



Value Chain Coordination Quicksheet
*Funding Value Chain Coordination as a
Place-Based Development Strategy*

Over the past ten years, investment in local food systems focused on rebuilding eroded *physical* food systems infrastructure like aggregation and processing facilities and delivery and transportation logistics. Recently food systems practitioners are starting to redevelop the “soft” or “social infrastructure” that makes up a viable regional food economy. Individuals who build and foster relationships among diverse actors across the food value chain in their regions are called **value chain coordinator professionals**, the businesses and organizations in which they work are **value chain coordination entities**.

Value Chain Coordination Strategy – The Importance of Hard and Soft Infrastructure



Hard Infrastructure

Storage, aggregation and distribution are important, but not the only resources needed



“Soft” Social infrastructure

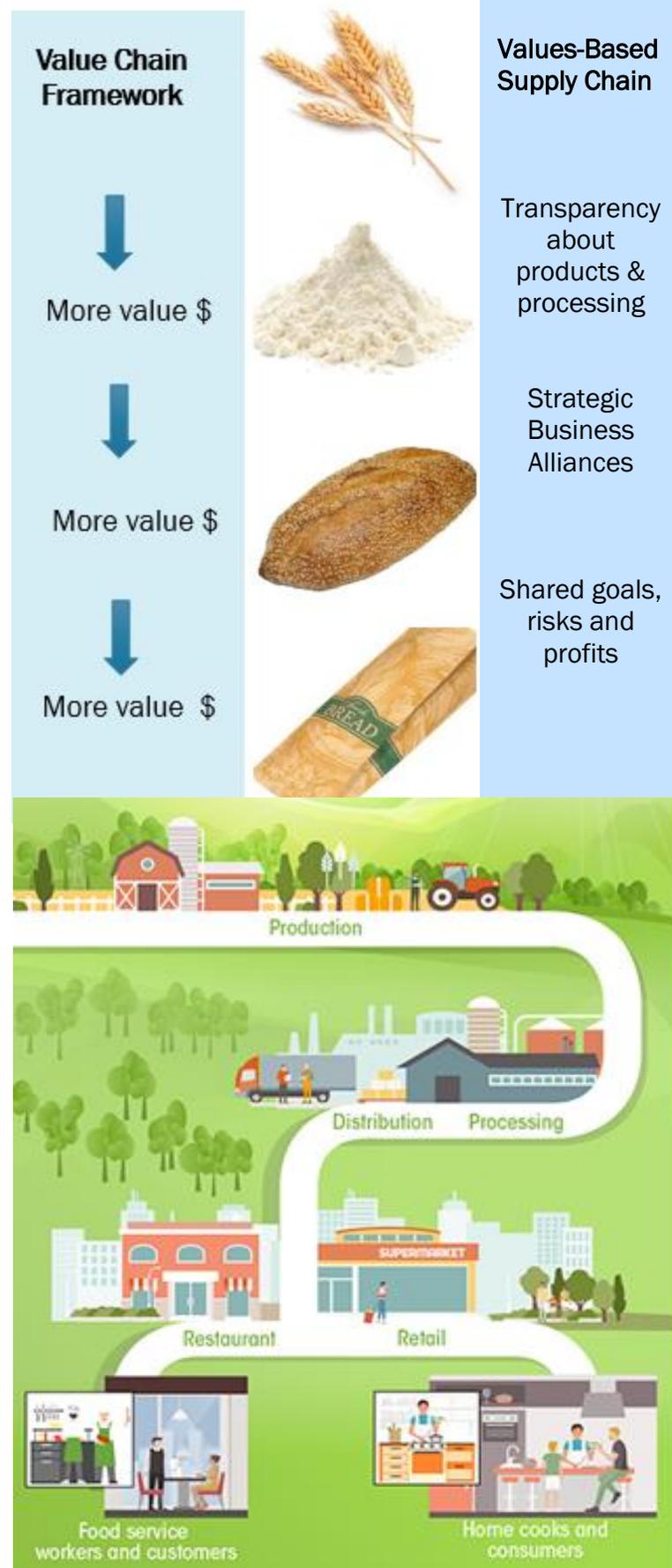
in the form of skills and relationships among diverse stakeholders, necessary for leveraging and utilizing hard infrastructure

A **value chain** is a set of inter-related activities which create additional value when linked. For example, in the journey of wheat to bread, the value of the product is increased with additional each step in the value chain.

