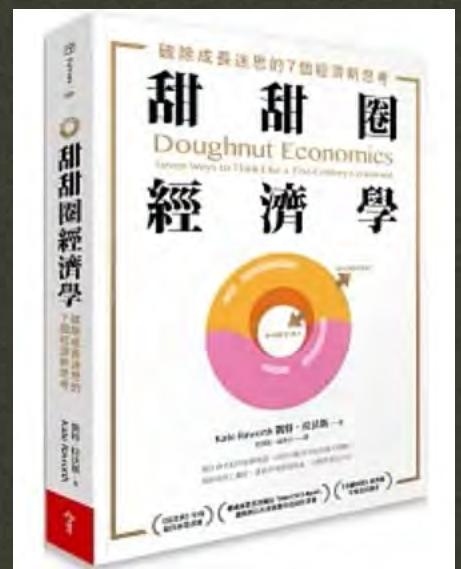
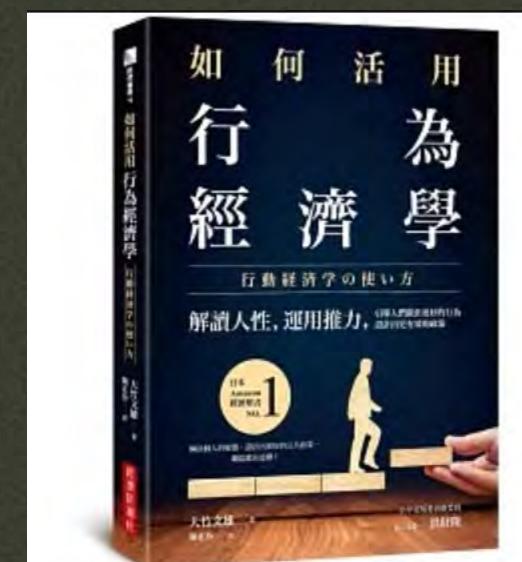


# Sustainable issues in agri-food chain



CHIA-YI, LIU



# Chia-Yi, Liu 劉佳怡

Associate Professor, Department of Food Science,  
Management group Tunghai University

## □ Personal

### University/Department

International Business PHD.

National Taiwan University, Taiwan

Industrial Economics Master

National Central University

### Degree

PHD

MBA

## □ Professional

### Company

Policy & Industrial Development Research  
Project, Division of System Innovation  
& Application, Photovoltaic Technology  
Center, ITRI, Taiwan

### Position

Associate Research

Tunghai University, Department of Food  
Science, Management Group

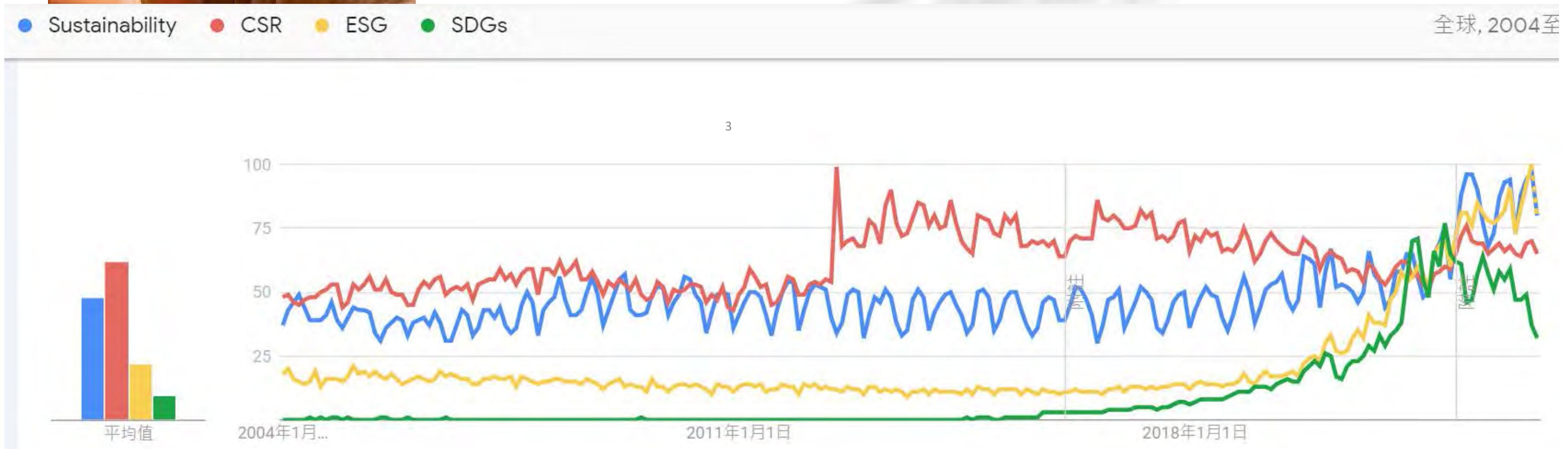
Associate Professor



# Sustainable issues in agri-food chain

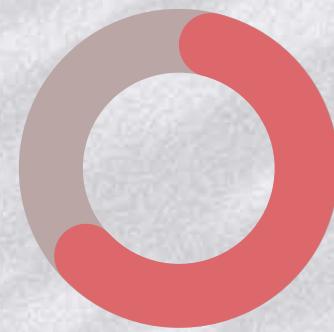


1. What is sustainability? / What are sustainable issues in the agri-food chain?
2. What are we studying?
3. What is next?





What do we all seek in our life?



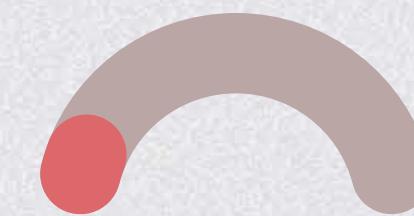
Goal 1

Economic Growth



Goal 2

Environmental Problem



Goal 3

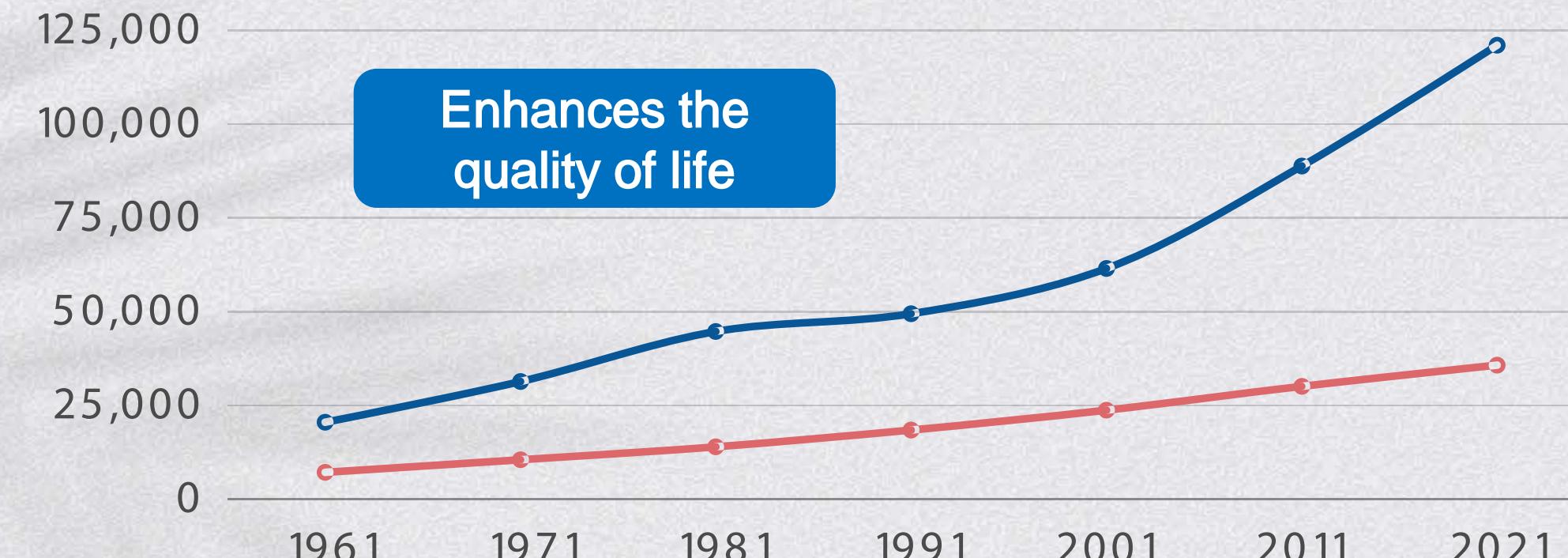
Market competition



Ensures farmers can support themselves

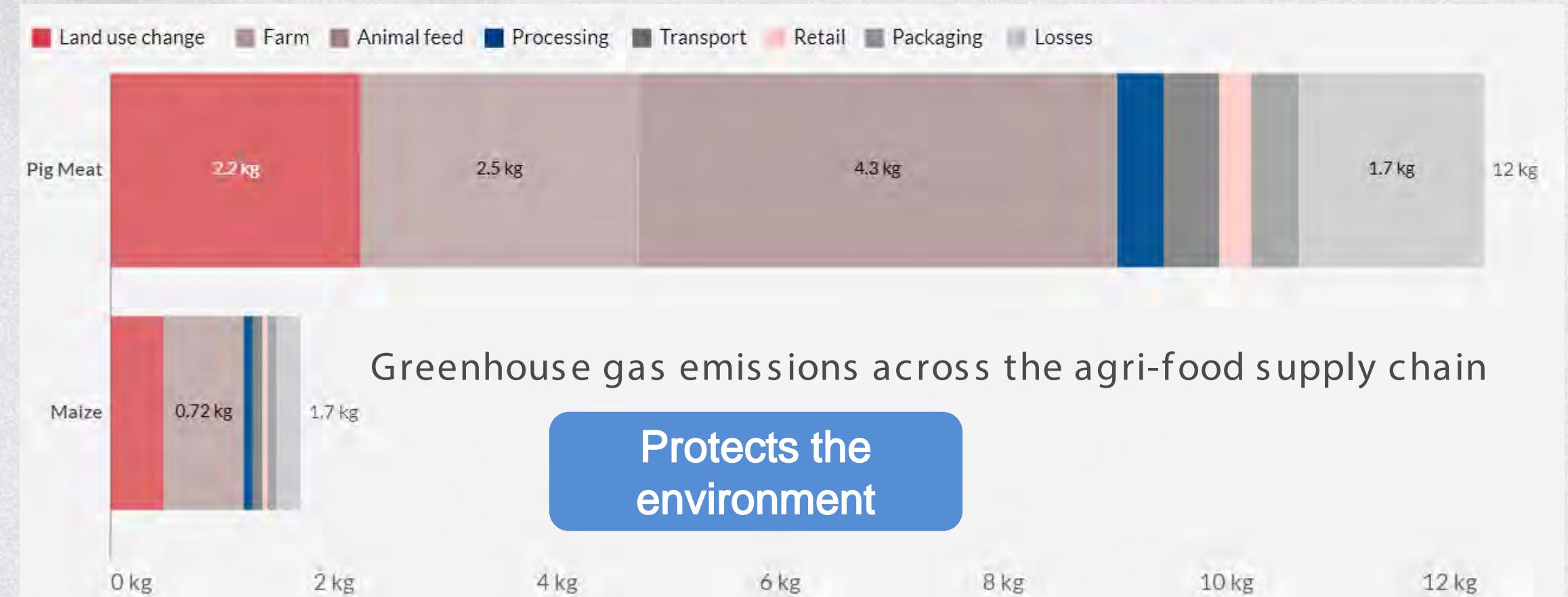
## Production keeps growth

Meat Maize(corn)



Enhances the quality of life

Reference: <https://ourworldindata.org/agricultural-production#explore-data-on-agricultural-production>



Greenhouse gas emissions across the agri-food supply chain

Protects the environment

Reference: <https://ourworldindata.org/environmental-impacts-of-food?insight=food-emissions-local#key-insights-on-the-environmental-impacts-of-food>

