On-Farm Certification Programmes

What makes them successful for producer uptake?

A report prepared for the Kellogg's Rural Leadership Programme 2011

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Executive Summary:

On-farm Certification programmes and the successful uptake of them by producers relies on some key elements especially if the programmes are to help mitigate the 'licence to operate' debate that is currently hampering intensive agricultural practice. Certification programmes operate in many different contexts – the size, depth and distribution of them through the supply chain varies between individual producers and their industry.

Certification Schemes operating behind the farm gate have great scope in bridging the understanding of product integrity, product quality, production systems and the supply chain from the local community, regulator, and customer through to the end consumer. Certification Schemes are generally over pinned by a wider quality programme. Quality programmes are not solely focused on the end outcome rather look to encompass the whole process from start to finish, stream lining the links in the chain resulting in a high quality outcome. Therefore the use of a quality programme for on-farm production systems is hugely important if the producer wishes to offer repeatability of product quality and integrity to the consumer.

Producers and Industry that currently operate on-farm quality programmes have illustrated that through their niche market opportunities financial rewards to the producer can be harnessed. The implementation of these programmes requires strong and clear communication around the context of the programme and the objectives to the producer. Producers enjoy the recognition, opportunities and relationships that ride on the back of having a successful quality programme implemented within their business operation.

How long can all industry and producers delay the implementation of on-farm quality programmes? Can producers and industry afford to 'sit on the fence'? The opportunity arising from proactive management through implementing a quality scheme outweighs a hamstrung approach to farm management.

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1.0 Introduction:

Certification, On-Farm Quality Assurance Programmes, Accreditation and Audited Self Management are the hype of regulators, overseas customers, marketers, consumers, producers and New Zealand agriculturalists. Just as sustainability, waste minimisation and benchmarking were the environmentally focused agricultural trend words of the last decade; this decade sees the trend as being a motivational change to implementing on-farm quality programmes.

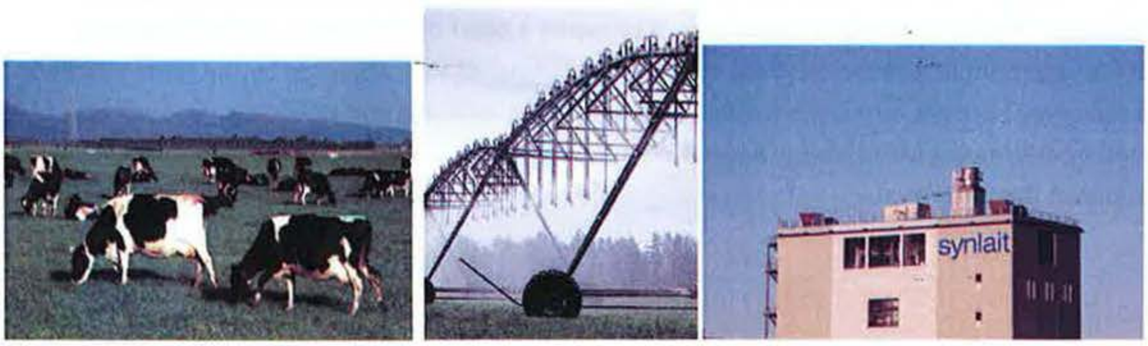
The depth and meaning behind these trends are subjective, come with huge variability and are easy to say but it is much harder to pin down a universal understanding of them. The baseline content and how they are implemented is what makes them unique and effective.

Quality programmes operate in many different contexts – the size, depth and distribution of them through the supply chain varies between individuals and their associated industry. Investigating what a quality programme really is and how it varies between industries is challenging because such programmes are often masked with some degree of secrecy. This project investigates how New Zealand agriculture as a whole utilises these programmes for the common good. The project does not attempt to address all schemes that exist as there are many, nor does it address an exhaustive list of farmer and industry beliefs on on-farm quality programmes. The project attempts to outline some of the key themes that have been presented to me during my research and discusses what I see as key issues and potential ways forward.

The key objective of this project is to find out more from producers about what drives the successes of on-farm quality programmes behind the farm gate. This has to be considered in context to the industry they are involved with, the provisions of their industry on-farm quality programme and the producer's knowledge of the consumers needs.

Discussions with producers implementing these programmes currently has raised some common themes and the manner in which on-farm quality programmes have been rolled out on-farm has not always resulted in a high degree of adoption. So what would the ideal scheme involve and what makes some programmes more successful than others?

