

# TACKLING MARKETPLACE CHANGES

by Jennifer Stewart-Burton

It's no secret that consumer preferences in food production are changing or that there is constant pressure on agricultural producers to continuously improve their production practices. It's also no secret that farmers are facing tight margins.

As farmers face these challenges, so do the agricultural retailers who supply their inputs and services.

The 2018 ARA Management Academy will help agricultural retail managers understand their roles in helping their organizations, employees and farmer customers succeed. The academy is a partnership between **Purdue University's Center for Food and Agricultural Business**, the **Agricultural Retailers Association** and **Arizona State University's W.P. Carey School of Business**. It runs Jan. 29-Feb. 1 on ASU's Tempe, AZ, campus.

The partnership with ASU has brought additional areas of expertise to the academy, including in consumer preferences, supply chain and operations management, and leadership.

## CONSUMER PREFERENCES

Consumers of today are more interested than ever before in the ways their food is produced. They are conscious of the environmental impacts of production and they are curious about the health and safety of food products.

Agricultural retailers have a role to play in helping their organizations and their farmer customers succeed in this arena, says **Allan Gray**, Purdue University Professor of agricultural economics and Director of the university's Center for Food and Agricultural Business.

"The roles of retailers are evolving as they are challenged with how to identify new production practices and systems that help their farmer customers enhance productivity while continuously improving their environmental footprints," Gray says.

But it goes beyond just

identifying and understanding those practices. Retailers also need to be able to educate producers about new production methods and to help producers implement those methods. This is an area of opportunity for retailers to create value for their customers.

As part of the ARA Management Academy, Arizona State's **Carola Grebitus**, Assistant Professor of food industry management, will facilitate a discussion about consumer preferences, including implications for agricultural retailers and the food system.

A panel of industry experts who work in sustainability also will offer their expertise and experience in dealing with these challenges.

## PRICING PRESSURES

Farmers doing everything in their power to decrease production costs translates to pricing pressures for inputs suppliers. In an e-commerce world, the transparency of the marketplace also puts extra pressure on retailers and their prices. Customers can now easily access prices online and compare competitors — something that has been a marketplace disruption retailers have to manage.

"Careful and strategic management of operations and supply chain is critical for agricultural retailers," Gray says. "Not only is efficiency important, but there are human and social factors that have to be considered too. The industry has typically focused on driving out cost, but there's also been a recent push to revamp supply chain and operations to be more responsive and flexible to create and capture value."

**Thomas Kull**, Associate Professor of supply chain management at ASU will facilitate a session at the ARA Management Academy focused on behavioral issues in operations and supply chain management, as well as supply chain risk.

## LEADING THE CHARGE

Successfully navigating the challenges in agricultural retail means preparing and leading employees to cohesively pursue the organization's strategy. That means effective leaders are key.

"Every team member needs to feel like they can provide value to customers and the organization," Gray says. "They need to be able to see the big picture and how they fit into it. It's the job of the manager to make sure that happens."

Leadership is another component of the ARA Management Academy.

**Suzanne Peterson**, Associate Professor of leadership at ASU, will talk through the ways leadership skills impact managerial influence, employee motivation and engagement. She also will give participants insights on how to thrive in constant change.

## ARA MANAGEMENT ACADEMY

In addition to the ASU facilitators, Purdue faculty members **Gray**, **Scott Downey** and **Michael Gunderson** will cover topics including strategic thinking, profitability, and creating value for the customer.

Participants will have opportunities to network with peers. That includes those who work in other agricultural facets, such as produce, where retailers have been dealing with consumer preferences even longer than commodities retailers have.

Learn more and register at <http://agribusiness.purdue.edu/ARA2018>. **AM**

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