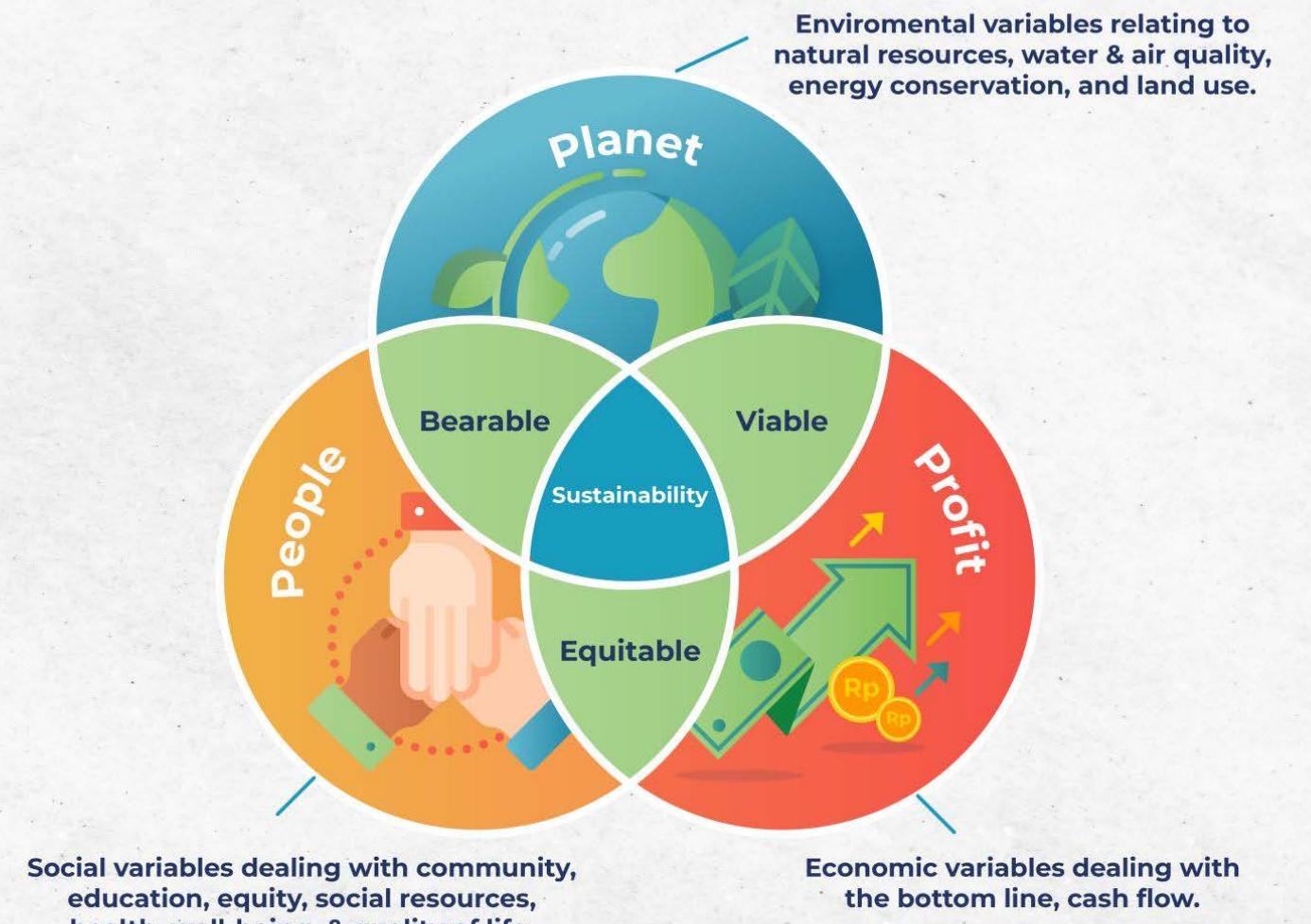
# Sustainability

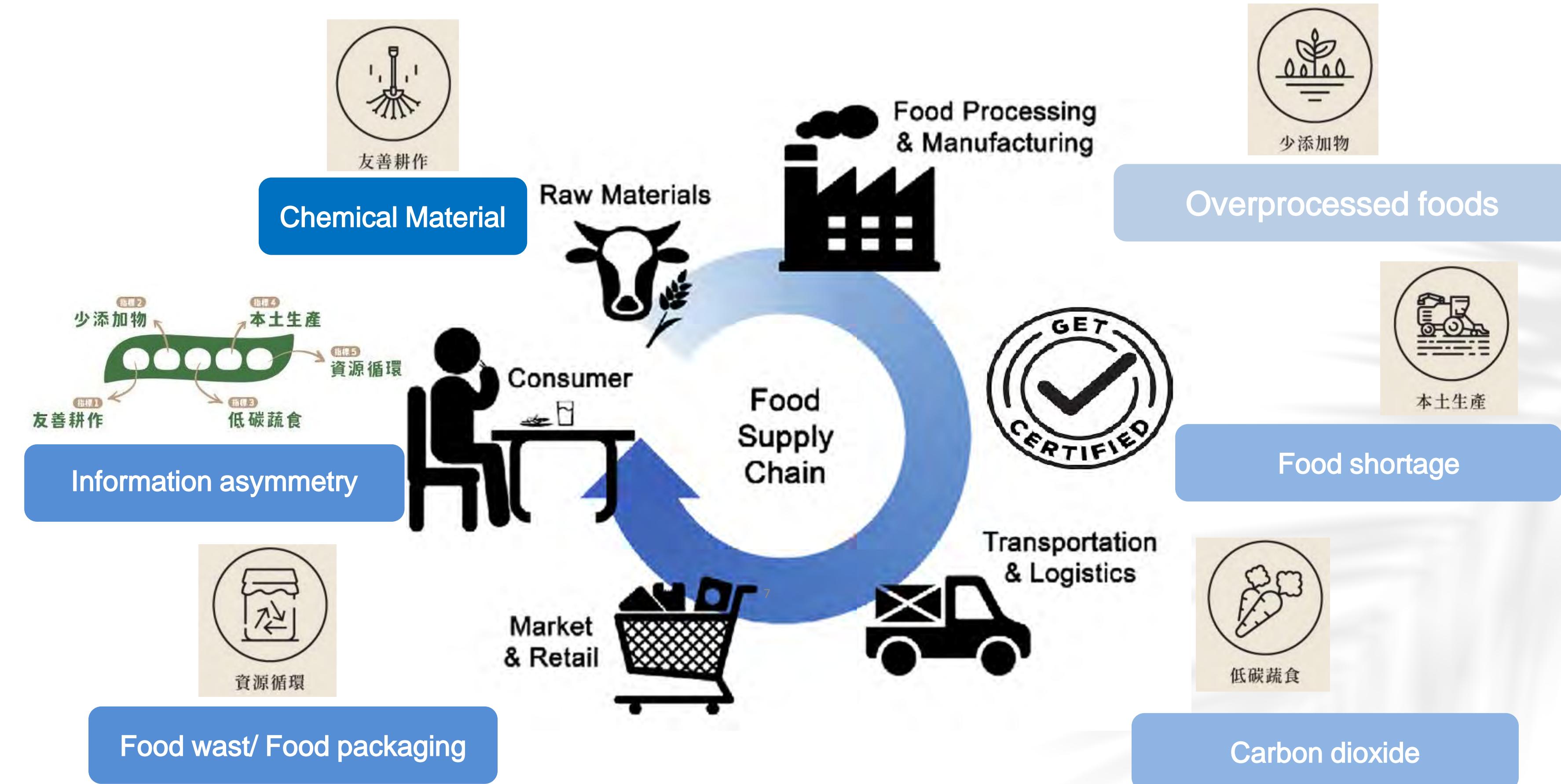
The ability to maintain or support a process **continuously over time**.

6



## The Triple Bottom Line of Sustainability





# Sustainable issues in agri-food chain

**食物轉型**

# 從*i*開始 我就是影響力！

家樂福推動食物轉型，攜手眾多相同理念的小農、供應商夥伴推動健康飲食、友善生產、在地支持及負責任的生產與消費，讓地球生生不息！

改變的時候到了，現在開始，在賣場選購價格牌上註明「從*i*開始」品項，一起加入永續行動，用消費發揮影響力。

**1 營養飲食**

有小綠人標章或含豐富營養價值的蔬果  
三日苗 鮮香花椰菜

**2 無添加物**

不使用或減少人工添加物  
歐式軟法棍麵包

**3 有機產品**

符合國內外有機認證標章的商品  
歐洲福奇種特級杏仁油

**4 生態農業**

重視農地永續利用及土壤健康，並保護生物多樣性的農產品  
金鑊苗前進全穎芭樂

**5 在地創生**

傳承地方文化、支持社區型小生產者及社區支持系統  
悠天荒稻米 活化黑米

**6 動物福利**

符合友善飼養原則，或通過動物福利標準、友善雞蛋聯盟認證  
透明鮮奶吐司

**7 永續漁業**

來自永續房網，避免對海洋污染  
珊瑚礁，並盡盡管理責任

**8 永續發展**

減少碳排放，推動循環經濟，重視公平貿易

**9 減少塑料**

使用回收再生包材或瓶器或支持裸賣、減少包裝

**10 森林保育**

透過永續森林驗證，確保森林及環境可持續發展  
FSC

**從*i*開始**

快來找尋*i*商品！

持家樂福聯名卡購買從*i*開始商品即可集點登錄活動抽產地旅遊！

快來參與！

家樂福各式地板保養清潔劑  
739mlX1-01  
**259** 元  
35.05元/100ml毫升  
11-016031-001  
0310 W 1-354-14-023 0817938 017265

你支持哪一類的*i*商品？快到賣場尋找價格牌標記為「從*i*開始」，或具有分類項目標示即為*i*商品，立即來尋寶！

**食物轉型 從*i*開始 我就是影響力！**

## 一起尋找*i*商品 深度體驗產地旅遊

2023/4/1~12/31

於家樂福賣場內刷家樂福聯名卡/簽帳金融卡購買「從*i*開始」商品，一項商品可集一點至活動網頁登錄並且於該月份集滿10點即可參加產地旅遊抽獎！

※須登錄才能獲得抽獎資格，登錄連結以及產地旅遊資訊皆公布於官網  
※每月累積集章數可透過APP內活動集章頁面之「每月點數」確認  
(產地旅遊地點在屏東：萬巒履歷鳳梨田、枋山家樂福嚴選愛文芒果)



老鷹紅豆  
麻糬  
6入/盒



老鷹紅豆  
牛奶燒  
約100g/2入



老鷹紅豆  
紅豆湯  
約400g/盒



老鷹紅豆  
麵包  
約102g/個

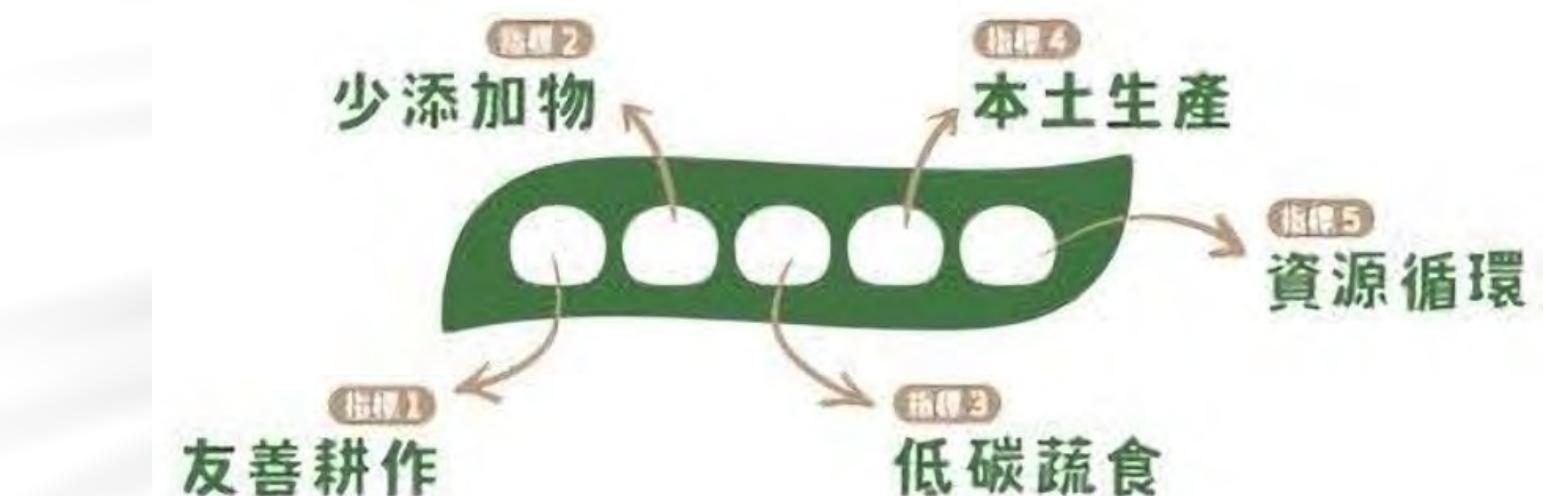


老鷹紅豆  
麻糬麵包  
約112g/個



詳見店內母親節預購目錄

老鷹紅豆派  
約800g±5%/盒



# What are we studying?



- System view
- 01 Sustainable Model  
Explored the complex relationships b/t major economic, social, and environmental indices.
  - 02 Channel Strategy  
Farmers' adoption of multiple supply channels.
  - Supply side
    - 03 Multiple Channels
    - Certification Pressure
  - Demand side
    - 04 Sale Volume
    - 05 Gap b/t cognition & consumption  
How to turn to buy intention into consumption amount for sustainable products.
  - 05 What is next?

# How would a sustainable system be institutionalized?

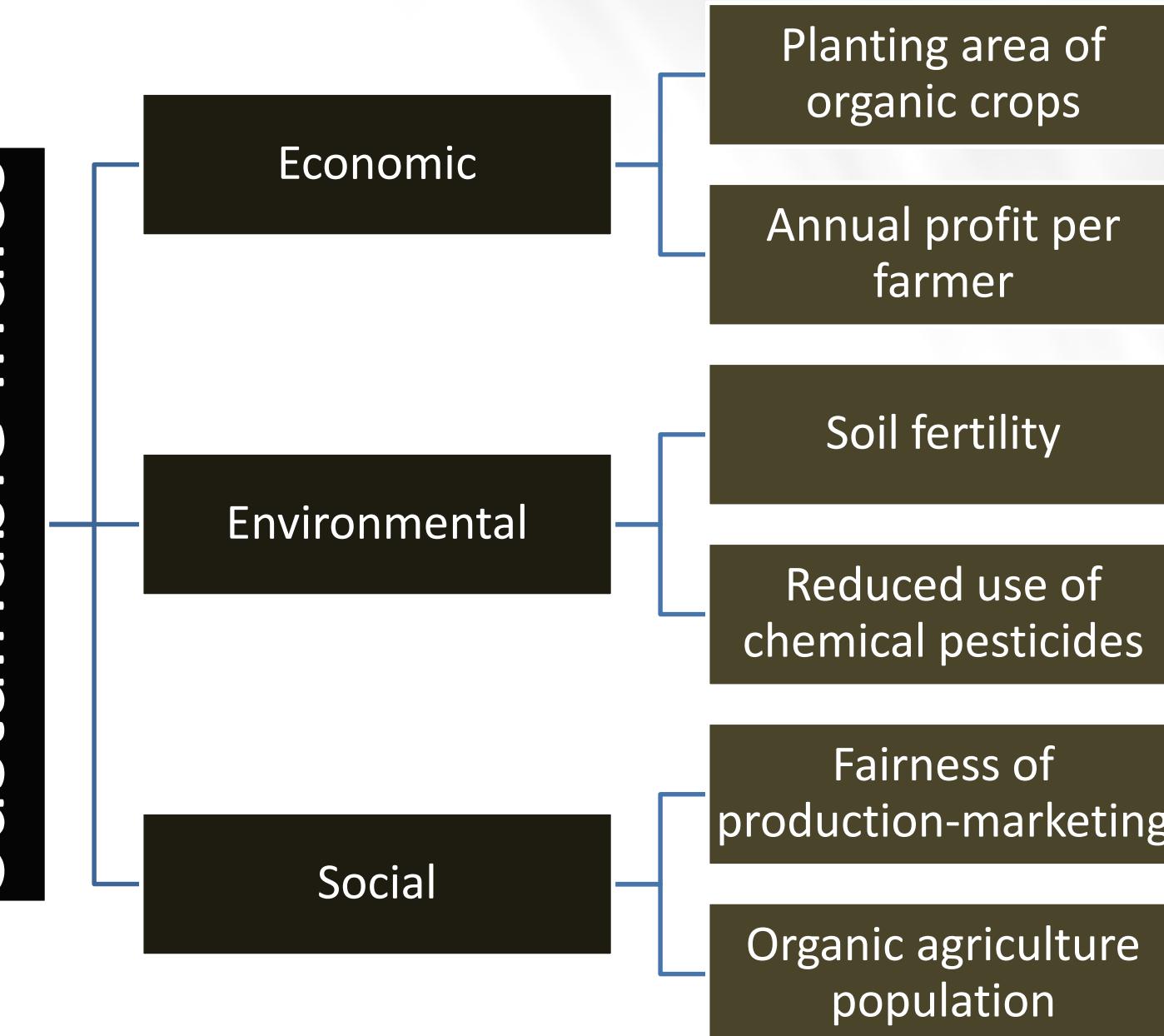
# Organic Agriculture

Organic Agriculture is a production system that sustains the health of soils, ecosystems, and people.

