



National Vegetable Extension Network

**VegNET**  
VICTORIA

**CASE  
STUDY**  
September 2024

## Growers lean into business management principles that boost efficiency

### Introduction

In the horticulture and vegetable industry there is an ongoing need to investigate and identify ways to improve efficiency, reduce waste and manage costs.

To better understand how vegetable businesses might identify opportunities to improve efficiency across their production systems, VegNET Victoria (North, West and Southeast) held two workshops to introduce lean management principles as one method through which efficiency might be tackled.

Developed in Japan by Toyota Motor Corporation, lean management principles and the supporting tools aim to increase resource use efficiency. Importantly, this approach includes workforce as well as reducing waste across the production system. The principles – while developed for another sector – are being applied to aspects of agriculture, both in the field and packing shed.

### Lean in Agriculture workshops

With a focus on introducing 'Lean in Agriculture' within vegetable producing businesses, two workshops were held in the Werribee South and Mornington Peninsula regions of Victoria on 16-17 October 2023 which attracted 18 attendees.

The workshops were a collaborative effort between Agriculture Victoria, AUSVEG Vic and VegNET Victoria. The sessions were a part of Agriculture Victoria's Farm Business Resilience program and were supported through the Future Drought Fund.

### Key messages

- With rising input costs and labour shortages, it is increasingly important for vegetable growers to improve efficiency.
- Using lean principles – efficiency techniques developed by the automotive industry – in the context of an agribusiness has the potential to strengthen a grower's business outlook.
- VegNET Victoria held two workshops to introduce lean management principles to vegetable growers in Werribee and the Mornington Peninsula.
- Attendees found the workshops to be valuable and prompted further investigation into identifying waste in their business and communicating more effectively with their staff.

Toby Cook from Lean 6 Sigma Solutions introduced the lean principles and outlined how a vegetable business could:

- Map business processes
- Improve product flow
- Improve customer experience
- Prioritise actions to implement
- Engage staff in lean principles.

# Growers lean into business management principles that boost efficiency

Toby then led discussions with attendees during the workshops. The importance of reducing waste within a business was a major theme and could apply across a business' operations, whether in transport, inventory, production, processing or staff time.

Methods for identifying and understanding where value and waste occurs were a core component of the Lean in Agriculture workshops. Workplace communication and staff engagement was another area that generated significant interest.

The critical concept covered was that 'what gets measured, gets managed'. The overarching message to attendees was that reducing waste would thereby reduce costs.



**Image:** Toby Cook from Lean 6 Sigma Solutions introduced lean principles for vegetable businesses at two workshops in Victoria.

## Improving grower productivity, profitability, preparedness and competitiveness

The feedback from attendees was positive, with all attendees willing to recommend the workshop to others.

Everyone who attended the workshops reported that they would make a change within their business, particularly in the area of identifying waste, with 44% of attendees indicating they would address this issue following the workshop.

One attendee said they planned to "introduce key performance indicators and achieve an understanding of harvest and the packing rates to increase efficiency".

Other actions included setting measurable goals and clearer communication with staff; structuring meetings to encourage employees to contribute; and developing better methods to convey standards to employees.

For any vegetable producing business, labour is a significant component to cost of production.

This is an area that has the potential to provide significant gain when applying lean principles and practices.

The view shared was that the workshop highlighted the gaps and areas for improvement for many vegetable businesses.

One early barrier identified to the full application of lean principles within a business relates to being able to identify and access the appropriate skills to roll out the changes within the business.

## Next steps

With awareness raised among vegetable growers on the benefit of lean principles and tools, further training and workshop opportunities are being investigated, particularly around skills development through training or mentoring opportunities.

## What are lean principles?

The key elements of lean principles are to:

- **Eliminate waste:** Identify and reduce steps in the production system that do not add value to your business or customer
- **Quality:** Establish a production system that produces a consistent product
- **Training:** Staff know your business processes and can access suitable training documents to ensure a consistent result
- **Continuous improvement:** Improving your business is a constant process to fine tune systems and processes
- **Business culture:** If you engage your staff in lean principles it can help everyone work better together as a team to reach a goal.

## Further information

Contact VegNET Victoria Regional Development Officer Danielle Park at [rdo@ausvegvic.com.au](mailto:rdo@ausvegvic.com.au) or 0432 324 822.

- [Lean principles drive efficiencies in agriculture : ausveg.com.au](https://ausveg.com.au)