

Highlights

CIAT in Africa

No. 9
June 2003

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

Farmer participation in market research to identify income-generating opportunities

Farmers are increasingly finding the need not only to provide for their household food needs but also to generate cash income to cover other basic family necessities such as clothing, school fees, medicines etc. The surplus of the basic food crops that they are accustomed to growing often fetch very low prices in the market, especially in the harvest period when there is over supply.

An alternative strategy for these farmers is to identify opportunities for either:

- Diversifying their production, with the incorporation of higher value crops or livestock into their farming system, or
- Adding value to the crop or livestock products that they are already producing through improvements in quality and presentation, or through transformation into products more attractive to consumers.

Producing for the market is inherently more risky than producing crops and raising livestock for one's own consumption. The selection of options for generating income requires the collection of information that will help the farmer to make decisions appropriate to his or her situation. It is here where a 'market facilitator' – a technician from governmental or non-governmental organisations – plays a vital role. He or she can guide a group of farmers through a process of market opportunity identification and evaluation (see Figure 1) that will reduce the risk of taking inappropriate decisions that will prove costly in the medium run.

A procedure for identifying and evaluating market options with farmers

Participatory diagnosis

The procedure starts with a participatory diagnosis involving as many members of the community as possible. In this meeting it is important to find out what crops, livestock and other products the community is producing both for household food consumption and for sale. Differences in perception as to relative importance by different groups (farmers that are more or less commercially oriented, or women, for example) within the community should be recorded. Fresh and processed food and non-food products that are typical to their region and whose production is particularly favoured or sought after should also be noted down.

And finally, the farmers should discuss and suggest the types of crops they would like to grow, or animals they would like to keep, based on their interaction with traders and fellow farmers. From this set of ideas, a consensus is arrived at as to the products or groups of products that should be investigated further for their income generating potential. The meeting concludes with the community electing a group of farmers, which will represent them in the evaluation of the different options proposed.

Evaluation criteria

Following the diagnosis, the selected farmers, often known as the 'income group' or the 'market research group', meet to define the criteria that they will use to elect among different options. Some of these criteria are basic, such as the level of market demand and their ability to be produced profitably. Other criteria may be

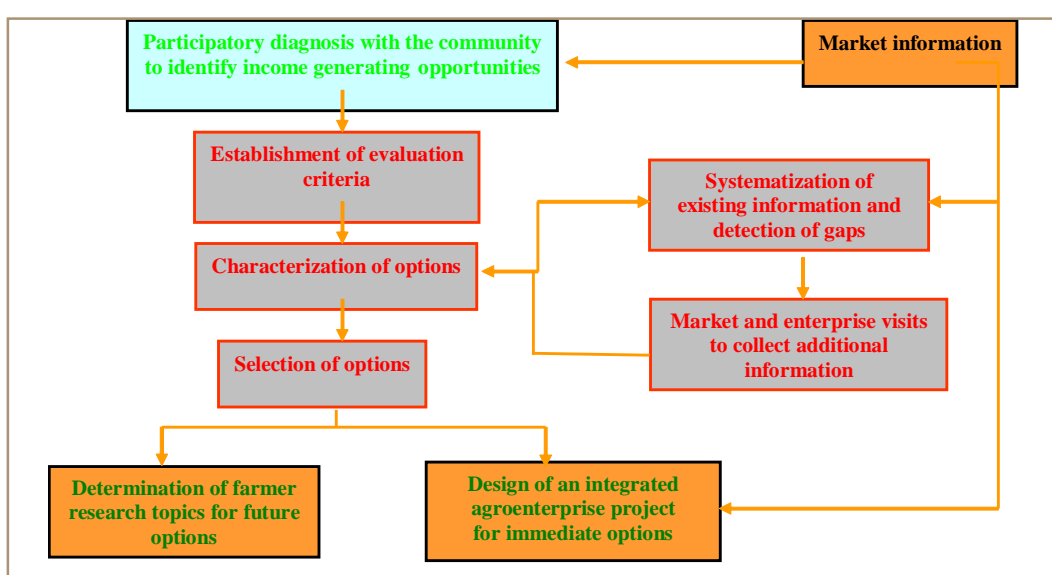


Figure 1. Procedure for farmer participation in market opportunity evaluation.

more specific, such as the potential numbers of farmers that might be involved in an enterprise, the role of women, and any negative effects that producing the products might have on the environment, etc.

Systematisation of information

With support from the market facilitator, the farmers gather together and order the information that they need for the evaluation of each of the options that have been prioritised. At this stage, it is almost inevitable that there will be information missing, both on details of the market and on how best to produce the different crops or livestock options. The market facilitator now needs to identify appropriate markets and enterprises to visit with the farmer market research group.

Market and enterprise visits

The markets are usually the large wholesale and retail markets in major towns and cities, but may also include food or other agro-processing businesses. The visits to these markets need to be organised with care, so that the persons that the farmers are going to meet know beforehand the purpose of the visit by the farmers and are prepared to provide the information that they require. The farmer group prepares itself to find out information on varieties and types of product, their quality characteristics, the preferred presentation (size, weight etc.), packaging, price, frequency and volume of delivery, terms of payment, etc.

The farmers must also use this opportunity of visiting markets to observe and ask questions about products that are in high demand and which they think they could introduce to their area, either now or in the future. Similarly, the farmers will need information on the production of the crops or livestock options they have

chosen. Again, the market facilitator identifies experiences of other farmers who are successfully producing and selling a particular product, and arranges for the farmer market research group to visit and collect information on management practices, input and labour requirements, costs and post-harvest handling and marketing aspects.

Selection of options

The final selection of options is undertaken in the presence of the whole community. The market research group presents the results of the market and enterprise visits, providing information on the demand in the market for each option, the costs of production and the prices that they can expect when they sell. A comparison of the relative ease of production and the benefits that each option could bring to different groups in the community should also be made.

After thorough discussion of each option, the community arrives at a consensus as to the options that they wish to pursue immediately. Based on the information obtained during the market visits, the community may also wish to identify options that look attractive for the future, and which could be the subject of farmer experimentation. The community meeting closes with the identification of those farmers interested in participating in the development of these options as commercial enterprises.

Integrated agroenterprise projects

With the selection of the enterprise options, a new phase of the process of creating or strengthening community agroenterprises initiates. This is the design of an integrated agroenterprise project for each product selected. This phase requires a much more detailed analysis of the chain of actions and actors involved from production through to marketing.