(IFOAM General Assembly, 2008)



## Sustainable indices



## Literature gap

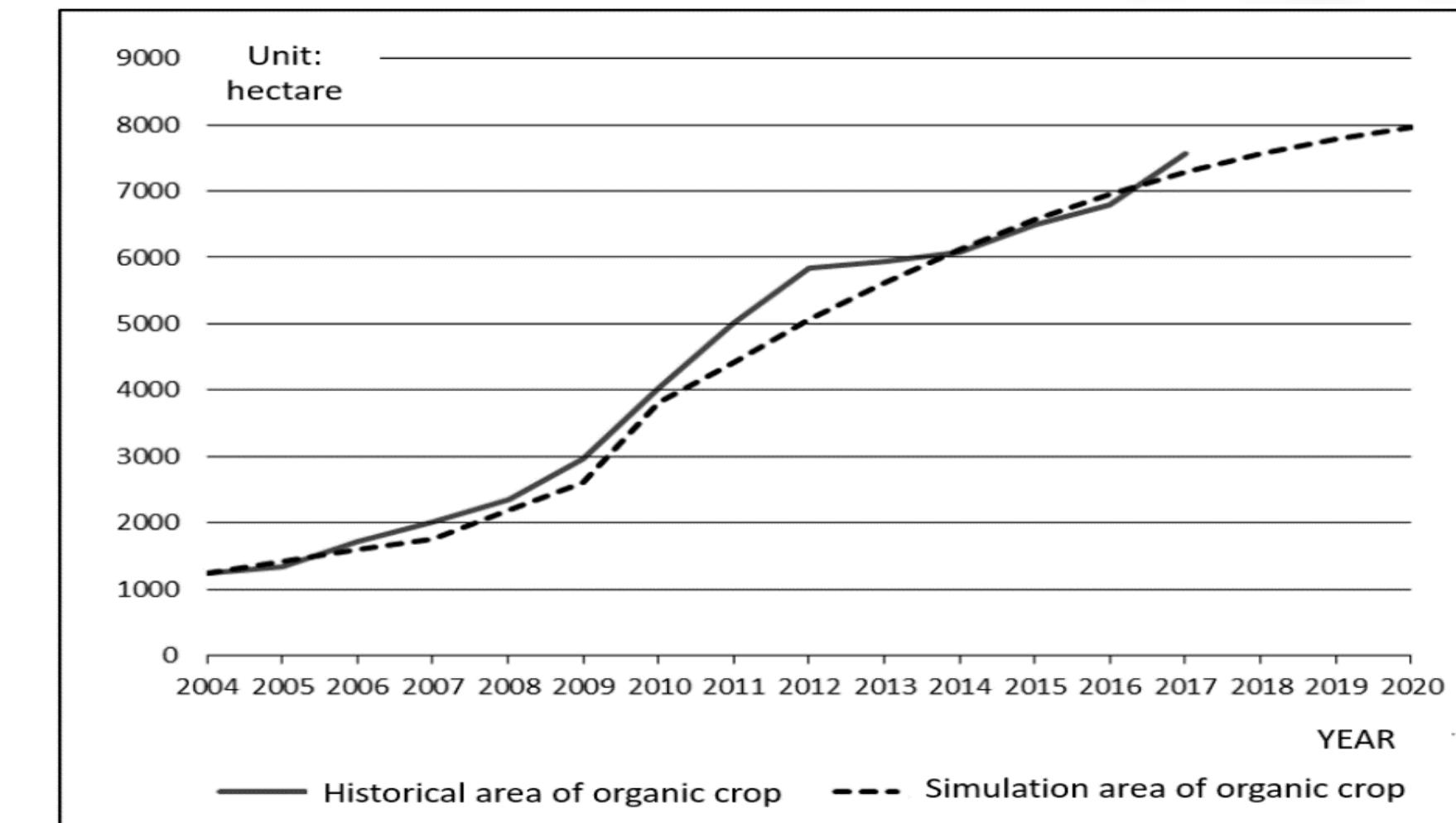
Few studies have considered the sustainability of organic agriculture from the perspective of system structure (Zhen and Routray, 2003).

# How does organic agriculture contribute to sustainable development? Organic agriculture in Taiwan



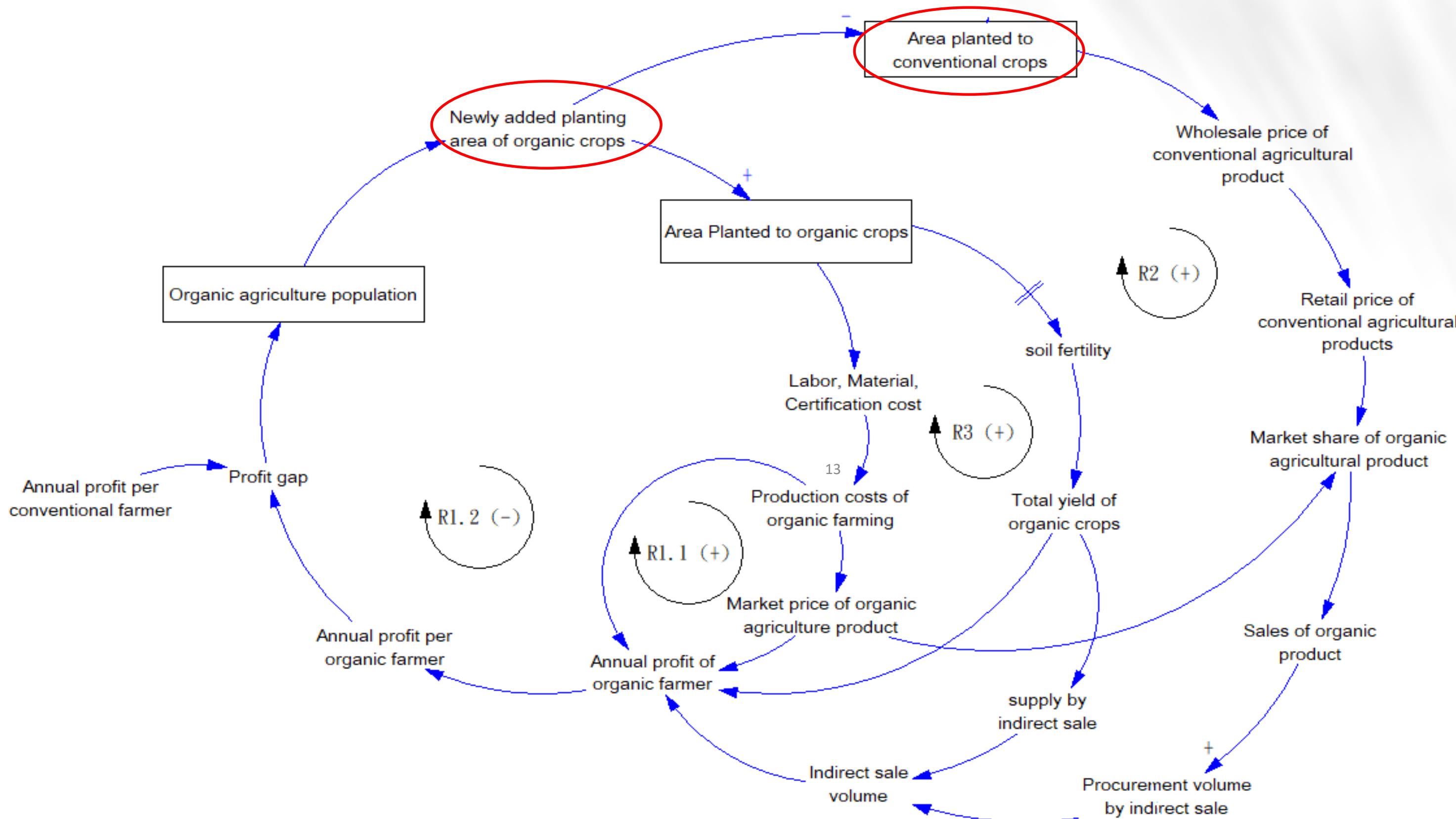
■ **Purpose:** To clarify the sustainable structure of developing organic agriculture in Taiwan, we explored the complex relationships between major economic and indices and constructed a systematic model of organic agricultural development.

■ **Methods:** System Dynamic; Simulation



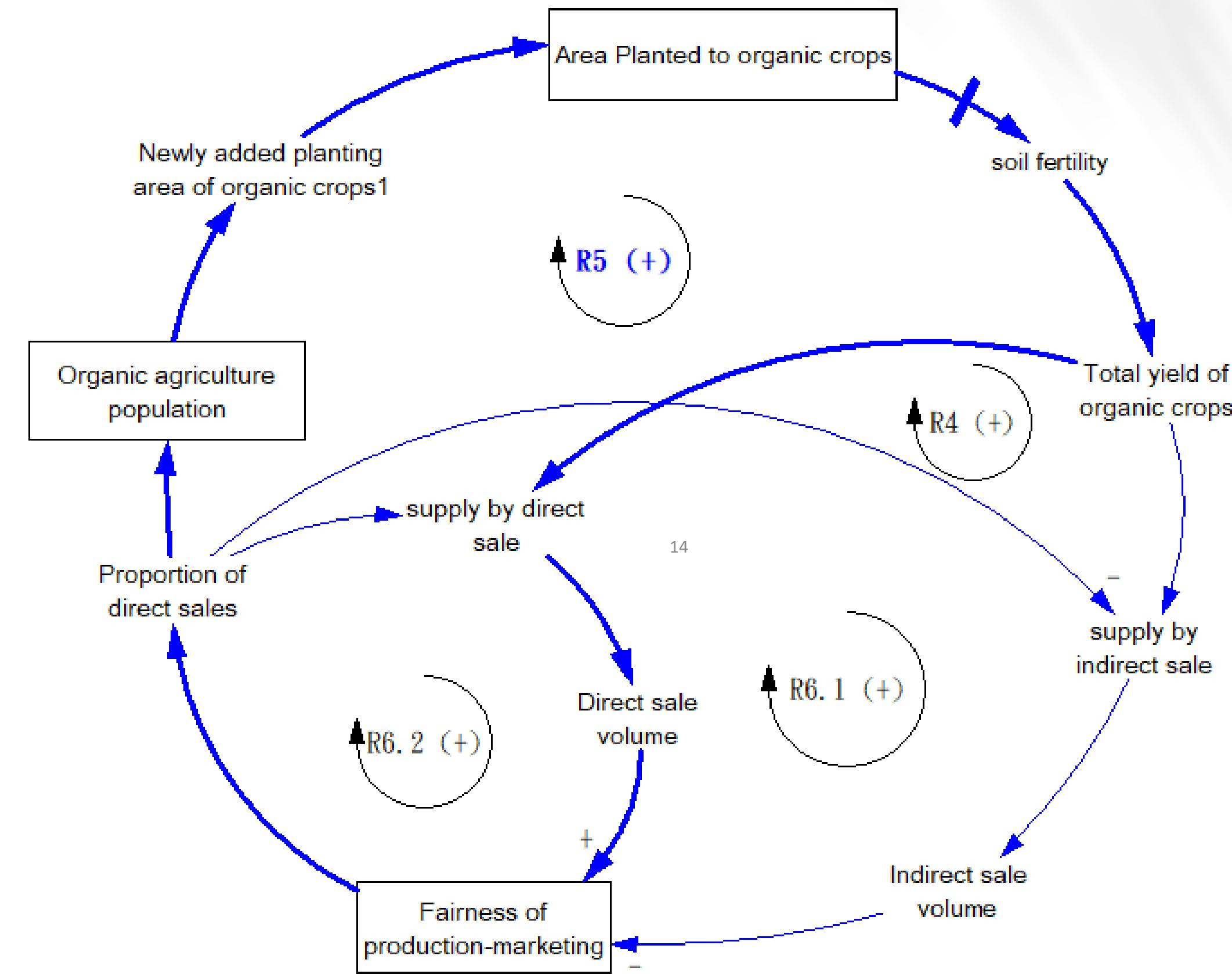
Chia-Yi Liu\* and Hsieh, Chen-Yu (2023) How does organic agriculture contribute to sustainable development? Organic agriculture in Taiwan, International Journal on Food System Dynamics, (SCI) [Accepted & forthcoming]