2.0 Synlait Overview:



"Synlait Milk is a dairy manufacturing business that processes raw milk into milk powder to be used as ingredients in dairy consumer products or repackaged into customer brands"(Customer Information (New Zealand: Synlait Milk, 2011)). It has been operating as a manufacturing business since 2007 and has expanded rapidly in this time to process a bit over 3.4 million litres of milk into

54,500 Metric Tonnes of product last season at its Dunsandel base. A complementary arm to the manufacturing business is the operation and development of fourteen farms owned by Synlait Limited. Synlait works on a 'cow to customer' model with a tag line of 'making more from milk'. The linkages between Synlait Limited and contracted supply farms within the Canterbury region, and the manufacturing company, Synlait Milk has enabled the investigation to consider implementation of an on-farm certification scheme across the supply base.

Having a clear objective, being able to deliver timely and punctual on-farm education and building strong relationships with suppliers contributes to the development of a sound certification programme that will alter the way Synlait Milk does business as a company and with its farmer suppliers. Continual requirements to improve the manner, in which intensive dairy farming is undertaken, meant a strategic review of current auditing and compliance practice was required. At an industry and company level, the key driver is food safety. Therefore, there is a requirement to address the whole farm operation rather than segmental on-farm processes that help ensure food safety. This can be achieved through addressing four instrumental pillars of on-farm processes being Milk Quality, Environmental, Animal Welfare and Social Responsibilities. On-farm performance and sound management of resources through the adoption of on-farm certification is another mechanism for 'Making more from milk'. It is hoped that by the end of the current season (2011) a pilot study has been completed, feedback gathered, the content and structure of the certification programme reviewed and a mechanism for implementation ready to become a term of supply for the 2012/2013 season.

So what is it that I really envisage Synlait achieving?

A tiered approach to on-farm performance that recognises and rewards the degree of involvement, behind the farm gate. This may help to better produce milk in an all encompassing manner that ensures food safety. This will offer the manufacturing business the opportunity to obtain a differential from the market and gives assurance to the wider community of sound performance.

Moving from current legislative requirements through best practice to futuristic and innovative technology, like precision agriculture, looks to help set a bottom line and signal in a more transparent manner the path that should be followed. To help ensure success the on-farm certification programme looks to set clear and achievable targets for performance, it endorses innovation and higher operational standards. It presents a point of difference, whilst illustrating robust management across the business operation and most of all is accepted by the farm suppliers as the right way to move forward environmentally, socially, ethically and politically. This will be achieved by addressing Milk Quality, Animal Welfare, Social Responsibility and Environmental operations at the farm level.

Figure 1: Tiered approach to on-farm certification through the Synlait Scheme

Figure 2: Illustration of tanker identification and farm involvement at farm entrance

3.0 Overview of Research:

Many agricultural industries have been undertaking some form of on-farm quality programme for over a decade. Through my project I have discussed past, current and future initiatives with various industries and associated producers. These include Horticulture New Zealand, Foundation for Arable Research, Forestry, Red Meat Companies, DairyNZ and Zespri. The context in which the information provided to me remains anonymous and I have looked to structure this report into common themes rather than indentify parties concerned.

I gathered my research through various platforms from internet research, reviewing existing schemes; their content and structure, literature reviews, discussions with industry and associated producers and presenting and attending appropriate workshops and/or conferences. It has been invaluable speaking to various industries and their producers to see the polarised viewpoints they hold, understand the strengths and weaknesses of each industry, gain a better understanding of the markets they are having involvement with and the operational controls imposed by these market(s). Most of all it has been interesting to gain an insight into what these industries and producers see as solutions for agricultural practice and on-farm quality programmes in the future.

The key questions I posed to industry and producers included:

1. From what base did you develop the standards you are working to now?
2. What were the drivers for developing such a scheme initially?
3. What mechanisms have you entertained to ensure high levels of adoption from the growers?
4. How do you describe what you have to your markets?
5. What other models or examples did you follow?
6. What do you see as the biggest strengths or benefits of what you have in place?
7. If you could have your time again what changes would you make?

I specifically asked producers:

1. What involvement and/or exposure they have had to an on-farm quality programme?
2. What were the biggest drivers for them adopting the scheme?
3. How do they like to be communicated with?
4. What helped or hindered your adoption of the required standards?
5. How included do you feel in knowing the market signals and understanding what you need to produce?
6. How do you explain to people/outsiders on what you have on-farm?
7. What are the biggest benefits/rewards for you being involved in this scheme?

From my research I am able to indentify six key drivers that have helped to enable the success of on-farm quality programmes adopted by industry and producers interviewed for the project. These do not operate in isolation from each other nor do they necessarily all have to be present to ensure success. They are simply areas that many individuals indentified as being a contributing factor to drive success. Listed in no particular order of priority they are:

- Achieving a premium from the market
- Getting recognition

- Communication
- Clear and Simple Objectives
- Overall context
- Having a large producer on board

I will expand on these key themes through the content of the project to give a better understanding of why I selected them as important from the feedback received during the data gathering phase of my research.

