

ASAGIR PROPOSAL: BUILDING A SUNFLOWER WORLDWIDE NETWORK

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SUMMARY

ASAGIR represents the sunflower value chain in Argentina. It is a non-profit organization targeted to increase production efficiency, product and by-products quality, and promote product diversification. Nowadays ASAGIR is working in programs and activities according to the concept of food value chain, which is intended to foster the integration of all productive sectors, from seed production to oil and by-products. Main activities include support to scientific research activities and market studies, organization of workshops and scientific or technical events, participation in international meetings and groups of study, and bulletins and web page edition intended to make the results of these studies available.

Argentine Sunflower Association, ASAGIR has studied the characteristics of sunflower chain in Argentina, characteristics of different sectors involved in each step, including economic topics, to understand how to increase value and enhance sunflower business in Argentina. It is assumed the model could be projected on a global level.

Key words: sunflower, economy, worldwide network, sunflower promotion, productivity, product quality, product diversification

INTRODUCTION

Sunflower is mainly used as edible oil. Of the 390 million t of oil crops that are produce worldwide, 190 are exported. Equivalent figures are 30 and 9 for sunflower and 4 and 3.3 for Argentina.

Crushing of world vegetal oil production involves 313 million t which results in 121 million t of oil. Sunflower crushing reaches 27 million t and sunflower oil 11 million t. Edible vegetal oil sources are palm, soybean, corn, olive, sunflower, cotton, peanut, and others. Consumers are able to choose among them so, edible oil could be readily substituted. Competitiveness of sunflower is the key for sunflower crop growth.

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Typical characteristics of a value chain:

- A chain is focused on **product**. Sectors remain in the background because the most important point under this concept is the product.
- A chain is **consensus** – based operated – each sector is represented in a forum where discussion, negotiation and agreements are the logical sequence to be followed.
- A chain is an **engine** to get shared vision – as a consequence of agreements before mentioned.
- A chain **gathers** sunflower actors – actors from each sector should be active member.
- Analysis & discussion forum-as already mentioned.

ASAGIR strategy to reach target, to increase production efficiency, product and by-products quality, and to promote product diversification means.

- Enhancing sunflower competitiveness-working on scientific and technological topics.
- Promoting risk hedging to grain value & weather oscillation, *via* ag insurance.
- Encouraging market information sharing – to help producers best decision-making.
- Impelling international sunflower oil & by-products trading - 170% of Argentine production are exported.
- Impelling international sunflower oil & by products differentiation-demand tend to diversify and we understand Argentine Chain should respond to that.

Some relevant characteristics of the Argentine sunflower production

Several seed companies have important breeding programs in Argentina. In fact they provide commercial hybrid seed to producers. At INTA, the National Institute for Agriculture Technology, research and extension programs are developed to allow farmers to grow crops according to the best available technology. Research

work includes breeding, which is developed as joint venture with private companies, and innovative techniques for crop management. Private consultants assist growers in decision making, including cooperatives and other commercial organizations.

There are 3 to 4 thousand sunflower producers - 0.8 M ha are planted on owned land, while 1.2 M ha are planted on rented land.

The most relevant characteristics for this sector are:

- Poor funds for sunflower research or problem solving.
- Poor knowledge of sunflower characteristics and productivity limitations from financial organizations.
- Poor financing and credit availability.
- Global technological extension program needed.
- Global trading extension program needed.
- High prices risk and high weather risk.
- Hedging is a problem due to low trading volume.

Technologically upgraded industry processes sunflower grain. Several private companies own facilities located along the Argentine sunflower area with high volume capacity for grain reception and conditioning, as well as crushing, refining and bottling. Of the total Argentine oil production, 70% are exported and 30% are left for local consumption.

Argentine sunflower value chain implies inputs for US\$ 400 M, value added for 650 M, derived demand for 351 M, and sales for 1051 M. In addition taxes are paid for more than 300 M. Total cash involved in Argentine economy reaches US\$ 1400 M.

Conceptual map is a way to show increasing amounts of information. Conceptual maps are used to present topics in a different way, mainly to get a total idea about something at a glance, and are used as a strategic instrument for solving problems.

Argentine sunflower chain members ask themselves "What do we want to be and what do we want to do?" The answer is "Evolution from value chain to network to get double value". But, what is the scenario?

Oil World Magazine reported that the sunflower oil production will have to increase for 43.1 and 62.7% t by 2015 and 2020, respectively; sunflower oil exports will increase for 88 and 120%, while stocks will reach 220 and 260%, respectively.

This scenario demands of all involved to be ready for this challenge: participation in a global market with new demands, concerning mainly oil and/or products quality and competitiveness.

The future comes, so, what we are going to do about that? An alternative appears... Using digital technology for our own benefit.

Consequences of using digital technology are:

- The effect of distance barrier is lessened.

- Real time operations are allowed.
- Arbitrage, collaboration and adaptability benefits, opportunity identification.
- VELOCITY, COORDINATION, OPPORTUNITY.
- Local and international networks included => international model contagion.
- Data, information, knowledge updating.
- Process source contributing to business.
- Easy-to-use but restricted access depending on profile.
- Open to final channel (on demand).
- Capable of building alliances.
- PROVIDED ACCESS TO INFORMATION.
- Enhance Value Chain and give new business opportunities.
- Allows participant's sub-networking building

To summarize: digital technology gives VALUE to its users.