# (1) Organic farming techniques as key to environmental and economic improvement by indirect sales.



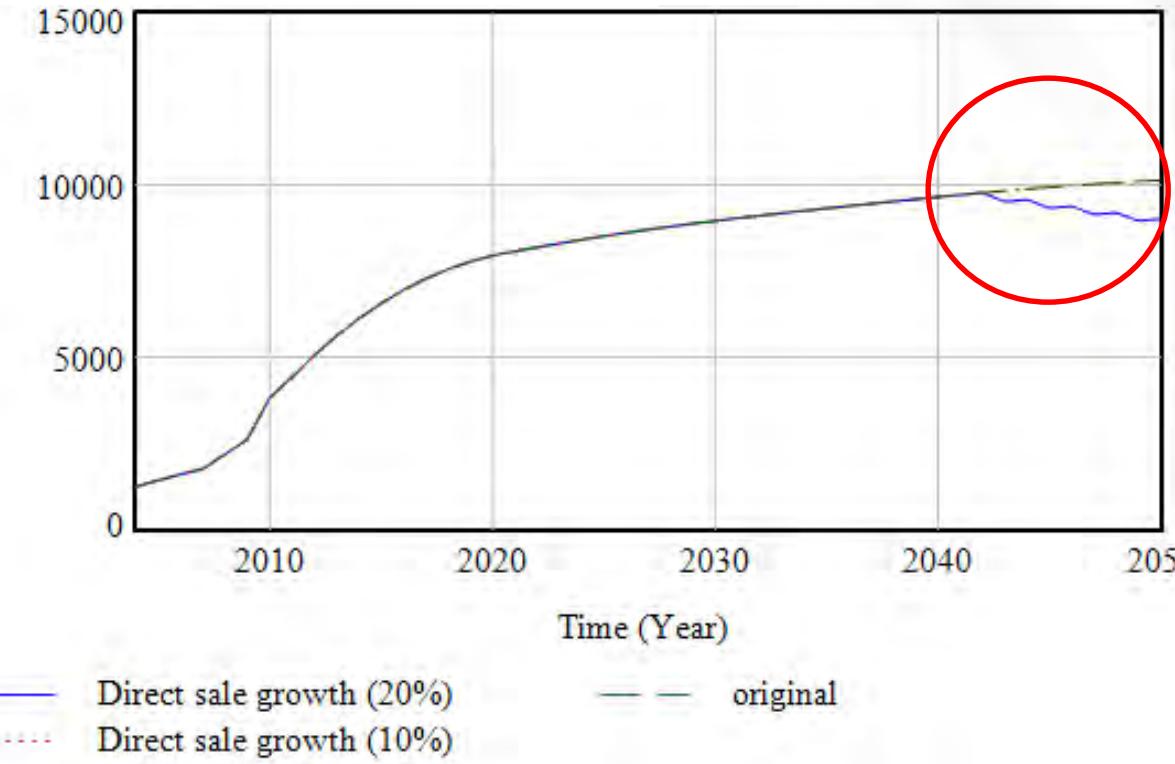


## (2) Direct sales channels can strengthen environmental and social benefits.

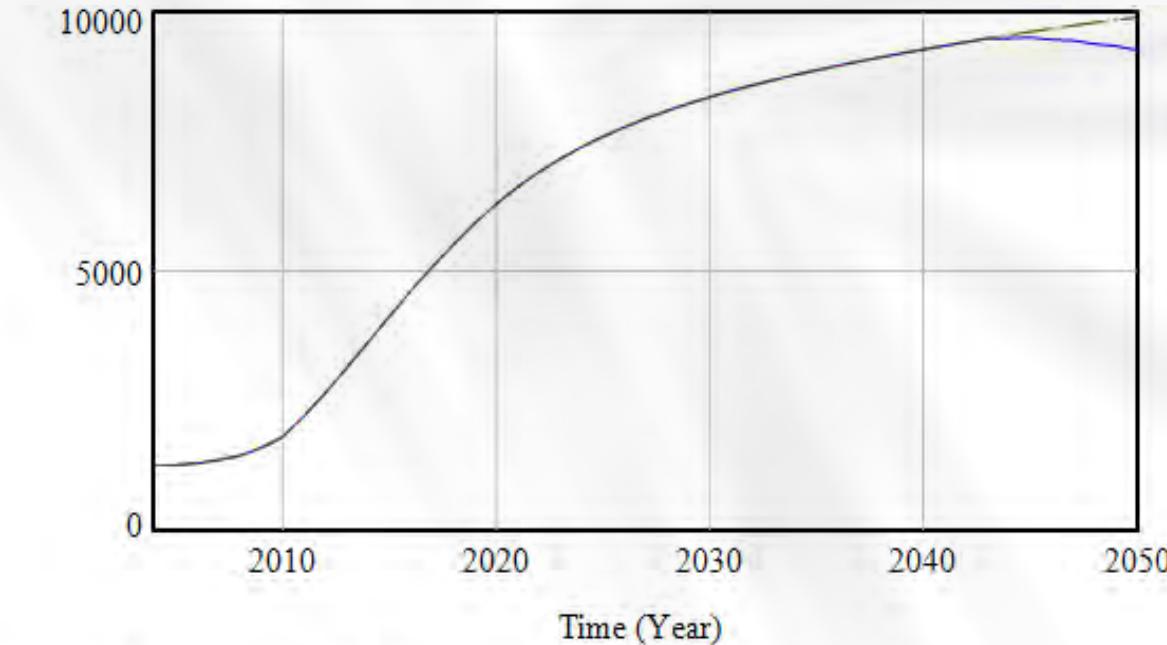


# Sensitivity analysis for Proportion of direct sales

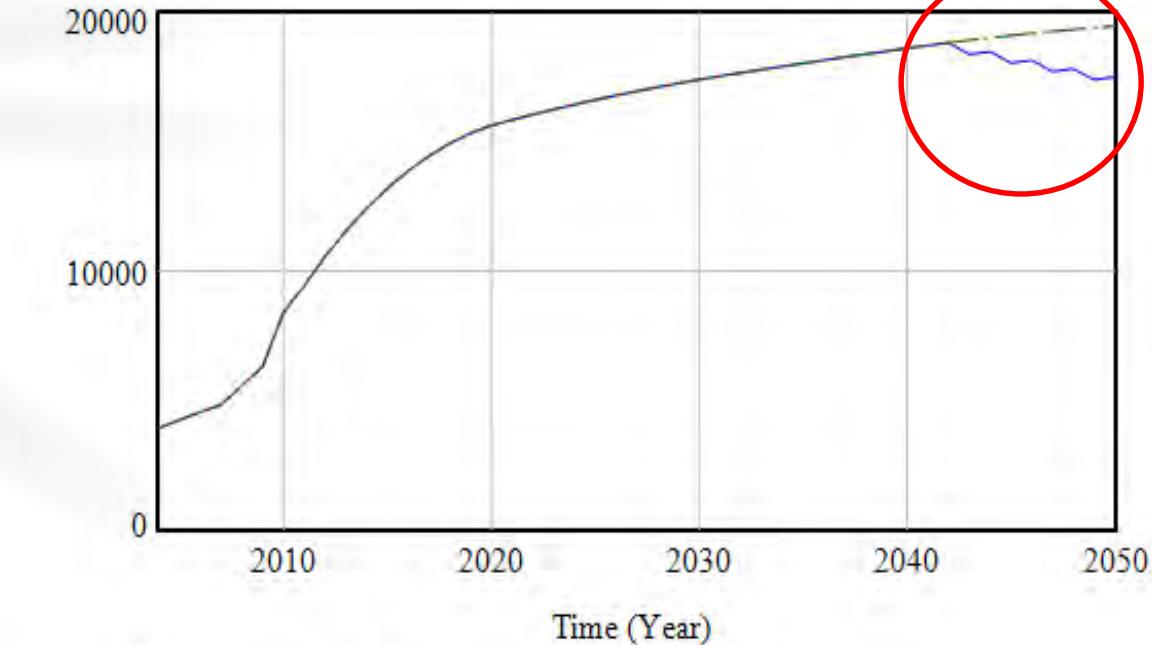
Planting area of organic crops



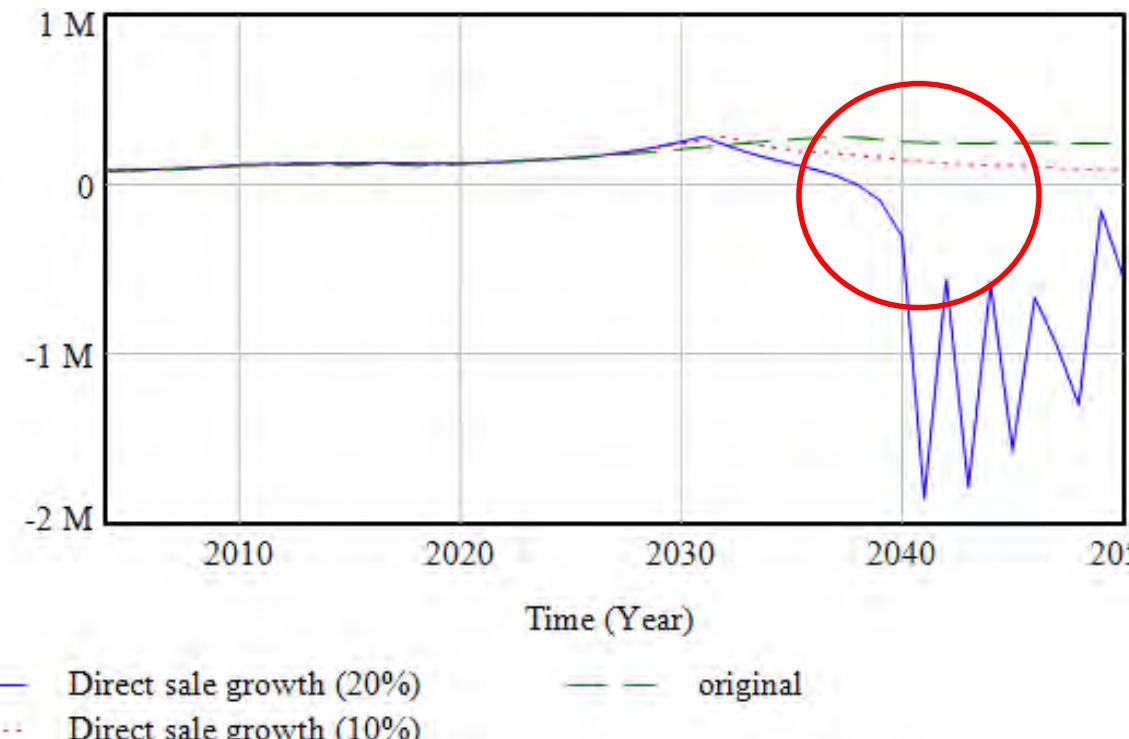
Soil fertility



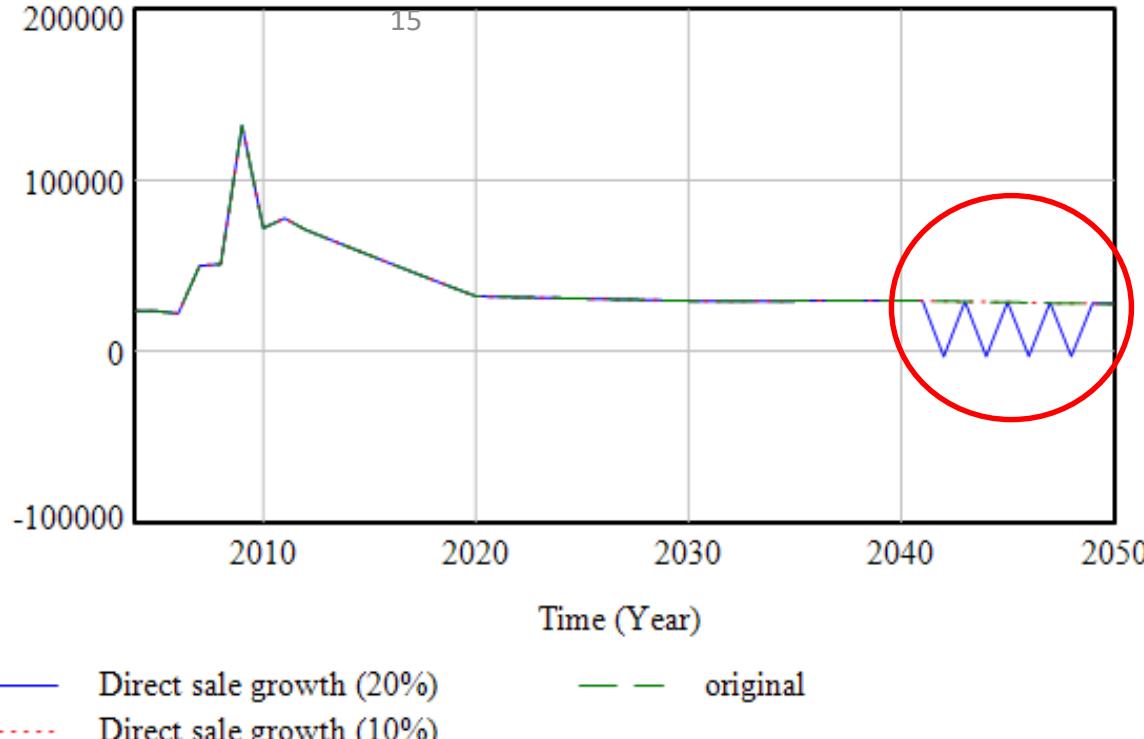
Organic agriculture population



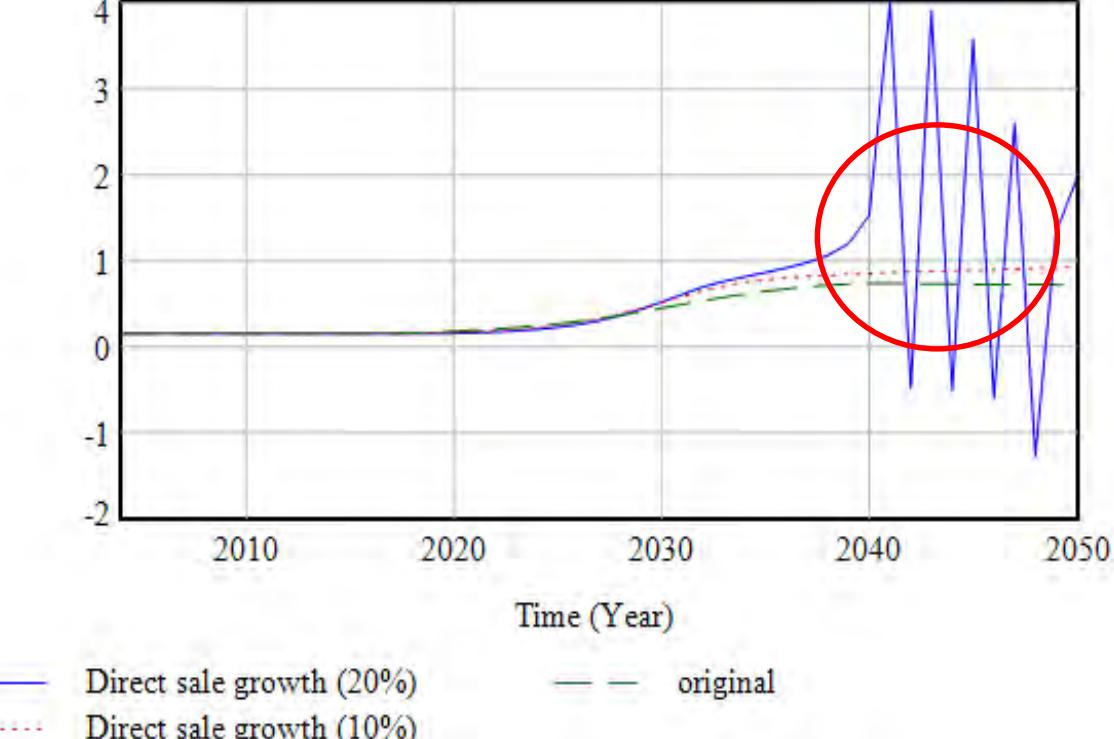
Annual profit per organic farmer



Reduced use of chemical pesticides



Fairness of production-marketing





# Conclusion



- This study shows the **antagonistic and synergistic effects** between economic, environmental, and social indices.
- Based on the systematic structure of sustainable agriculture, **the multiple chain modes should be adopted.**

# What are we studying?



System view

01

## Sustainable Model

Explored the complex relationships b/t major economic, social, and environmental indices.

02

Multiple  
Channels

## Channel Strategy

Farmers' adoption of multiple supply channels.

03

Certification  
Pressure

## Certification System

Alternative certification system for supply chain sustainability, named PGS.

Demand side

04

Sale Volume

## Gap b/t cognition & consumption

How to turn to buy intention into consumption amount for sustainable products.

05

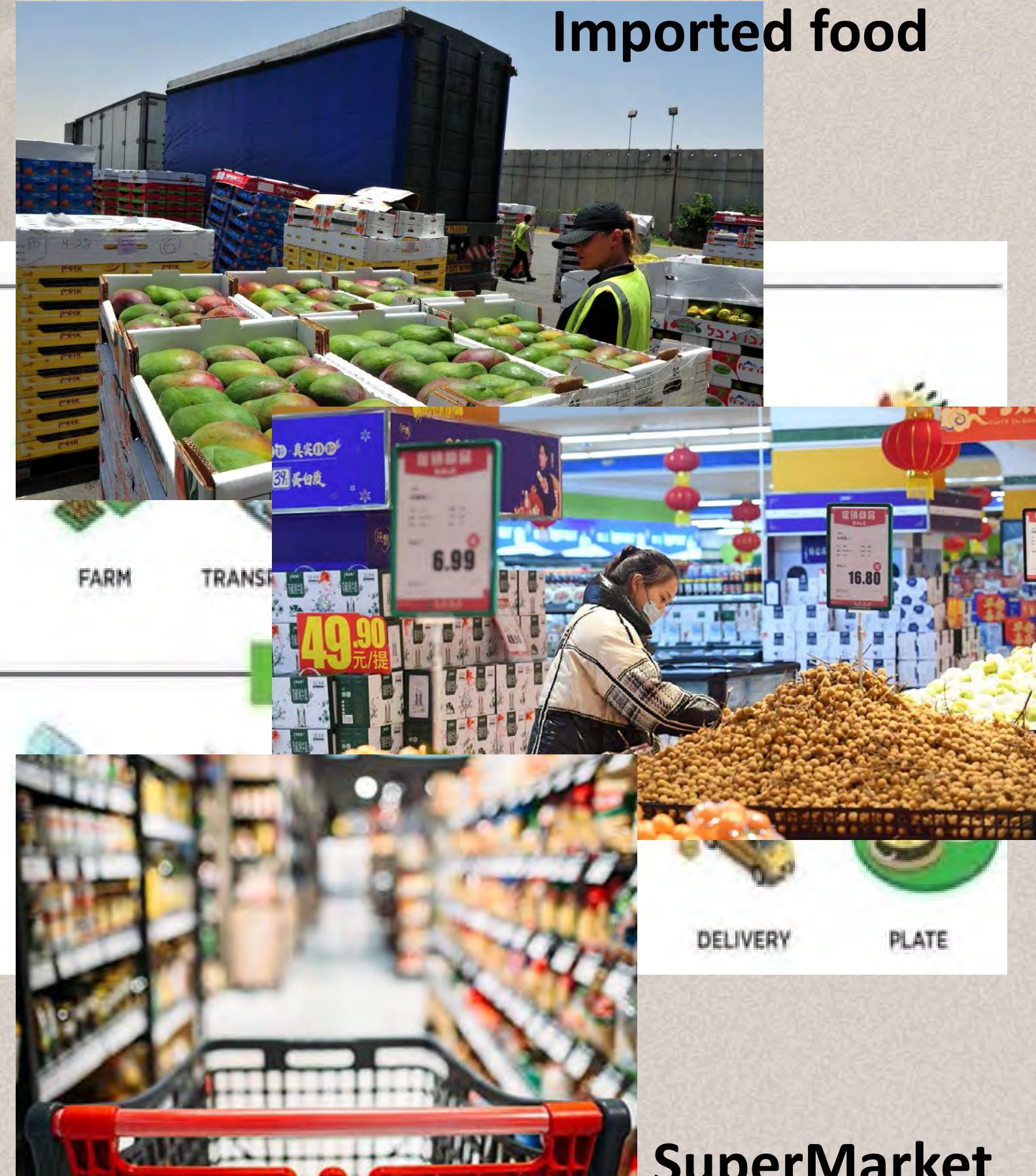
## What is next?