4.0 What are Quality Programmes and Environmental Management Systems?

An environmental management system or quality programme work on some key principles that ultimately help an organisation or individual "...to achieve and maintain a measureable improvement in performance" (Environmental Management Systems (New Zealand: Ministry for the Environment, 25 July 2005). They operate on a 'plan, do, act, review cycle of continual improvement. Just like certification being the buzz word of current time, continual improvement and lean manufacturing is also gaining momentum by building on this thinking of stream lining processes to maximise performance and efficiency. Quality programmes are not solely focused on the end outcome but rather look to encompass the whole process from start to finish, stream lining the links in the chain resulting in a high quality outcome. Ultimately these programmes are set up to help address consistency of quality rather than just a here and now approach or outcome. They help to offer repeatability of performance, be it product or experience which, in turn drives quality, especially when considering the end consumer of our agricultural products.

Often these programmes within industry are required or implemented by business as a risk mitigation factor and/or to uphold their good corporate citizenship status from a larger over hinging programme or control. Such examples include Hazard Plans, Food Manufacturing requirements, Risk Management Plans and these begin with product, how it is produced and the quality as it leaves the farm gate.

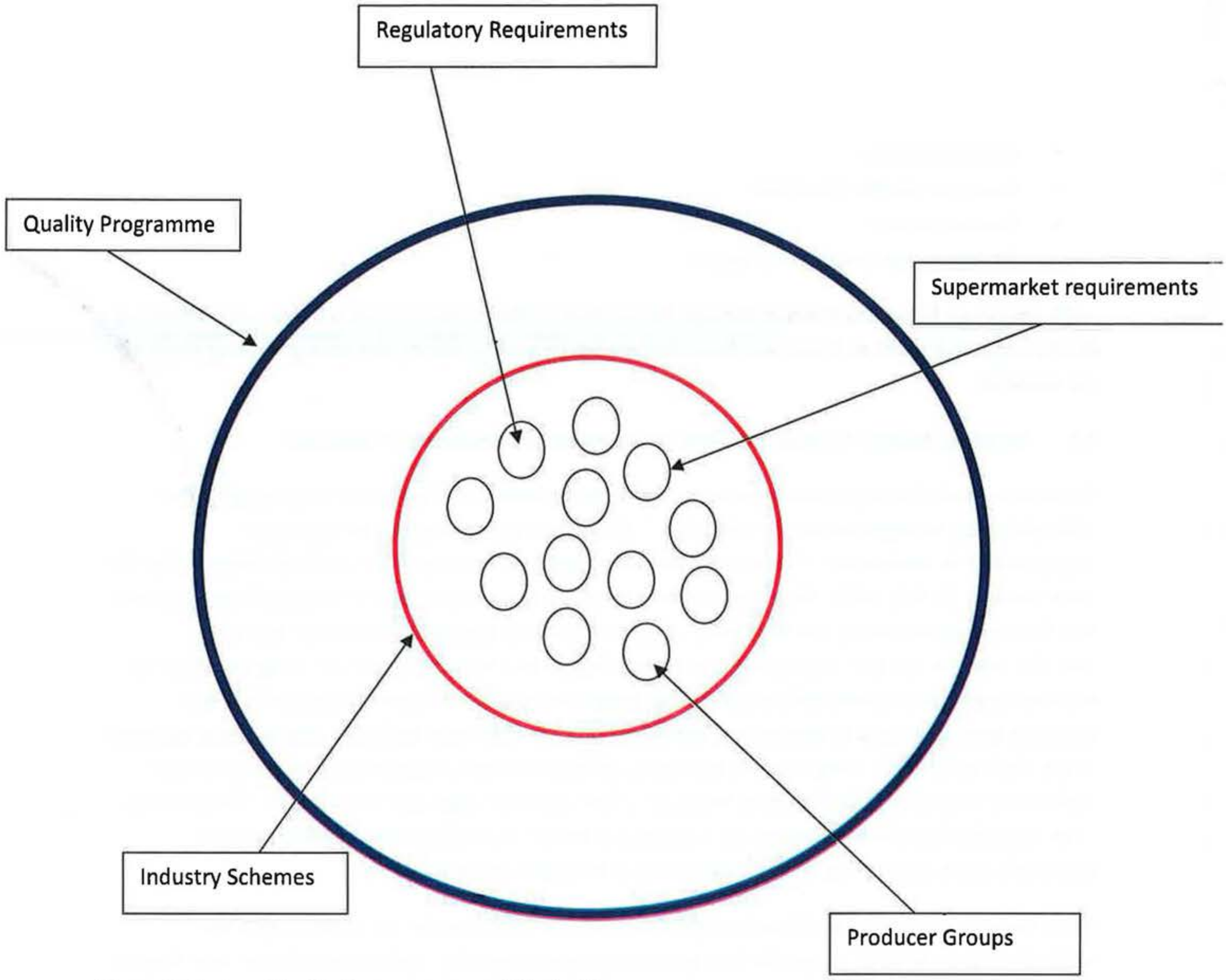


Figure 3: Various Quality Programmes and their drivers

Programmes can operate in many shapes and sizes. There becomes a tiered approach at the farm level as to what quality programme is undertaken, the advantages of them, the end objectives and to how these fit with the business operation. Content and focus of the scheme can be on an international, domestic and even localised scale. With emphasis on addressing issues that are important to the operational environment and context in which the product is produced, perceived issues of importance and end consumer expectations. Is it right that one size fits all?

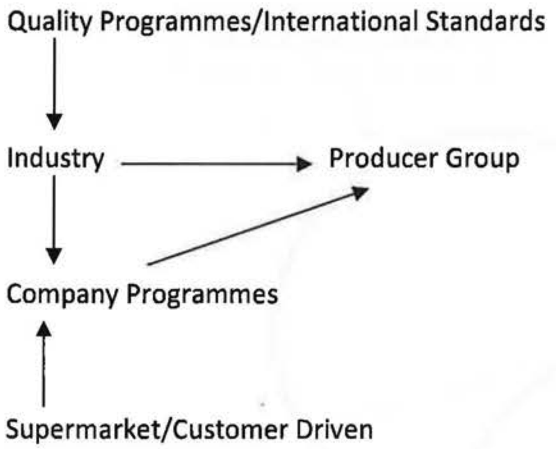


Figure 4: What drives the interaction and involvement – linkages in the chain

It is likely that schemes do not operate in isolation from the wider quality programme. Producers may be expected to meet more than one programme or at least choose what programme they are to adopt to ensure quality requirements and market entry. The content of the scheme or its objectives are not necessarily seen in the results of the end product. However the integrity of the product is preserved by adhering to the scheme objectives. An example of this is animal welfare requirements. When you purchase a leg of lamb at the supermarket you cannot determine that the animal has been treated in accordance with all welfare requirements. You can however intrinsically be assured that good practice has been followed.

There is however a degree of overlap between all requirements.