Building a network implies

It drives to a map where business model should be clear, and it requires:

- c. a shared VISION;
- d. the definition of a critical process to support this business model;
- e. client relationship and assistance models in map;
- f. an identification of key contents associated to each process, organization tools and skills.

It also requires the identification of an INTRAWEB open to network participants, to manage process, relationships, interactions and knowledge. Finally, it requires the definition of technology and key components to allow INTEGRATION, and the necessary steps to build it.

To organize a network, the following is required:

1. A "manager" and a central developer.
2. A network engine to assume leadership to build it.
3. Developing in an evolutionary way according to needs and priorities: step-by-step, with clear definitions of objectives.
4. Sufficient financing to reach objectives.
5. Developing the "language" (business model) of the network.
6. Training, seminars, etc., as a support, on line and on site.

Actors related to sunflower are interested in sunflower promotion, productivity, product quality, product diversification and old and new uses for improved sunflower competitiveness.

Research, workshops and symposiums work to reach the above mentioned issues.

It looks, however, that it is room for easier and faster access to knowledge and information. Information related to key topics may be available to everybody or restricted if saved for strategic reasons. Companies or even countries may prefer to

limit the diffusion of some information. Between these two extreme points there exists a variety of intermediate situations, i.e., different levels of privileged information.

All of the actors involved in sunflower production should determine where the boundary is: which information, due to strategic reasons, should be available without restrictions.

Common objectives should be identified. Shared view among "sunflower society" should be generated to get all Chain Value members work altogether: integration and adaptability of network members are the key and digital interaction is the tool.

To go to a network system, five topics should be developed:

- a. Concepts, design, contents and function of an intranet based on process and information demand by people related with sunflower.
- b. Technological standards to ensure connectivity so that this system could work as a network.
- c. Knowledge - factory organization.
- d. Alliances patterns between members or groups to achieve each particular aim.
- e. Design, administration way and policy, and implementation of an innovation factory.

CONCLUSION

This process is going to take time. Since some key steps are needed, an accurate understanding of this idea should be achieved, and topics above mentioned should be carefully developed.

ASAGIR understand we are going to add value if we are able to interact / to interchange information / to have more and better information available.

Information is today somewhat restricted. Specific information should be available in specific sites – in specific network. To have available information about sunflower, demands organization, to have it now, easily and cheaply way, in digital format, in a network system.

Transition from a value chain to a network depends on relation network more than on people: to increase value, knowledge chain and relation chain will be obtained via systemic coordination and unknown synergy.

ASAGIR invite Udine Symposium members, as well as worldwide sunflower actors, to analyze this proposal.

PROPUESTA DE ASAGIR: FORMACIÓN DE LA RED GLOBAL PARA GIRASOL

RESUMEN

ASAGIR es una red de girasol en La Argentina. Es una organización no lucrativa, cuyo objetivo es incrementar la eficiencia de la producción de girasol, la calidad del producto y de productos secundarios, y promover la creación de nuevos productos, basados en girasol. Actualmente, ASAGIR se dedica a los programas y actividades basadas en el concepto de cadena de factores en la producción de comida, cuyo objetivo es adelantar la integración de todos los sectores de producción, desde la producción de semilla hasta la producción de aceite y los productos secundarios. Las actividades principales incluyen asistencia a las actividades científicas y el sondeo del mercado, la organización de talleres y de los acontecimientos científicos y técnicos, participación en las reuniones internacionales y en el trabajo de los grupos de estudio, i preparaciones de boletines y el sitio de Internet, destinados a la divulgación de susodichas investigaciones.

La Asociación Argentina de Girasol (ASAGIR) estudia las características de la cadena de producción de girasol en La Argentina, las características de ciertos sectores incluidos en cualquiera de las fases de producción, incluyendo los asuntos económicos, para establecer de qué forma es posible aumentar el valor y adelantar la negociación con el girasol en la Argentina.

PROPOSITION ASAGIR : CRÉER UN RÉSEAU MONDIAL POUR LE TOURNESOL

RÉSUMÉ

ASAGIR représente la chaîne du tournesol en Argentine. Il s'agit d'une organisation à but non lucratif dont le but est d'améliorer l'efficacité de la production du tournesol, la qualité des produits et des sous-produits et de promouvoir la diversification du produit. Actuellement, ASAGIR se consacre à des programmes et activités sur le concept de la chaîne de production alimentaire qui ont pour but de stimuler l'intégration de tous les secteurs de production depuis la production de graines à celle d'huile et de sous-produits. Les activités principales incluent un soutien à la recherche scientifique et aux études de marché, l'organisation d'ateliers et de réunions scientifiques ou techniques, la participation à des rencontres internationales et à des groupes d'étude, des bulletins et l'édition d'une page sur la toile destinés à rendre disponibles les résultats des études mentionnées ci-dessus.

L'Association de tournesol d'Argentine, ASAGIR, a étudié les caractéristiques de la chaîne de production du tournesol en Argentine, les caractéristiques de certains secteurs concernés dans chaque étape, en incluant les thèmes économiques pour déterminer la manière d'augmenter la valeur du tournesol et d'encourager les activités économiques s'y rapportant. On présume que le modèle pourrait être porté à un niveau mondial.