WE ARE  
HERE

# How would a sustainable system be institutionalized?

# Long-term supply chains

Modes	Indirect sales channel
Meaning	Producers trade with consumers indirectly through at least one middlemen.
Function	Transactions are processed on a large-scale and efficiently through a specialized division of labor, and market supply and demand mechanism.
Economic Value	<p>Based on the principle of <b>comparative advantage</b>:</p> <ul style="list-style-type: none"> <li>■ Large-scale production and consumption are carried out in different regions.</li> <li>■ Division of labor is conducted <b>efficiently</b> across, production, wholesale, logistics, and sale.</li> </ul>
Social Risk	<ul style="list-style-type: none"> <li>■ <b>Information and power asymmetry</b> between producer and consumer.</li> </ul>



# Short-term supply chains

Modes	Direct sales channel
Meaning	Producers trade with consumers directly.
Function	By reducing the geographic, spatial, and cognitive distance between producer and consumer. This mode builds more community involvement by enhancing the producer-consumer relationships.
Social Value	<ul style="list-style-type: none"><li>■ The <b>exchange</b> between production and market <b>information</b>. <small>19</small></li><li>■ Producers interact with consumers directly, and they <b>establish a relationship and share risks</b> with each other.</li></ul>
Economic Risk	<ul style="list-style-type: none"><li>■ Producers act diverse roles (e.g., producers and consumers), and the <b>processing efficiency is low</b>.</li></ul>



Farmer Market



Community-Supported Agriculture, CSA

Participatory Guarantee Systems, PGS

# Complementarity of Multiple chains

Modes	Direct sales channel	Indirect sales channel
Meaning	Producers trade with consumers directly.	Producers trade with consumers indirectly through at least one middlemen.
Function	By reducing the geographic, spatial, and cognitive distance between producer and consumer. This mode builds more community involvement by enhancing the producer-consumer relationships.	Transactions are processed on a large-scale and efficiently through a specialized division of labor, and market supply and demand mechanism.
Value	<ul style="list-style-type: none"><li>■ <b>The exchange</b> between production and market <b>information</b>.</li><li>■ Producers interact with consumers directly, and they <b>establish a relationship and share risks</b> with each other.</li></ul>	<p>Based on the principle of <b>comparative advantage</b>:</p> <ul style="list-style-type: none"><li>■ Large-scale production and consumption are carried out in different regions.</li><li>■ Division of labor is conducted <b>efficiently</b> across, production, wholesale, logistics, and sale.</li></ul>
Risk	<ul style="list-style-type: none"><li>■ Producers act diverse roles (e.g., producers and consumers), and the <b>processing efficiency is low</b>.</li></ul>	<ul style="list-style-type: none"><li>■ <b>Information and power asymmetry</b> between producer and consumer.</li></ul>

# Multiple supply chain adoption

21

What factors enhance the adoption of multiple chains?



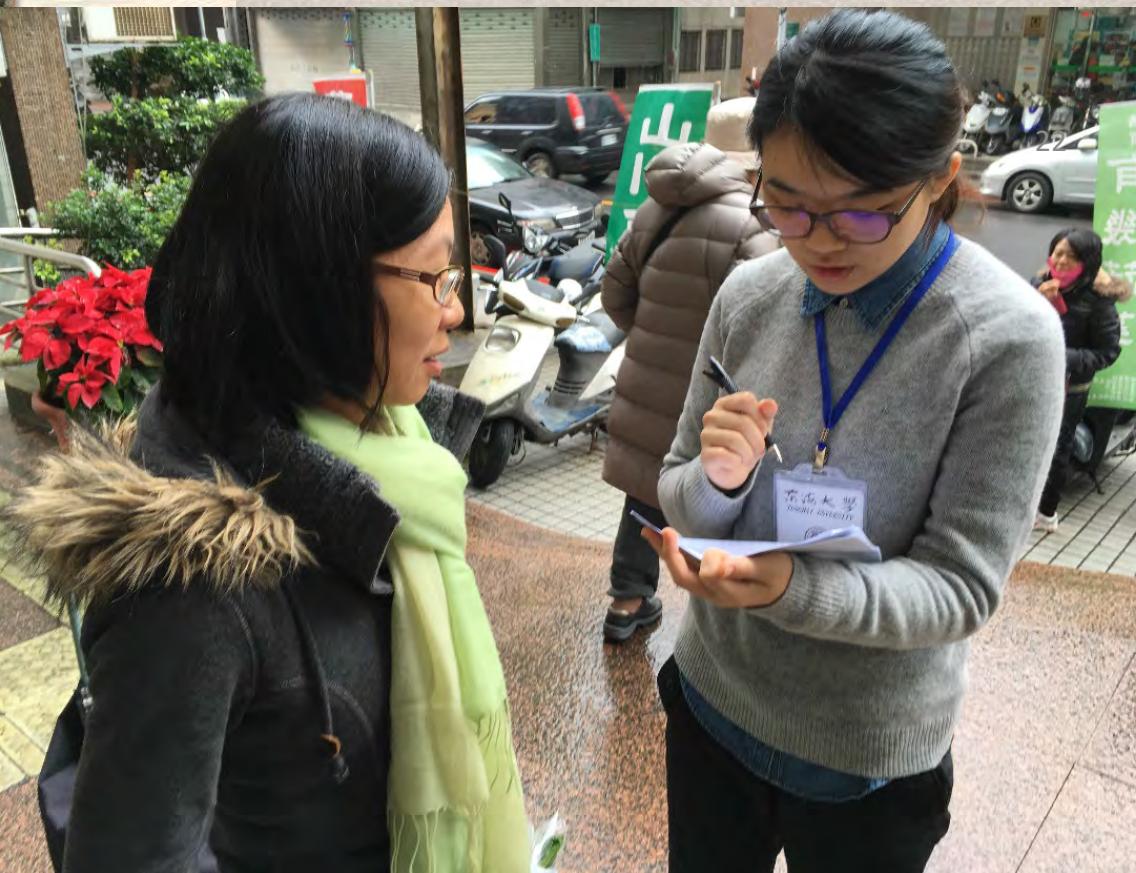
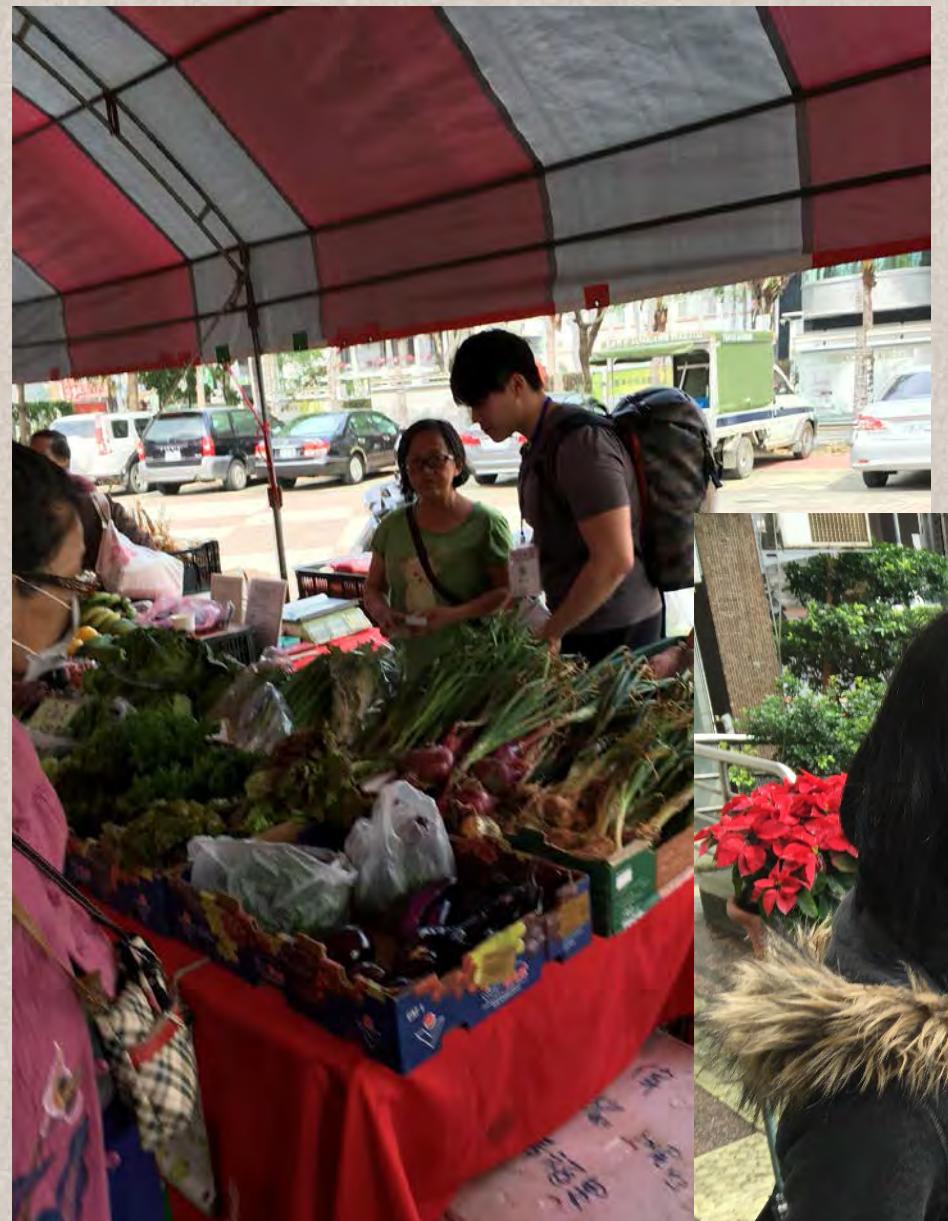
Liu, C.-Y. and Lee, C.-Y. (2019), "Multiple supply chain adoption under uncertainty", International Journal of Physical Distribution & Logistics Management, Vol. 49 No. 3, pp. 305-326 (SSCI). <https://doi.org/10.1108/IJPDLM-10-2017-0312>

# Multiple supply chain adoption under uncertainty

■ Purpose: test whether adopting multiple supply chains (MSCs) can manage uncertainty and mitigate the risk associated with a supply chain.

## ■ Methods:

- Matched questionnaire surveys
- 112 respondents.



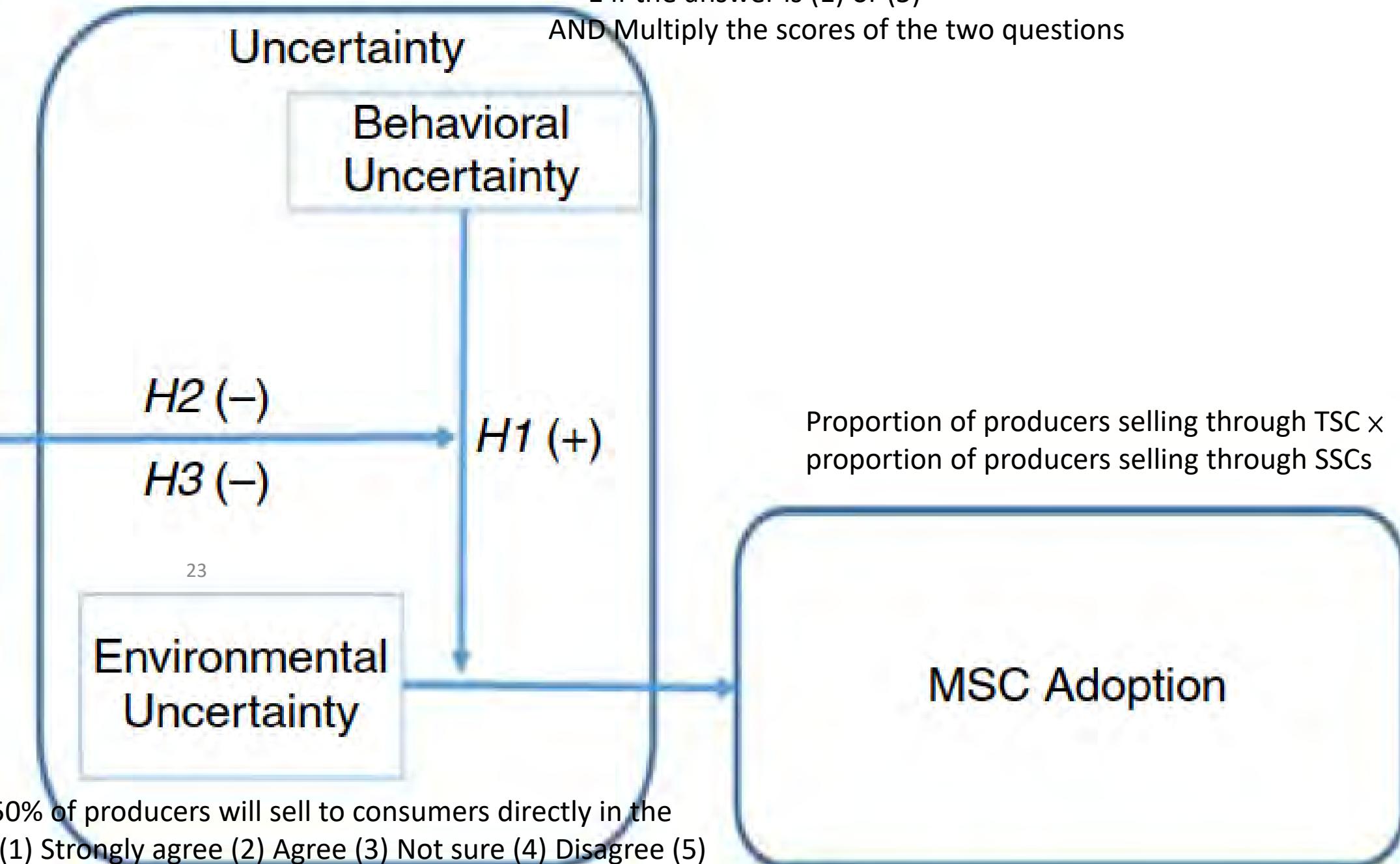
# Research Structure

Dummy variable coded “1” if the consumer’s peer adopts a MSC channel



Dummy variable coded “1” if the producers’ peer adopts a MSC channel

## Transaction Cost Theory



Statement. Over 50% of producers will sell to consumers directly in the next 3 to 5 years. (1) Strongly agree (2) Agree (3) Not sure (4) Disagree (5) Strongly disagree

