain of the Hadabima Authority of the Ministry of Agriculture. Established in 1978, its mandate includes diversifying agriculture, improving the livelihood of inhabitants, and protecting the environment in remote villages. The authority has been involved in many development activities, mainly focusing on soil erosion issues and income-generating activities for farmers through agriculture and livestock programs. Although those initiatives improved the productivity of villages, marketing was ineffective due to low volume, inconsistent supply, logistics issues, and quality problems. In February 2006, I submitted a project proposal for upgrading the Hadabima Authority supply chain, which is situated in the central province. The main items in the proposal were promoting the organic cultivation of traditional fruit and vegetables, using plastic crates to reduce postharvest losses, building a packing house, and renovating the existing sales outlet.


Based on information from the APO study mission, I thought of branding as “traditional produce” as a marketing tool. In Sri Lanka, there is growing demand for traditional agricultural commodities not contaminated with inorganic fertilizers or pesticides. To speed up project completion, farmer training, construction of the packing house, renovation of the sales outlet, and training of packing house operators were initiated simultaneously with the assistance of officials from the Hadabima Authority and Food Research Unit, Ministry of Agriculture. By September, most construction and training activities had been completed and trial runs were conducted. Market-oriented traditional fruit and vegetables, eggs, and other commodities are produced in the assigned villages, collected, and transported in plastic crates. Primary processing is done at the packing house, and the food is sold in the renovated sales center.

The project was opened on 11 August by the Minister of Agriculture, with APO Director for Sri Lanka Mahinda Madihahewa present. During the first month, average daily sales of the outlet increased by three-fold (from about US\$230 to US\$690). One initial problem was inadequate supply to meet growing demand. The first attempt to increase the volume of fresh commodities encountered quality issues. Hence, further processing such as producing fresh-cut and frozen vegetables was undertaken. Subsequently, a home delivery service was offered to avoid spoilage of fresh commodities and now has sales of about US\$370 per day. Current daily average outlet sales are about US\$1,400. Postharvest losses of perishables are in the range of 30–40%.

To mark the FAO's World Food Day, the Ministry of Agriculture arranged a field tour for more than 50 private-sector investors, government officials, ministry secretaries, and FAO representatives to observe our green supply chain. Recently, representatives of a domestic supermarket chain (with more than 100



Packing of market-oriented traditional vegetables

outlets) visited our green supply chain facilities and are interested in establishing a similar system. This year, we will introduce solar-powered drip irrigation systems. Our goal is to create a model of a sustainable green supply chain so that agroindustry and stakeholders in agrisupply chains will gradually make their commercial systems more eco-friendly. 

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