

First Symposium on Sunflower Industrial Uses. Lignano Sabbia D'Oro Udine, Italy, 10-14 September 2006. ISA, International Sunflower Association, Udine University.

ASAGIR proposal: Building a Sunflower Worldwide Network.

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Sunflower is mainly used as edible oil. 390 million t of oil crops are produce worldwide and 190 are exported. Equivalent figures for sunflower are 30 and 9, and 4 and 3.3 in Argentina. Crushing of world vegetal oil production are 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, among others.

Consumers are able to choose among them so, edible oil could be highly substituted.

Competitiveness of sunflower is the key for sunflower crop growth.

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 assume the model could be projected to a global level.

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.

Typical characteristics of a Value Chain

- A chain is **Product** focused. Sectors remain in a second place because the most important point under this concepts is the product.
- A chain is Consensus – based operated – each sector is represented in a forum where discussion, negotiation and agreements are the logic sequence to be reached.
- A chain is an Engine to get shared vision – as a consequence of agreements before mentioned.
- A chain Meets sunflower actors – actors from each sector should be active member.
- Analysis & discussion forum – as before 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 insurances.
- Impelling market information sharing – to help producers best decision-making.

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- 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 from Argentine sunflower production are describe as below mentioned:

Several seed companies have very 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 grow crops according to the best available technology. Research work includes breeding, which is developed as joint ventures with private companies, and innovative techniques for crop management. Private consultants assist growers for decision making as well as cooperatives and other commercial organizations.

There are 3 to 4 thousand sunflower producers - 0.8 Mn ha over 2 Mn, 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 problems 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

A very technologically updated industry processes sunflower grain. Several private companies own facilities located along the Argentine sunflower area with high volume capacity for grain reception and conditioning, crushing and refinery as well as bottling plants. In Argentina, 70 % are exported and 30 % is for local consume

Argentine sunflower value chain implies inputs for U\$S 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 U\$S 1400 M.

Conceptual map appears as the way to show increasingly amount of information. Conceptual maps are used to present topics in a different way, mainly to get a total idea on something at a glance, and are used as an instrumental strategy to solve problems.

Argentine sunflower chain members ask themselves “What we want to be and we want to do”. For them, the answer is “Evolution from value chain to Network to get double value” But, what’s the scenario?

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

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

The future comes, so how we are going to do that.

An alternative appears . . . Using digital technology for our own benefit

Consequences of using digital technology are:

- Lessen distance barrier effect.
- Allow real time operations.
- Arbitrage, collaboration and adaptability benefits, and opportunity identification.
- VELOCITY, COORDINATION, OPPORTUNITY.
- Local and international networks included => international model contagion.
- Data, information, knowledge, up dating.
- Process source contributing to business.
- Easy to use but restricted access depending on profiles.
- Open to final channel (to demand).
- Capable of building alliances.
- PROVIDE ACCESS TO INFORMATION.
- Enhance Value Chain and give new business opportunities.
- Allow participant's sub-networking building

Summarizing: give VALUE to users

Building a network implies the following:

It drives to a map where business model should be clear

It requires (a) a shared VISION; (b) the definition of a critical process to support this business model; (c) Client relationship and assistance models in map; (d) 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 it requires

- 1- A "manager" and a central developer.
- 2- A network engine to assume leadership to build it.
- 3- Developing in a evolutive way according to needs and priorities: by steps 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 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 could avoid diffusion of some other information. Between these two extreme points there exist a lot of intermediate situations, i.e. different levels of privileged information.

All of the actors involved in sunflower 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.

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.