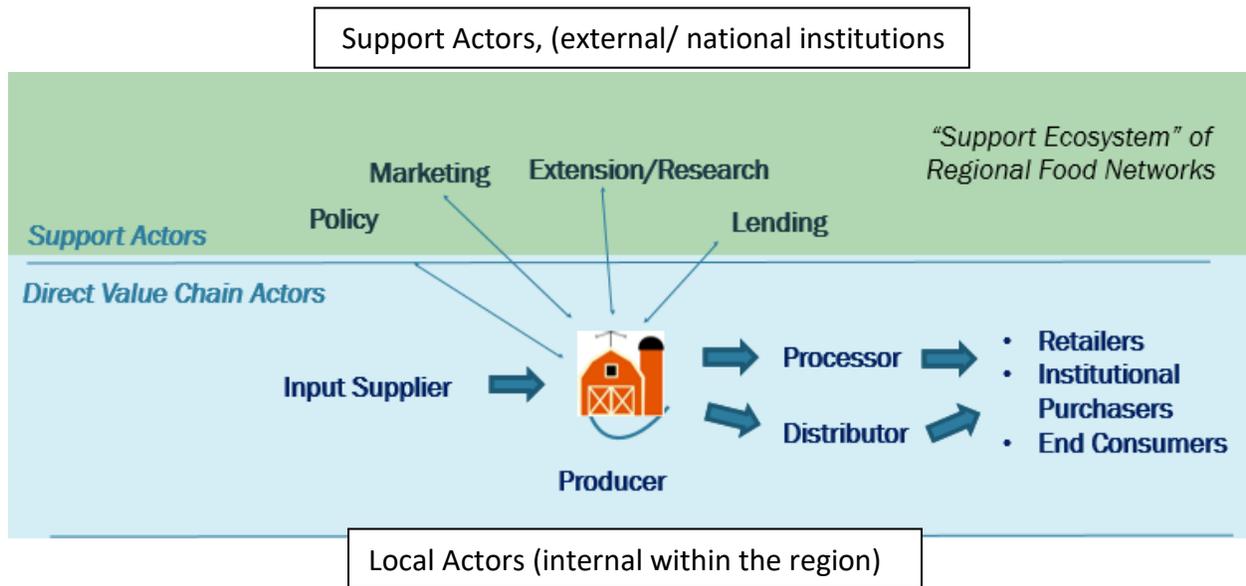
Values-based supply chains are similar to the value chain concept, but with the addition that they are guided by *values* like transparency, shared goals, risks and profits and characterized by strategic business alliances among businesses throughout the chain. Applying a values-based supply chain in the context of place-based development creates value for businesses and individuals within a particular region.

Value Chain Coordination Builds Connections in the Regional Economy

Value chain coordination activities involve working with stakeholders who are *directly* a part of local value chain such as input suppliers, producers, processors, distributors, wholesale buyers and end consumers.