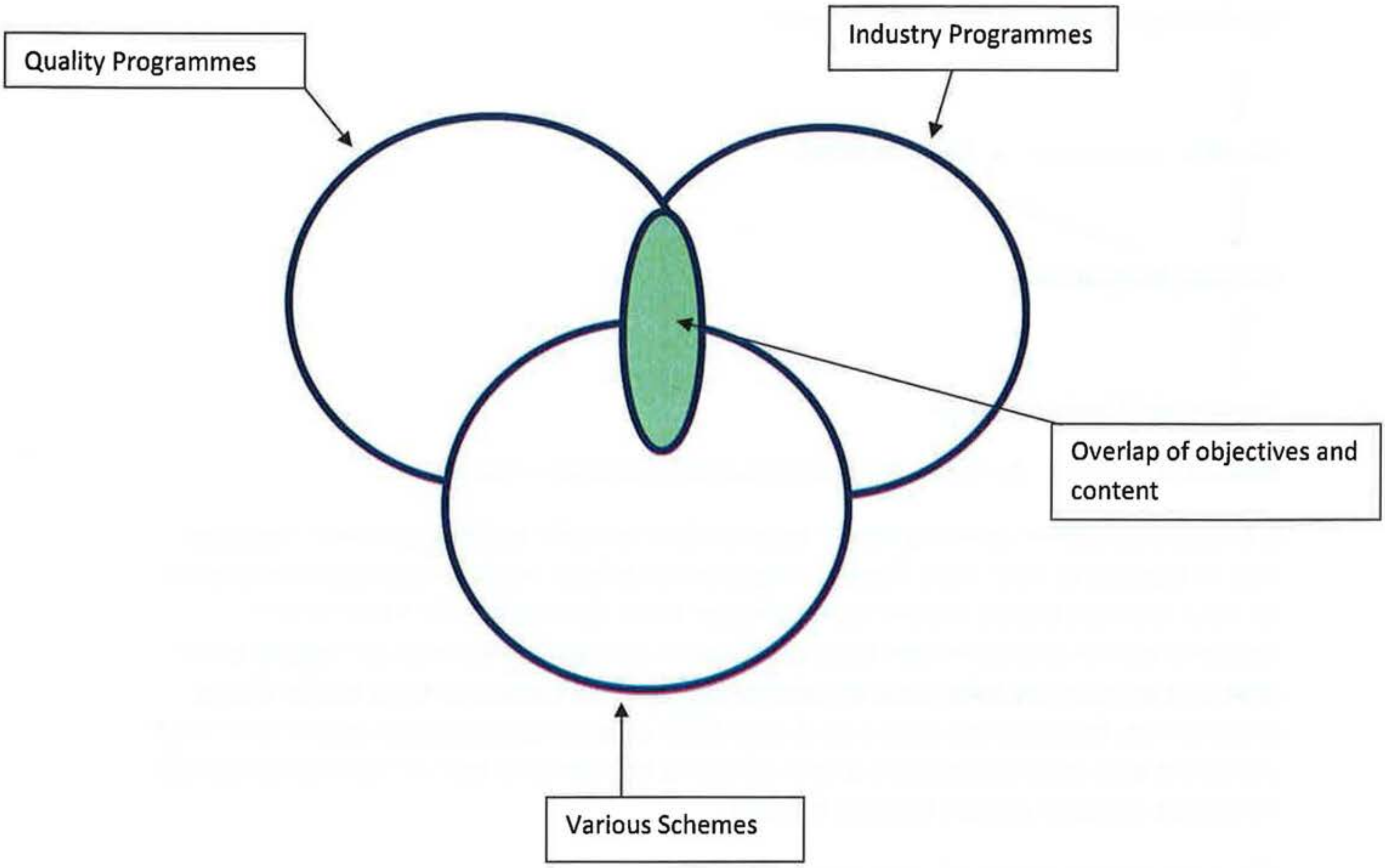


Figure 5: Potential points of overlap and duplication

What has driven the surge in quality programmes?

5.0 A Background to Industry Development

Originally driven by market access requirements many schemes are currently going or recently have gone through a strategic overhaul. This has been focused around encompassing some of the internal regulatory drivers emerging from within the regional planning framework and the 'kiwi' expectation around environmental sustainability.

Some industries highlighted that they are far from developing any type of programme at the farm gate level and they acknowledge this is a huge gap in their operation but are struggling with the here and now issues facing them today. How long can one afford to leave this gap open and sit on the fence?

Many producers and industry players believe that it is up to them to act responsibly, operate their businesses within the realms of legislative requirements and give certainty on product stewardship, be it in animal welfare, environmental or social responsibilities to ensure ultimate product quality. The risk of not operating to meet the demands and expectations of the wider community is that your licence to operate is seriously curtailed. Producers believed that quality programmes are needed to take and/or re-gain some control and set some bottom lines before others do it for you. The risk of waiting is the risk on the unknown judgement that may impose the requirements. Doing something is better than doing nothing mentality! Regaining trust within the community, expanding extension and education forums to allow better judgement and illustrating some good news stories are all highlighted as important mechanisms for undertaking some independent quality systems.

It appears the industries that do not have quality programmes in place tend operate more within the domestic market. The requirements by external market forces have not yet pushed them hard enough to adopt a quality programme. I also believe they are struggling to 'keep their head above the water'; their operational structures and buy-in from the industry would appear to be some current limiting factors in the successful implementation of a quality programme at the farm gate. It may be necessary to offer some strategic direction to these industries through implementing a quality programme. This can be achieved by aiding the operational context of the industry and moving towards regulating the industry rather than the relying on the current regulatory system.

Founding industries that undertook on-farm certification indicated that food safety and predominately chemical residues were the main drivers from their markets. One paper I reviewed believed that the drive towards quality programmes is a result of "growing numbers of affluent consumers who demand diversity and distinctness in food; increased public concern over issues such as health, ecology and animal welfare, and a series of food scares (BSE, foot and mouth disease) which have undermined public confidence in conventional food production" Higgins, V; Dibden, J; Cocklin, C. (2008).

New Zealand Industry saw how the European market was tracking and identified the need to address their performance before product was simply banned from the market. "Overseas food market chains and their customers are increasingly wishing to be assured that the food and fibre they buy from New Zealand farms has been produced in an ecologically sustainable way that supports other plants and animals in the farm landscape as well as the 'agricultural biodiversity' that directly assists production" (Carruthers, G. (1999). In some cases exclusions did occur and a recovery of perception and quality was required before product could re-enter the market. Others saw that what was being imposed on European producers was not necessarily fitting for the New Zealand pastoral or outdoors growing environment. They believed with some dedicated expertise, innovation and technology a scheme could be developed that gave transparency and trust into the programme but did not necessarily run off the back of what were becoming European requirements.