- 3 if the answer is (3)
- 2 if the answer is (2) or (4)
- 1 if the answer is (1) or (5)

Statement 1: Compared to TSC, a stable sales volume in each month can be guaranteed by selling to consumers directly  
Statement 2: Compared to TSC, sale prices are higher if selling to consumers directly. (1) Strongly agree (2) Agree (3) Not sure (4) Disagree (5) Strongly disagree

- 3 if the answer is (3)
- 2 if the answer is (2) or (4)
- 1 if the answer is (1) or (5)

AND Multiply the scores of the two questions

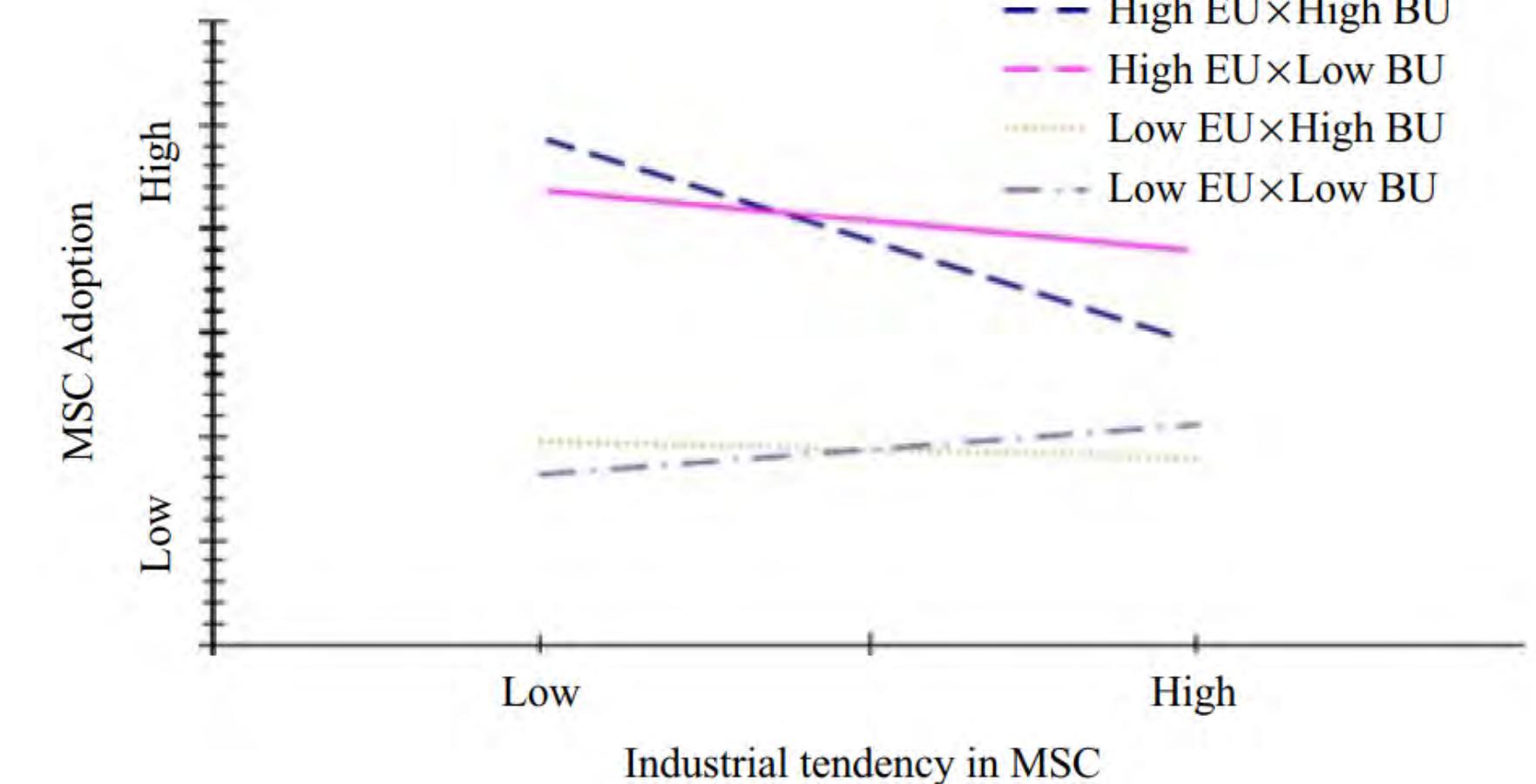
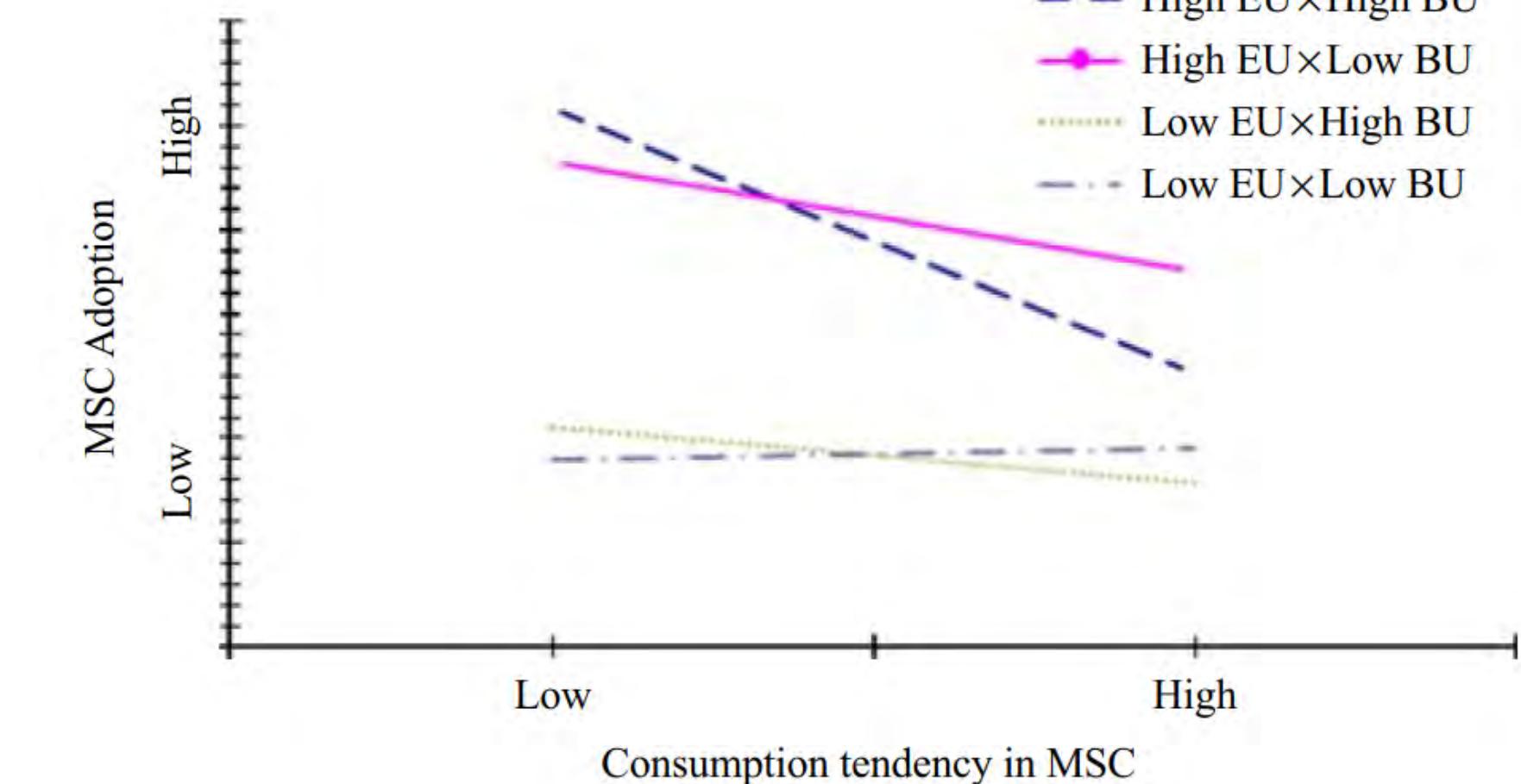
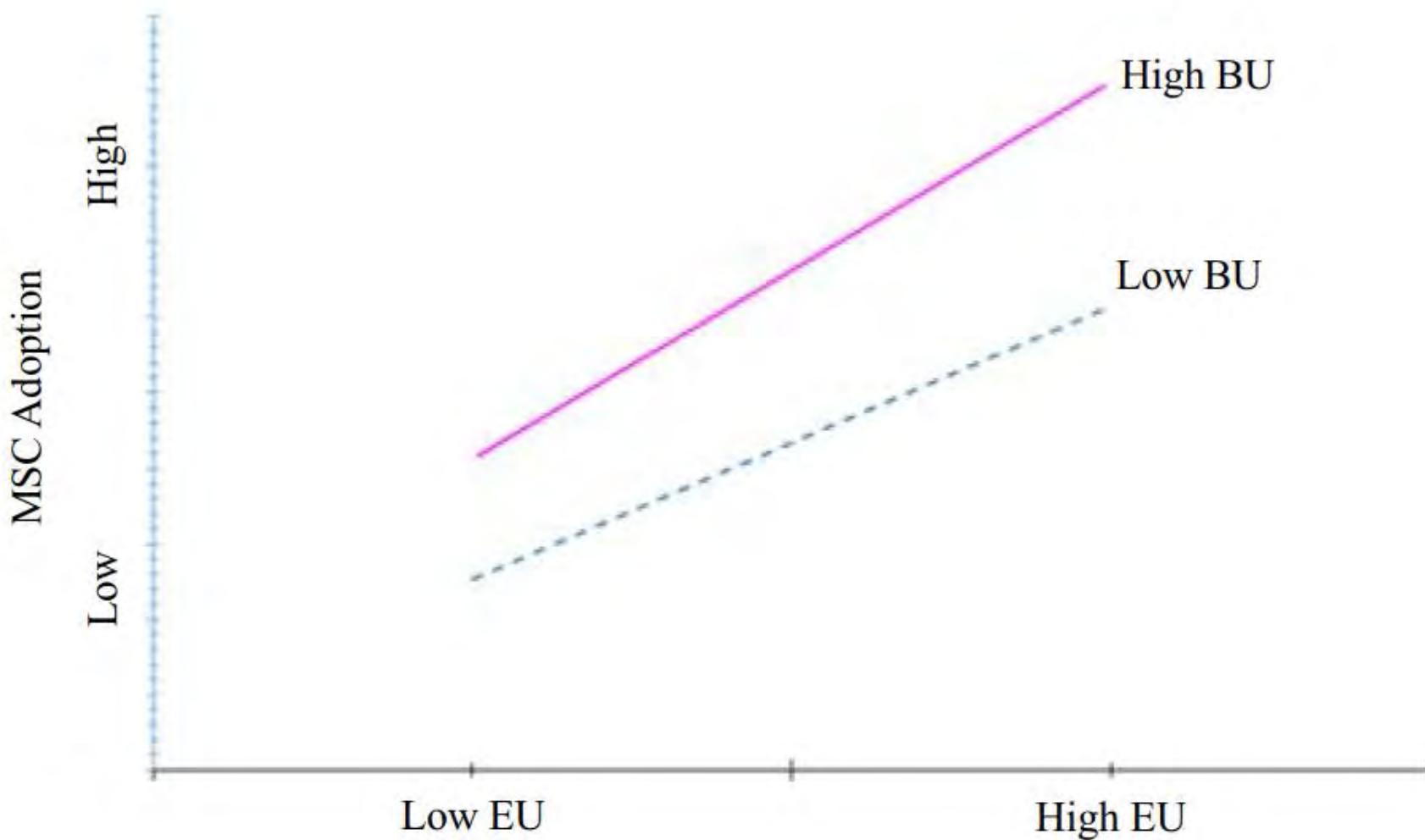
# Research Result I

Dependent var	OLS regression ( $Y = \text{MSC adoption}$ )					
	Model 1	Model 2	Model 3	Model 4	Model 5	Model 6
Constant	-0.8252** (0.2570)	-0.8429** (0.2414)	-0.8488** (0.2419)	-1.063226*** (0.2788)	-1.0973*** (0.2484)	-1.2526*** (0.2972)
Education	-0.0207 (0.0899)	-0.0351 (0.0711)	-0.0354 (0.0712)	-0.0408 (0.0708)	-0.0131 (0.0695)	-0.0189 (0.0697)
Production scale	0.1773** (0.0579)	0.1951*** (0.0534)	0.1963*** (0.0539)	0.2003** (0.0557)	0.1613** (0.0562)	0.1651** (0.0592)
Distance	0.0952 (0.0689)	0.0871 (0.0633)	0.0873 (0.0634)	0.0944 (0.0633)	0.0912 (0.0631)	0.0948 (0.0633)
Environmental uncertainty (EU)		0.3176** (0.0885)	0.3162** (0.0881)	0.3459*** (0.0941)	0.3208** (0.0900)	0.3411** (0.0974)
Behavioral uncertainty (BU)		0.2431* (0.0955)	0.2486* (0.1065)	0.2369* (0.1102)	0.2112* (0.1057)	0.2019**** (0.1103)
EU × BU			0.0164 (0.0517)	0.2576**** (0.1411)	0.1597* (0.0725)	0.3185* (0.1318)
Consumption tendency in MSC (CT)				0.1972 (0.2285)		0.1618 (0.2334)
EU × BU × CT				-0.2714**** (0.1408)		-0.1937 (0.1400)
Industrial tendency in MSC (IT)					0.4381* (0.1976)	0.4229* (0.2013)
EU × BU × IT					-0.2156* (0.0904)	-0.1941* (0.0903)
<i>n</i>	112	112	112	112	112	112
VIF	1.08	1.06	1.08	3.38	1.55	3.24
Prob > <i>F</i>	0.0010	0.0000	0.0000	0.0000	0.0000	0.0000
<i>R</i> <sup>2</sup>	0.0932	0.2694	0.2698	0.2801	0.3108	0.3165

24

**Notes:** Standardized OLS coefficients are presented. Standard errors are in parentheses. \* $p < 0.05$ ; \*\* $p < 0.01$ ; \*\*\* $p < 0.001$ ; \*\*\*\* $p < 0.1$

## Research Result II



# Conclusion & Discussion



## Study's contribution

This study integrated the undersocialized and oversocialized perspectives (TCE and IT) to understand how uncertainties of supply chains may be diminished.

