Suppliers' Performance Club Series: Global GAP example to understand the changes we are trying to facilitate in the market.

Performance Clubs for Farmers

Performance Clubs can be run by a firm that buys farmers' crops or processing firms. Their most efficient farmer suppliers can become members.

Ah ha!

Buyers need to manage their supply chain in some way - to get more consistent volumes and quality!

That's their incentive to see the rationale for setting up Performance Clubs!

Why and when should we implement Performance Clubs?

Should we start up 1000's of Performance Clubs all over the place?

It's all about context!

What CHANGE are we trying to facilitate in the market by using Performance Clubs as a tactic?

What things are we trying to change?

Incentives & Biases

Patterns & Structures

Processes & Functions

Relationships, Rules & Norms

... so that markets can benefit and include the poor more

How do we get all the farmers and firms to CARE ABOUT THE SAME THING (improved performance) so that the market starts working well and growing over the long term...

... even if they don't realize that's what they are doing?
As we know ... markets consist of farmers, traders, buyers, processors, and markets, overall governance, etc., etc., etc! How do we match / align the needs, performance, and incentives at each part of the market ... so that the whole market system does better?

Let’s look at an example!

Global G.A.P. (Good Agricultural Practices) certification could open up many new international markets ...

BUT ... performance (quality, efficiency) needs to improve first! ... and nothing is currently driving anyone in the market to actually invest in this or to change ...

How could Performance Clubs help to align incentives for Global G.A.P. certification at different levels?

PERFORMANCE CLUBS FOR FARMERS

This is how you need to produce so that we will buy from you - as these are the Global Gap requirements.

Performance Clubs ... define clear rules for farmers

Performance Clubs ... reward good behaviors of farmers

The better you do, the higher Club level you move to and the more rewards you get.

Performance Clubs ... create the environment for committed farmers to grow over time

Performance Clubs ... help buyers to manage the performance of the farmers that supply to them

... to align with Global Gap or other certification or trade requirements

Wow! We can actually help influence and build farmer suppliers!

Eeek - I better get moving!

I need to build relationships with farmers too or I won’t get loyal suppliers or quality crops!

Now I see how buyers are starting to align farmers’ practices with Global G.A.P. ... and therefore with buyers’ needs!

Ah - the whole system starts working towards the same thing!