

Highlights

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The Highlights series summarises research results and policy implications from the work of CIAT and its partners in Africa

Identifying market opportunities for Kampala's urban and peri-urban farmers

Rapid urbanisation in many sub-Saharan African countries has led to growing recognition of the contributions made by urban and peri-urban agriculture to food security, employment and income generation, as well as to the productive management of under-utilised resources. Urban agriculture is widely practiced within the municipal boundaries and also in peri-urban areas of Kampala, the capital of Uganda. The city's population of 1.2 million inhabitants is growing at an annual rate of 3.9 % (Population Census 2002). This rapid growth represents a large expansion in markets for agricultural products. Many of these markets offer comparative advantages to producers and processors located within or close to the city.



Gathering information from markets.

As part of the CGIAR's system wide initiative on urban and peri urban agriculture (which contributed to the costs of this study), a project was initiated in 2002 to strengthen and promote urban agricultural systems in a bid to improve food security and livelihoods of the urban poor in Kampala. The project had components to: 1) investigate livelihoods and production systems, 2) assess market opportunities, 3) assess schools as extension and seed service providers, and 4) health issues.

Objectives of the marketing component

This component aimed:

- 1) To identify market opportunities in Kampala for agricultural products that are already produced or could be produced by urban and peri-urban farmers.
- 2) To collect and analyse information on buying conditions for the range of products identified.

Steps in the rapid market survey

- 1) A participatory rapid urban appraisal to establish the socio-economic and institutional profile.
- 2) A rapid market study to capture opportunities for existing and potential products.
- 3) An evaluation of the most promising options for urban and peri-urban farmers.

Prioritisation of enterprises and products

Based on the rapid urban appraisal, enterprises of major importance to urban and peri-urban farmers were established and ranked.

Defining strategies for the market survey

The product-market growth matrix as a tool for planning a market survey was used to classify growth alternatives, from which the following strategies were adopted:

- Determining categories of agricultural products with a high growth in demand.
- Identifying agricultural products whose demand exceeds supply.
- Studying demand trends for those agricultural products of current interest to urban and peri-urban farmers.
- Studying demand trends for alternative products of higher value.

A checklist of categories of market traders and agro-businesses included supermarkets (large/small), produce markets, small shops/kisoks, food processors and hotels.

Key findings

- The most important income-generating products in Kampala are poultry (broilers and eggs), milk, pigs, fruits (mango, avocado, jackfruit and pawpaw) cocoyam, mushrooms and leafy vegetables.
- The supply form for most of the products shows little or no value addition by farmers - contrary to the requirements by some market outlets.
- Due to the high value and

Product	Av. Gross HH income \$/year	Market outlets
Eggs	3,490	
Broilers	1,420	
Mild	2,650	Neighbours, local retailers
Pork	45	Butcheries, local supermarkets, restaurants
Avocado	30	
Mango	30	
Pawpaw	40	
Jack fruit	30	
Leaf veg.	300	Schools, neighbours, local supermarkets
Coco yam	320	Produce markets & vendors
Mushroom	1,210	Local supermarkets, hotels and neighbours

perishable nature of most of the products, limited capital and lack of storage facilities were the outstanding production and marketing constraints.

Conclusions

- Demand for food products is growing: opportunities do exist.
- The quantities produced by urban farmers are small: is farmer organisation an option?
- Relative competitiveness: poultry, fruits and mushrooms are price competitive; but milk and pork are not price competitive.
- Urban and peri-urban farmers have different levels of human and social capital: with possible implications for enterprise development.
- Purchase conditions in emerging markets are stringent: support services are required.

Recommendations

- 1) Integrated support for urban and peri-urban farmers is required to achieve impact on livelihoods.
- 2) Build local capacity to provide:
 - Market information
 - Microfinance
 - Technical and business services
 - Supportive legal environment.

Next steps

- Our plans, in collaboration with Kampala City Council who have been active partners in this activity, are to:
- Establish a mechanism through which farmers can access and utilise market information to be able to make decisions on what to produce.
- Facilitate the selection and development of viable integrated agro-enterprises.
- Support farmer groups to establish their own working relationships with retailers and wholesale traders, so as to maximise trade opportunities for their produce.



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