## Social implications

- Different values of various supply chains
- Development of various supply chain modes.
- <sup>26</sup> MSC adoption is a way to manage uncertainties resulting from spatial and psychological distance in the supply chain.

# What are we studying?



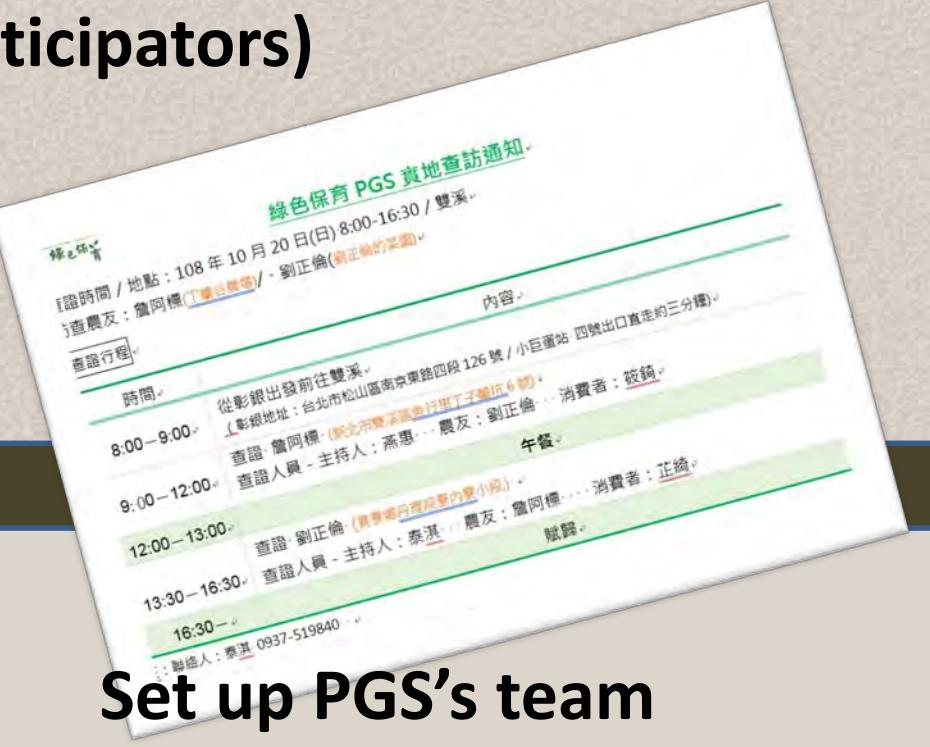
- WE ARE  
HERE
- System view
- 01 Sustainable Model
    - Supply side
      - Multiple Channels
      - Certification Pressure
    - Demand side
      - Sale Volume
  - 02 Channel Strategy
    - Farmers' adoption of multiple supply channels.
  - 03 Certification System
    - Alternative certification system for supply chain sustainability, named PGS.
  - 04 Gap b/t cognition & consumption
    - How to turn to buy intention into consumption amount for sustainable products.
  - 05 What is next?

# How would a sustainable system be institutionalized?

# Alternative certification system for supply chain sustainability



## Traning PGS members (for participants)



### Set up PGS's team



### Assessment Report



### Summary meeting



### Field verification

Inspect,  
monitor, and  
certify  
compliance for  
regulation

# Social Sustainability of PGS in the Supply Chain



## Collective Assignments

PGS collective assignments are embedded in the certified processes, which include training, verification, ecological reporting, and field management.



## Collective Intentionality

PGS participants are responsible for supervising and taking accountability for one another's actions.

## Fair Procedures

Build certification standards, PGS incorporates the suggestions of disadvantaged agrifood stakeholders as they jointly formulate recommendations.

The social impacts of PGS are embedded in members' interaction and relationship management.

# Alternative certification system for supply chain sustainability

■ **Purpose:** how **the alignment of disadvantaged agrifood stakeholders** (e.g., small/applicant farmers, local organizations, consumers, and volunteer auditors) might neutralize the negative effects of stakeholder heterogeneity (SH) on PGS recognition.

## ■ Methods:

- 113 multilateral matching questionnaires collected from 30 PGS activities of the Green Conservation Label managed by Taiwan's Tse-Xin Organic Agriculture Foundation (TOAF).
- Hierarchical regression to test the hypotheses.



# Research Structure

## Value congrence

A dummy variable. The value is 1 if the participants within the same PGS activity care about ecology- and productivity. Otherwise, the value of VC is 0

## Similar background

A dummy variable. The value is 1 if the respondent has similar farming experience with the same crop as any other participant within the same PGS activity; otherwise, it is 0

## External community

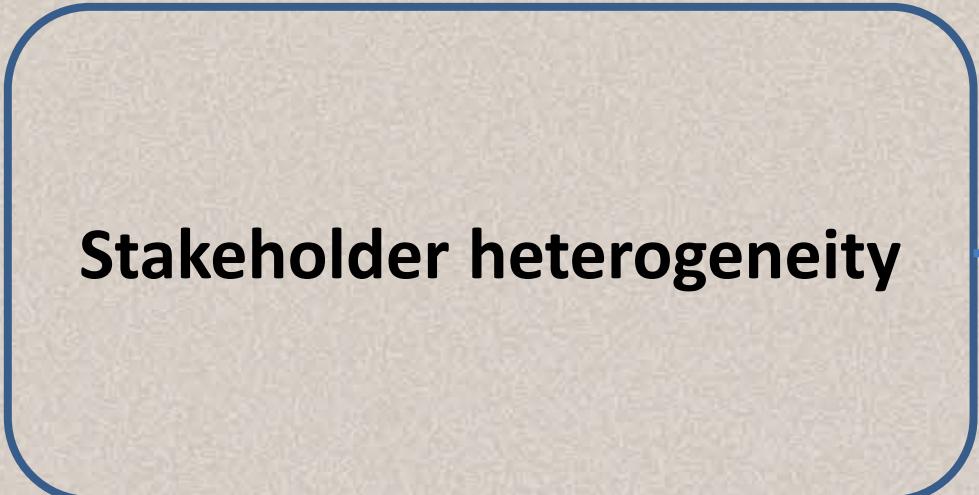
A dummy variable. If a respondent belongs to the same EC as any other participant within the same PGS activity, the value is 1; otherwise, it is 0

### Stakeholder Alignment

(developed by isomorphic logics)

- **Value congruence (H2)**
- **Similar background (H3)**
- **External community (H4)**

The number of roles for participants



$H2 \sim H4$

$H1(-)$

## PGS recognition

It combines the average scores of the items from three categories (e.g. Fair constitutive procedure, Collective assignments and Collective intentionality) to evaluate the degree of respondents' recognition of the sustainable value of PGS.



# Conclusion



- PGS allow underprivileged actors to enact solutions collectively to address social inequities and ecological problems through fair procedures, collective assignments and collaborative intentionality.
- This study transformed isomorphic logics, including coercive, mimetic and normative isomorphisms, into a mechanism with which individuals can build a governance structure that helps disadvantaged agrifood stakeholders develop alternative institutions by pooling their resources.
- PGS members who leverage VC, SB and EC will have a greater chance of successfully overcoming their institutional disadvantages.<sup>34</sup>

# What are we studying?



- System view
- 01 Sustainable Model  
Explored the complex relationships b/t major economic, social, and environmental indices.
  - 02 Channel Strategy  
Farmers' adoption of multiple supply channels.
  - Supply side
    - 03 Multiple Channels
    - Certification Pressure
  - Demand side
    - 04 Sale Volume
  - 05 Gap b/t cognition & consumption  
How to turn to buy intention into consumption amount for sustainable products.
  - What is next?

# How does buy intention turn to consumption amount for sustainable products?

## Reasons:

- Consumers demonstrate low interest in SRP (social responsible products). SRP market shares are very low (De Pelsmacker, Janssens, et al. 2005).
- The major priorities of most consumers: quality/taste, performance and, most of all, price (Leire and Thidell, 2005).
- The analysis techniques are too simplistic to reveal the complexities of motivation (Hughner et al., 2007).
- The classic marketing concepts care not suitable for SRP marketing and communication (Davis, 2013).

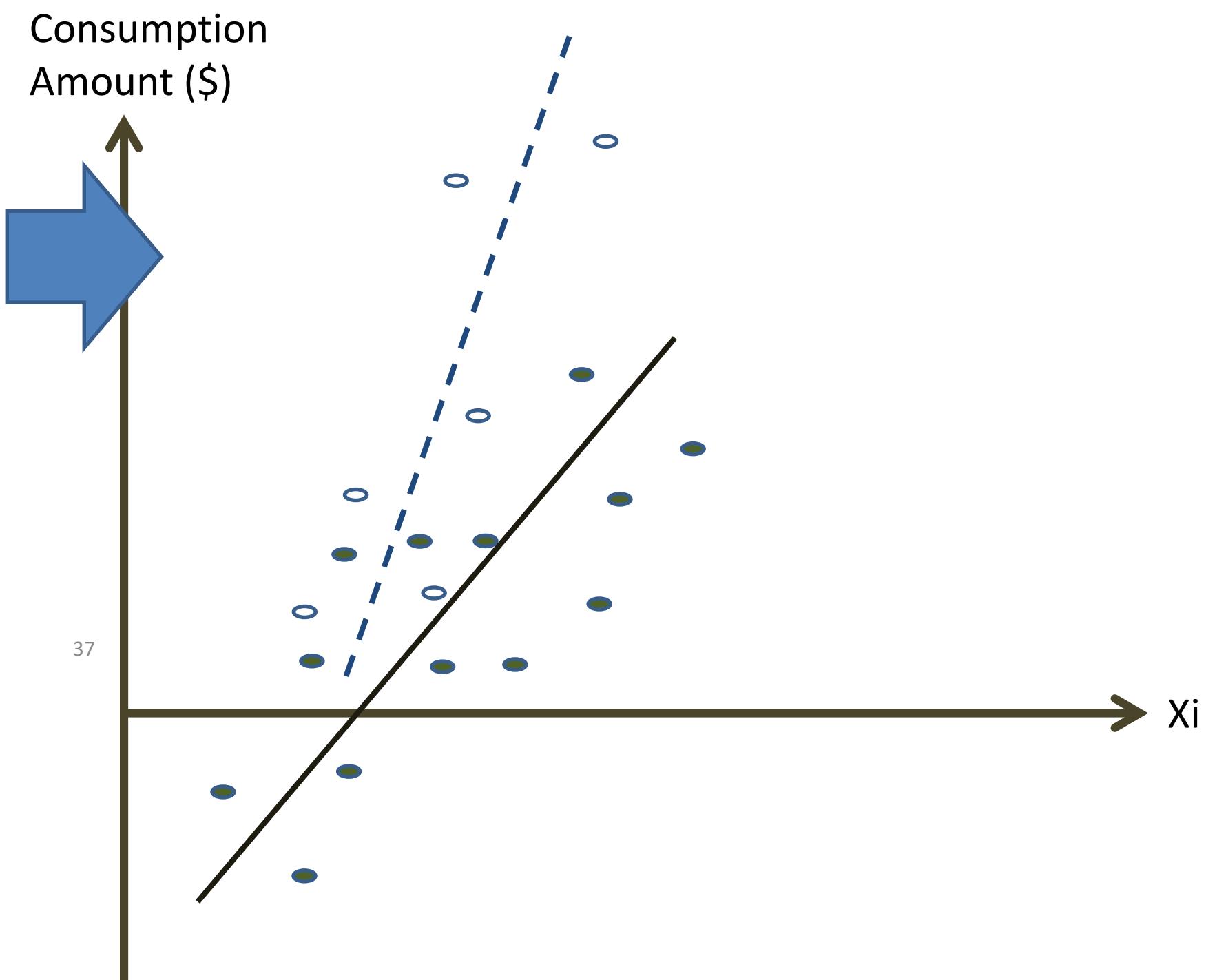
INTENTIONS  
& DESIRES

BEHAVIOR  
& ACTION

# Sample Selection Bias

## Reasons:

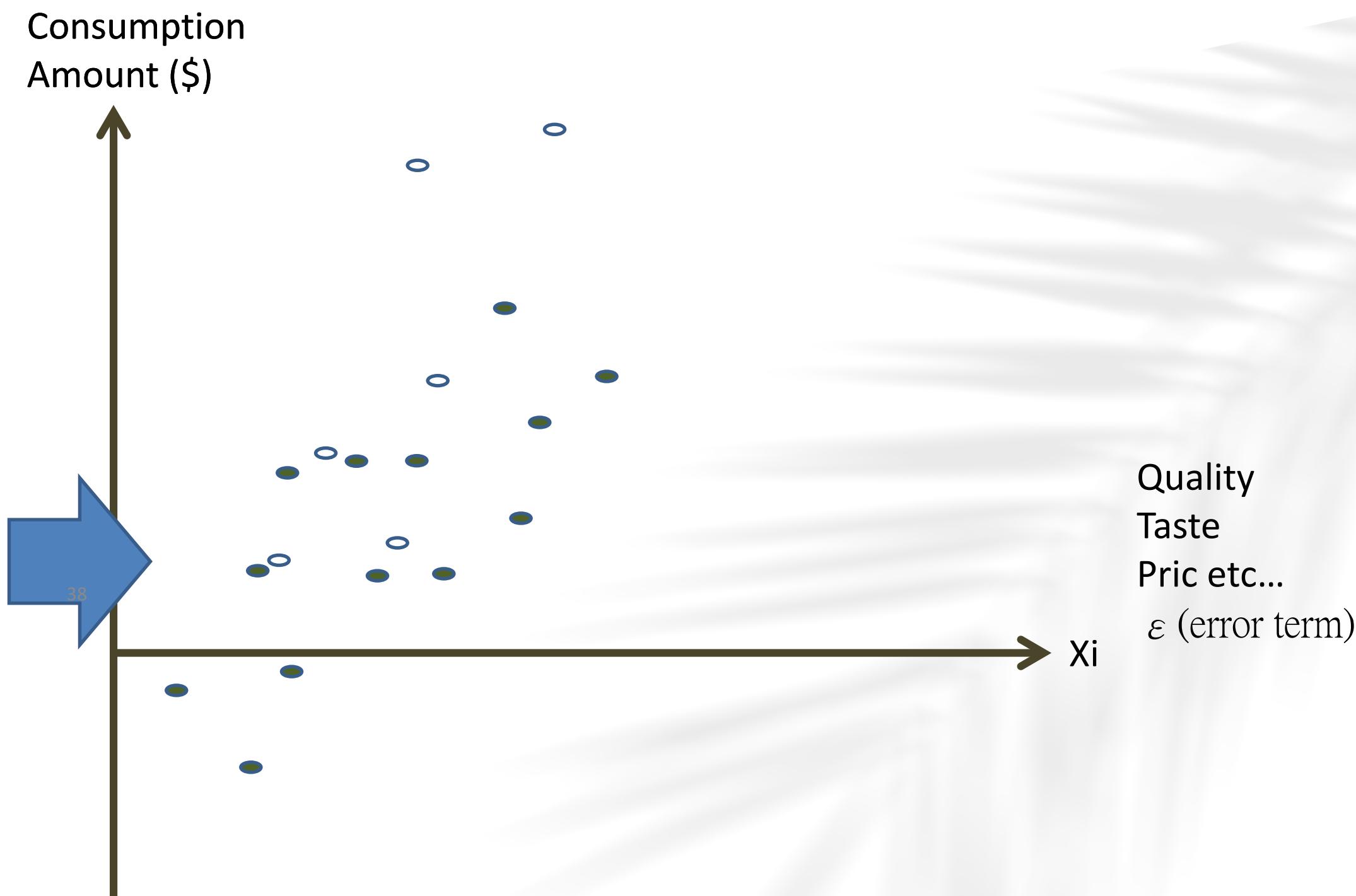
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# Heckman Two-Stage Model