6.0 The benefits of implementing a scheme:

Some industries, especially those supplying the European markets made their programmes a little more robust than just accepting the key market signals. Benchman comments in *Certification craze-boon or boondoggle* that "farmers need to play offense rather than defence...adjusting production practices to better match what consumers expect..." (Benchman, T. And Otte, J (2002). Further the Kellogg's project on Towards a better integration of our land base, our farm; business and our community states that "Our farm systems have become very insular in their outlook and are failing to observe the basic reasons for poor performance and are not prepared to accept that threats on the horizon will ever affect them – until it is too late. This is when we are forced into a reactive rather than proactive position" (Milner, I (2010). These two quotes come from differing viewpoints but I believe the message is the same – if you do not take control and do so quickly someone else will take control on your behalf. The benefit of adopting an on-farm quality programme helps get you on top of the hill, looking into your business so you work with some strategic foresight. Being able to illustrate and/or manage the operation in a proactive manner helps smooth the bumps along the way.

6.1 Costs and Content

- Achieving a premium from the market
- Clear, Simple Objectives

The industries that were early adopters of on-farm quality programmes were able to market on a 'point of difference' philosophy which was very strong a decade ago. Benchman and Otte argue that "early adapters might capture premiums short-term. But once "new guidelines" become industry standards, consumers won't pay more for what essentially becomes a commodity product" Benchman, T and Otte, J (2002). Feedback is that the point of difference, especially across bigger industry players has less weighting going forward as a more holistic NZ 'Clean Green' approach is sought across industry sectors. I wonder if this comment from further reflection perhaps runs deeper as a result of us now exporting product that simply has no point of difference and has fallen back into the commodity trap.

Predominantly the first schemes were around animal welfare and productivity in its true sense. There was a need to capture product quality and integrity. Schemes have grown in successive developments to include an environmental focus and more recently social responsibilities. Nowadays they do not stop there, it would be common to see what restoration and corporate/community citizenship is being undertaken. Milner's Kellogg's project comments "there are some marketing plans starting to develop that include environmental and social responsibility as cornerstones of a contract but they are few and far between" (Milner, I. (2010). Further feedback from producers has been that if you can ensure the social responsibilities of these programmes hit the right key strings then the subsequent content of other focus areas naturally fall out as a result. They indicate that we should not be under estimating the power social responsibility requirements hold and getting that right to bolster better on-farm performance across all spheres. The common saying 'pays peanuts gets monkeys' type approach is a good indicator of performance and meeting associated requirements. If people feel engaged in their work, fairly rewarded for their efforts and understand how their work and contribution fits into the strategic plan then naturally the workforce is more aligned at achieving a higher level of on-farm performance.

Voluntary adoption of the programmes was nearly all but obsolete as programmes instantly became a requirement for supply. While many farmers highlighted that they were disgruntled at the time they are all pleased they have achieved certification requirements. Otte says that "certification becomes a cost of doing business. You're simply raising the bar to stay in the game and keep the market you already have" (Benchman, T and Otte, J (2002). Feedback has also been that most schemes initially have not been too hard to meet compliance targets if you had some robust recording processes in place. Being forced to undertake such certification requirements has meant the small things associated with the 'nice to do' attitude has been tidied up in the process.

Other schemes have begun as voluntary requirements but shifted to a compulsory term of supply to encourage uptake, protect the whole value chain, preserve the entrance into the market and protect the asset base of the company and producer. "Many examples of industrial adoption of Environmental Management Systems have shown that whilst the adoption was initially in order to meet legislative requirements or attempt to capture market advantages, the real benefit was realised from significant savings in production costs" (Carruthers, G. (1999).

For the majority of programmes, adoption snowballed once a relatively large influential party implemented the idea and structured their operation to meet quality requirements. Commonly this could have been Turners and Growers, Supermarket chains, dominant producers and more often than not corporate farming businesses or where internal farm succession took place. Producers saw the benefit offering the ability to gain a larger market share, increase profitability and diversify. Farming quickly became more than just a nice lifestyle, there was a growing need to make the business work and the economics became a strong driver.

6.2 Communication and Context

- **Overall context**
- **Communication**

The evolution of individual industries quality programmes have proven that doing something is better than doing nothing. It gives a platform to ensure that unnecessary criteria are not required in order to achieve the desired outcomes. Illustrating that you are working towards a clear objective and that transparent signals are being given between the market and producer has been shown to significantly alter the market perceptions of product being supplied. What we have seen in more recent times with our food products is "perception is as powerful as reality" (Manhire, J pers comm., May 2011). The melamine outbreak in China is likely to be one of the leading cases of this. Chinese parents no longer trust their own product and look to buy Australasian sourced infant milk formula for their children. The BSC scare in Europe and perhaps closer to home the impacts of sow crates within our pork industry are another few examples. Rightly or wrongly the messages that are sent to our communities can be easily misunderstood in the wrong hands. Having enough knowledge to be dangerous is a huge risk to New Zealand's agricultural sector. Every single New Zealander needs to consider the manner in which they gain their information. To safe guard the markets to which product is exported and the marketing concept of 'clean green' New Zealand that is projected worldwide, New Zealanders need to support our economy and participate in the sharing of ideas.