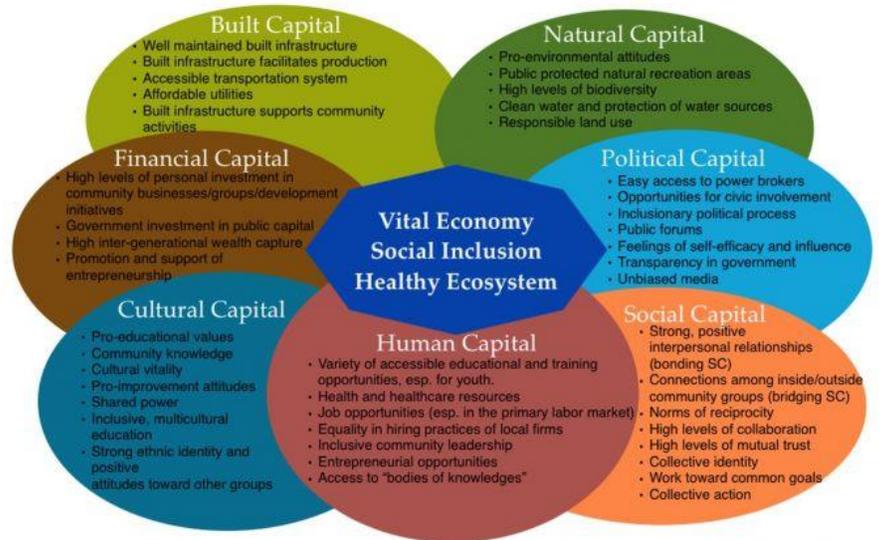
Additionally, value chain coordination engages local *support* actors who provide services or activities to value chain stakeholders. These include lenders, researchers, advocacy non-profits, researchers and more.



Often value chain coordination impacts *a local region*, as businesses within a community foster connections around regional production, processing and purchasing. Value chain coordination efforts to can also involve local actors, such advocacy non-profits or local lenders within the community. Value chain coordination can also link businesses with support actors who work government, policy or research, facilitating the transfer of information and resources such as funding into a community.

Value Chain Coordination Develops Multiple Forms of Capital

While the primary goal of a local food economy is to improve economic outcomes for the businesses and workers involved, a value chain approach also seeks to strengthen *social, human and intellectual capital* in the form of relationships, skills and competencies for actors



<https://www.gjcpp.org/photos/AAnglin-Fig1.JPG>

in the value chain. These other forms of capital create a stronger network and more fertile ground for a resilient local economy, a healthy ecosystem and social inclusion within communities.

Funding Suggestions for Value Chain Coordination

Investment in soft infrastructure has a unique set of parameters which are distinct from other kinds of investments, including planning the length of time of investments and types of measures and outcomes to expect from this type of work. A few suggestions are provided below about considerations for best funding value chain coordination efforts.

Take a Regional Approach

Value chain coordination is a place-based strategy that often centers around areas of high consumer demand. Often these are urban centers where markets are most developed. Value chain coordination as a

strategy works to link areas of production (often rural) with areas of demand (often urban). Some value chain coordination strategies focus efforts around market centers, while others link many rural producers together in a corridor that can serve multiple market areas. Often value chain coordination is focused around a region. Population density, market demand, arable land, and road infrastructure are some of the factors that determine the size of regional focus of value chain coordination efforts. Funders should remain flexible and adaptable to the ways in which value chain coordination and the broader food shed of production and consumption operates across geo-political boundaries. New collaborative funding initiatives between neighboring governments and jurisdictions may be one possible opportunity for consideration.

Support Multi-Year Projects

Often value chain coordinator professionals make important relationship matches, provide technical assistance and pilot new innovations. However, it often takes a great deal of time for these activities to impact traditional economic agri-food metrics such increased sales, increased new jobs in the market place, and increase of production acreage. One value chain coordinator professional summed up this point in her quote, “everything I touch takes three years to turn gold.” Value chain coordination as a social investment primarily yields short term social returns, including the various forms of capital listed about. See also Quicksheets, **Evaluating Convening Events** and **Cross Cutting Metrics** for examples of innovative metrics including social network analysis and cross-cutting economic measures of value chain coordination activities. Social returns yield individual and community level outcomes but may require multiple years for outcomes to mature. Funding opportunities that span multiple years, for example three or more will have a greater ability to recognize returns from this type of investment.

If you'd like to learn more...

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