## First Stage (Probit model)

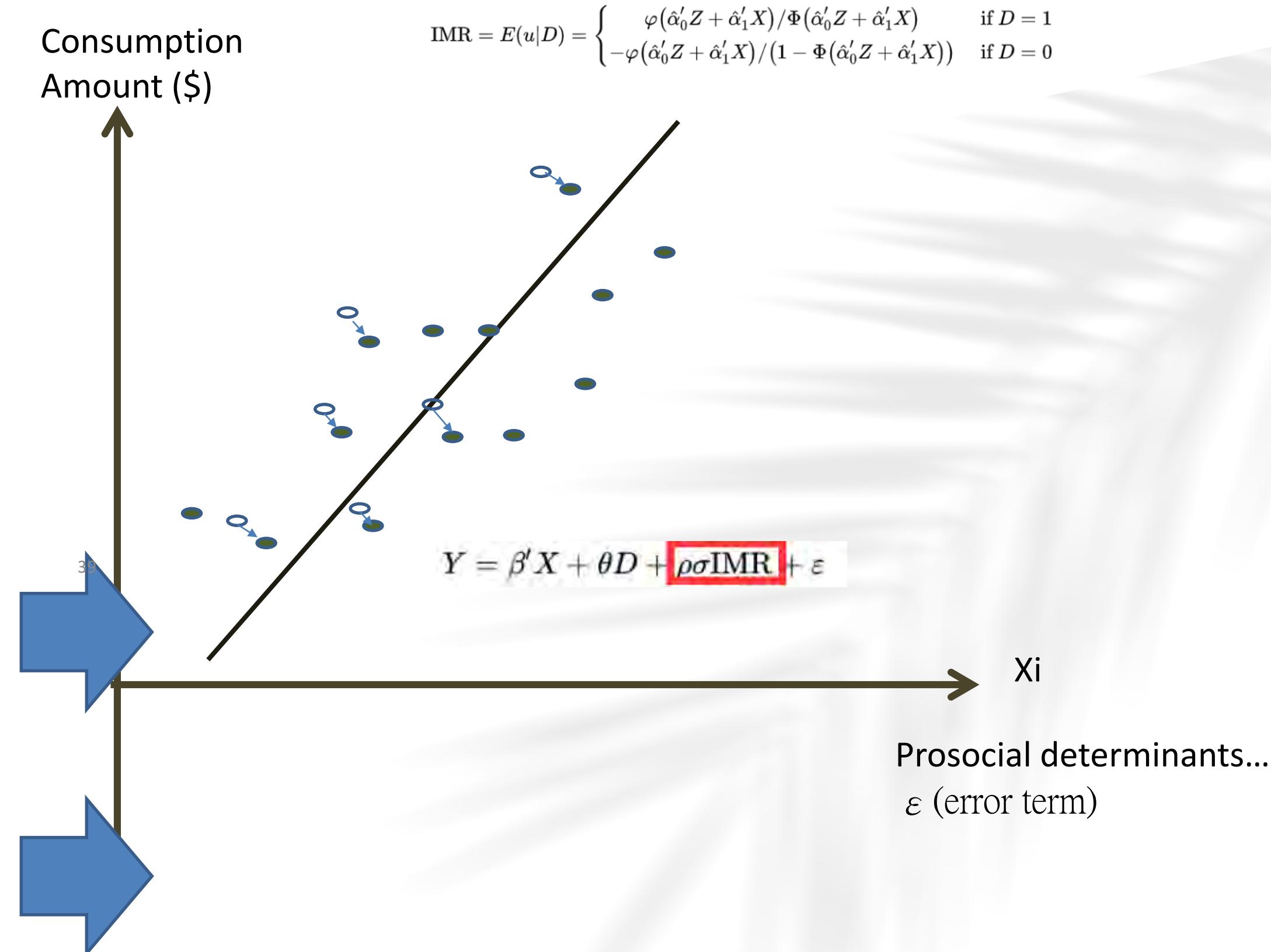
- Consumers demonstrate low interest in SRP (social responsible products). SRP market shares are very low (De Pelsmacker, Janssens, et al. 2005).
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- The analysis techniques are too simplistic to reveal the complexities of motivation (Hughner et al., 2007).
- The classic marketing concepts care not suitable for SRP marketing and communication (Davis, 2013).



# Heckman Two-Stage Model

## Second Stage (OLS)

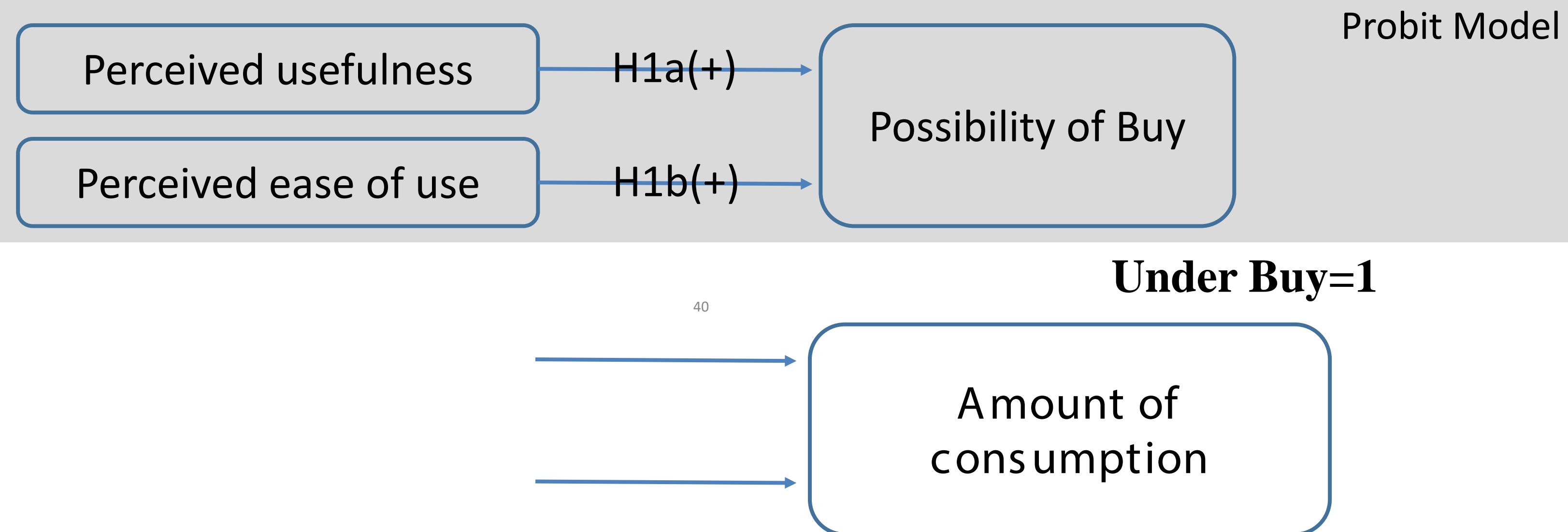
- Consumers demonstrate low interest in SRP (social responsible products). SRP market shares are very low (De Pelsmacker, Janssens, et al. 2005).
- The major priorities of most consumers: quality/taste, performance and, most of all, price (Leire and Thidell, 2005).
- The analysis techniques are too simplistic to reveal the complexities of motivation (Hughner et al., 2007).
- The classic marketing concepts care not suitable for SRP marketing and communication (Davis, 2013).





# How does buy intention turn to consumption amount for sustainable products?

- **Purpose** : this study aims to explore the antecedents of buying decisions and consumption amounts separately.



# Rsearch Result I

表 4. Heckman 第一階段估計結果

獨立變數	依變數	Probit 回歸 有機消費與否		
		模型 1	模型 2	模型 3
年齡		0.0902* (0.0376)	0.0928* (0.0377)	0.0920* (0.0379)
所得		0.0550 (0.0373)	0.0545 (0.3766)	0.0508 (0.0379)
家庭人口數		-0.0678+ (0.0375)	-0.0743* (0.0377)	-0.0741* (0.0377)
有機專屬通路(農夫市集)		-0.4652 (0.0745)	-0.0824 (0.0753)	-0.0922 (0.0756)
感知有用性		+ 0.1746*** (0.0371)	0.0739 (0.0498)	0.1513** (0.0500)
感知易用性		+	+	+
Num of obs	41	1160	1160	1160
Wald Chi2/F		11.19	33.86	42.95
Prob > chi2		0.0245	0.0000	0.0000

Note: 1. () is S.E.; Standard error. 2. \*\*\* P < 0.001; \*\* P < 0.01, \* P < 0.05, + P < 0.1.

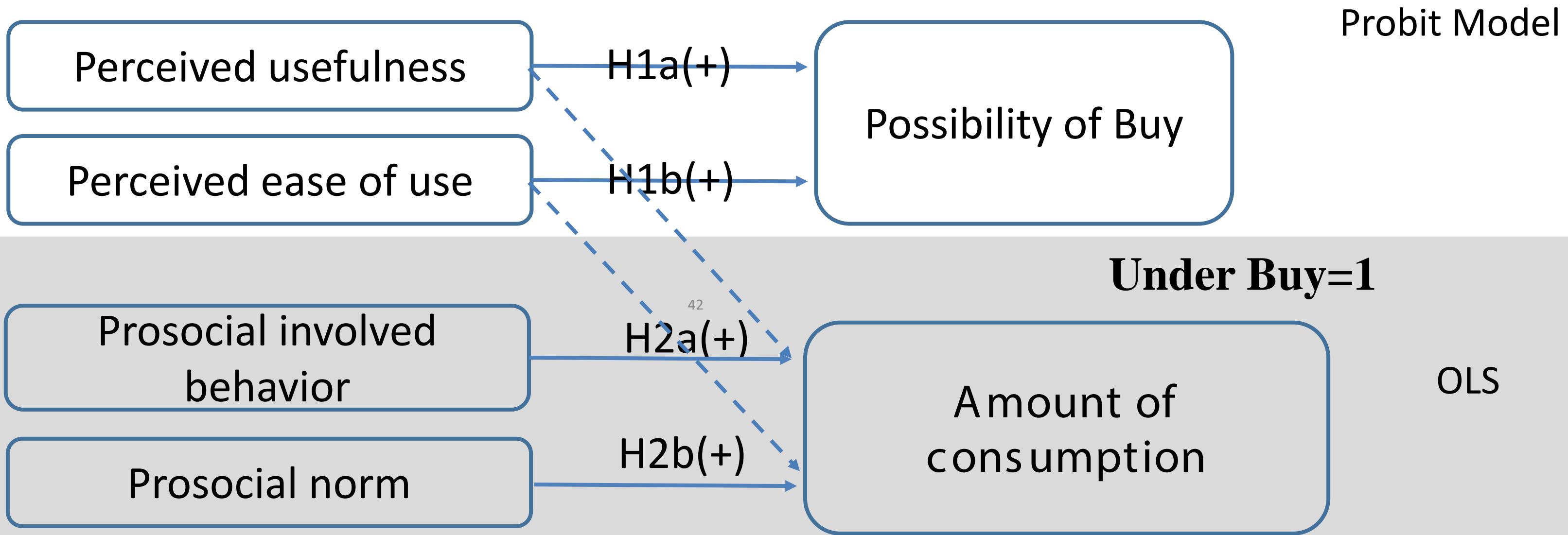
2. The coefficients are standardized coefficients.

$$\text{IMR} = E(u|D) = \begin{cases} \varphi(\hat{\alpha}'_0 Z + \hat{\alpha}'_1 X) / \Phi(\hat{\alpha}'_0 Z + \hat{\alpha}'_1 X) & \text{if } D = 1 \\ -\varphi(\hat{\alpha}'_0 Z + \hat{\alpha}'_1 X) / (1 - \Phi(\hat{\alpha}'_0 Z + \hat{\alpha}'_1 X)) & \text{if } D = 0 \end{cases}$$



# How does buy intention turn to consumption amount for sustainable products?

- **Purpose** : this study aims to explore the antecedents of buying decisions and consumption amounts separately.





# Conclusion

## Study's contribution

- By Heckman's two-stage model, this study confirms that sample selection bias exists under analyzing organic buyers.
- Based on economic and social views, this study distinguishes the causes of buying and consumption amount.
- Consumers' perceived values for products (such as perceived ease of use or usefulness) cause their buying decision, but the personal moral norm and activities involvement of prosocial are the critical factors for enhancing consumption amount.

## The Intention-Action Gap



## Social implications

- For potential consumers of sustainable products, the sustainable value initiative should emphasize the benefits of products for individuals.
- For strengthen consumption, it is necessary to build a community, and then through community activities to shape their cognition.

# What are we studying?



- System view
- Supply side
- Demand side
- 01 Sustainable Model  
Explored the complex relationships b/t major economic, social, and environmental indices.
- 02 Channel Strategy  
Farmers' adoption of multiple supply channels.
- 03 Certification System  
Alternative certification system for supply chain sustainability, named PGS.
- 04 Gap b/t cognition & consumption  
How to turn to buy intention into consumption amount for sustainable products.
- 05 What is next?

# How would a sustainable system be institutionalized?

# What is Next?

Future study rest on an interpretive paradigm which takes into account the **social complexities of consumption** rather than on rational decision making(Davis, 2013).



- Reflective & Automatic System
- Procrastination & Present bias
- Mental accounting
- Social preference

# Key Takeaways

01

## Sustainability

The ability to maintain or support a process continuously over time.

02

## System view

the multiple chain modes should be adopted.

03

## Multiple chain<sup>47</sup>

MSC adoption is a way to manage uncertainties.

04

## Alternative Certification

- PGS is the way of underprivileged actors' solution
- stakeholders's alignment

05

## Gap of Intention-behavior

The determinants of buying decisions and consumption are different.

06

## What is next?

From traditional economics to behavioral economics



# What do we all seek in our life?



(Economic)  
Material life

(Social)  
Relationship

(Environment)  
Spiritual life

To benefit others is to benefit ourselves

# Thank you

FEEL FREE TO  
REACH OUT TO  
ME WITH ANY  
QUESTIONS OR  
CONCERNS.



# for your time!