The current forum in which science is undertaken in New Zealand contributes too many of the perceptions individuals hold today. Science funding is difficult and in recent times the extension services that go hand-in-hand with science and research in my opinion have not been well developed. Much science undertaken in New Zealand is poorly disseminated into the wider community through an extension and development means. This can become a 'double edged sword' – how much information do you give people, who is best at delivering the extension and in what mechanism suits most of our farming and/or wider community. Too often we build our understanding on emotive subjects through the media. Having a robust, transparent, auditable and achievable on-farm quality programme will be a strong driver at bridging these gaps between perceived and actual. By adopting an on-farm quality programme producers should be able to obtain more accurate signals of their requirements, the technology and science available to them and how we can all work more cohesively for the common good.

One of the biggest drivers for uptake has been the interaction with the assessors and having an independent audit at regular intervals. All industry schemes involve some type of auditing at the farm level. In all cases this is undertaken at periodic times by an independent assessor through a third party contractual arrangement. In between independent audits it was common for some industries to conduct their own in-house checks. The benefit of regular audits was the direction given on strengths and weaknesses of the operation. It helped set some clear work requirements going forward, especially if you wanted to lift the bar and enter more exclusive producer groups. In some cases industry released the scheme to producers with little to no extension and they were left to get their heads around it. The uptake relied solely on a dominant player accepting this as the new norm and integrated it into their operation.

Another strong driver for adoption has been gained by producer's trialling the programme through its development. Several industries highlighted that to ensure the programme will work well on the ground it needs to be 'test driven' by those that will be using the resources and supporting material. Feedback can be very specific from producers however; it has encouraged producers to feel a sense of ownership in the programme. Suggestions and modifications are highly regarded by the industries to stream line the processes and help avoid duplication of information through the supply chain. A great example of this was a diarised format for recording purposes and on-farm activities.

Farmers believe they learn best through one-on-one contact and this is probably why they find the audit process so valuable. It is specific to their operation, communication is transparent and the feedback is delivered in a timely manner. Many farmers raised the point that neither the industry nor assessor wants to see you "doing the wrong thing and not achieving". Therefore their support to help adoption and achieve certification has been instrumental at achieving the necessary buy-in. At times farmers feel overwhelmed by the information coming across their desk – they struggle to digest it to a point where it can be easily implemented. Farm discussion or focus days are shown to be one of the most successful mechanisms for helping farmers achieve practicable and innovative ways of achieving the requirements. This may result from little consideration of farmers learning styles and their personality traits. "Farmer to farmer support has been found to be a vital area in encouraging implementation of the integrated management approach" (Carruthers, G (1999).

There is strong support and uptake of information circulated through industry magazines. One producer commented that he will read this cover to cover before his local newspaper. Commonly adoption of the scheme is heavily influenced by the women or female contingent of the operation. While keeping the operation grounded and balanced they acted as a gate keeper to what was read, considered and adopted. The influence they clearly have, how communication needs to be facilitated and the interactions that result should be key considerations for industry moving forward.

In more recent time's industry is moving towards more on-line based programmes and self assessment tools. Many producers still rely on the manual, paper based approach to fulfilling their requirements. Often these were producers that have been part of their industry scheme for many years. While much of the information is supplied through a paper based mechanism, producers would prefer to see information more logically structured and in a revised format – it came across that they sought a 'get to the chase' approach where information is laid out in a "do's and do not's " approach. They see electronic requirements becoming the way of the future but it is thought that the state of telecommunication networks and poor penetration of broadband internet into rural areas resulted in less uptake of the on-line services available. Other industries have to use a web based approach to loading spray records and the likes. One of the benefits of having electronic records is that it allows industry and the producer to look back on trends and do comprehensive data analysis. It was thought that this will become more important in time as our markets open, climates change and bio security is recognised as a greater risk to our economy.

A key trend was that the scheme requirements are not necessarily hard to meet. It became clear to me that many schemes resulted in the producers having some key systems and processes. They commented that much of the information was already captured; now it allowed you to put it into one folder.

6.3 Recognition and Reward

<u>Getting recognition and appropriate rewards</u>

Ultimately more monetary reward for input was the favourable way to reflect recognition and product quality. More often than not the opinions around monetary gain were divided between; appropriate reward for time and input to those feeling fairly rewarded for their product. I believe you are always going to get this division – it does not matter how much you do or give you cannot please everybody. Different industry posed varying viewpoints on monetary rewards and it became apparent that often the middle man was taking the biggest slice. Some industry have a cap or percentage payment on product which appears to work well at ensuring the increased value of quality programme products goes back into the producers back pocket. All industries and producers were hesitant to discuss more widely what the financial incentives of having an on-farm quality programme was through the producer and seller. They did however say that the margin was significant.

Of more tangible value was the greater understanding of the market and end consumer demands, having a greater depth of knowledge on the whole supply chain processes and knowing you are doing the right thing. Producers showed immense pride in what they were doing and the programmes they were part of. Knowing producers are doing nearly all they can to provide a product of high quality and sustainability was important to them. They enjoy the interaction and opportunities that become available to them in meeting end consumers or purchasers. The farm visits, customer interaction and even overseas tours of farms and processing plants is instrumental for producers to have the opportunity in knowing where their product ends up and the market signals they need to take away and offer in their product.

"...diminishing control over commodity prices, rising costs and falling incomes – that is characteristic of the 'conventional' industrial model of agri-food production. Most participants chose to become involved...because it was seen as giving producers greater control over the production and marketing process, and hence potentially improving farm income" (Higgins, V; Dibden, J; Cocklin, C (2008).

Building relationships with their industry personel, a wider producer base and customers were another point that gave satisfaction to the producers. The 'open door', a 'name not a number' mentality becomes more apparent when dealing with selected producers within a niche market.

Loyalty and sharing of ideas throughout the supply chain helped to foster these relationships and offer the successes needed to cement them in more permanently.

Another key area of importance was the value of full traceability through the process. The ability to come back and show what product had been grown by a particular producer and even geographically within a property, in some industry gave sound justification to producers on why they like to be involved with on-farm quality programmes. Quality assurance was vital for their product integrity and it was important producers were in business for producing the right product specifications.

7.0 The future:

What learning's can we take with us?

There is a growing need to capture the requirements of the regional regulatory framework into quality programmes for the future. The expectations from our local communities have driven much of this regulatory change. Traditional farming practice is no longer acceptable or well understood by the wider public. Association and connection with agricultural environments continues to deteriorate as our population grows. Producers have the opportunity to effectively manage their resource use, environmental impacts and the domination of the general public through implementing quality programmes, which fit the audited self management requirements of local government.

Industry and producers both need to integrate their operational structure and practices by addressing council requirements. Strategic review of quality programmes should encompass council requirements through collaborative working environments and interaction. This will avoid duplication of material for producers by stream-lining report requirements and all parties having a clear understanding of performance targets and programme content. Addressing council requirements through a quality programme incentivises producers to take a 'bottom up' approach to implementation and development. Traditionally this has been top down and directive in nature.

Producers that diversify their operations to mitigate risk may be required to meet several different industry programmes. As New Zealand continues to export greater volumes of product and enter similar markets, especially within Asia there is a need for all industry to band together. There is a risk of 'one up man ship' evolving through varying scheme requirements. For the betterment of producers and the NZ economy a baseline quality programme across the board may help to avoid any potential issues, such as this arising. There are certainly many challenges before this scenario could achieve the agreement and co-operation required to ensure success and may never be a realistic outcome.

New Zealand is in a unique position of holding a vast amount of natural capital that can be used in the marketing of produce overseas – do all industry and producers understand the value proposition of this? At this stage there is limited co-ordination and direction for industry to take a lead on this and work together to achieve similar aspirations and targets. Industry continues to operate in an isolation pocket of their business operation. What direction and collaboration is required to achieve the best for our country, industry, producer and most of all sustainable manage our operations into the future?

8.0 Conclusion

There are many conclusions that can be drawn from my research. Further discussion and research needs to be undertaken to fully understand why the six areas have been highlighted as key points for success. Some of the key points that require attention in a timely manner are around complacency. How long can we avoid delaying the implementation or upgrade of on-farm quality programmes? Producers must act responsibly and not wait to be forced into a hole. The opportunities arising from proactive management outweigh a hamstrung approach to farm management.

Industry and producers must be open and prepared for scrutiny of their programmes. This is healthy and allows review of the standards and justification of performance. Nothing stands still and with continual investment into productivity gains the science and innovation that can be implemented at the farm level with continually evolve. In-line with these progressions so will quality standards and consumer expectations. What is required is the ability to harness these changes and in-grain those into production process to reap the rewards from them.

There needs to be clear objectives and signals for quality adoption at the farm gate level. Transparency of information and clear support channels for producers help to ensure success. Appropriate reward for the level of involvement required in implementing an on-farm quality programme helps to incentivise adoption, increase engagement and offer enhanced strategic direction. All of this in turn offers heightened security and protection of the asset base in which production is founded and the marketing principles industry relies upon.

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