

Support Indigenous Leafy Vegetable Marketing in Tanzania, Zambia and Botswana.

The Public-Private sector is increasingly becoming the driving force behind rural economies in most developing countries, particularly in Africa. Where government used to play a key role in productive activities, gradually government has withdrawn to allow private enterprise to take part. However, the general move towards market economies does not necessarily reflect the interests of poor rural people. If not supported and given a voice, poor rural communities struggle to utilise the opportunities available in this new environment. There is a need therefore, to adapt approaches which will make sure that the poor rural people who are to be supported are equipped to interact more equitably with market forces.

Small Holder Farmers and Government Support

In the present SADC partner countries, smallholder farmers who form the majority of the farmers, cultivate small pieces of land confining them to perpetual poverty traps. Countries in the region have not managed to refocus research organisations to better serve the majority of the smallholder farmers. Most technologies produced by the research institutions are suited to high cash input users to the detriment of the resource poor small holders' farmers. These have been compounded by financial constraints facing the smallholder farmers. The major financial institutions have also failed to find innovative ways of financing the resource poor farmers and few grassroots organisations have been created to fill this gap. The majority of the farmers are constantly suffering from lack of or poor access to input and output markets. This has been mainly due to governments' failure to invest in roads and communication infrastructure in the rural areas. As a result, farmers incur excessive costs to get inputs to the farms and receive uneconomic returns from selling their produce. Generally, the poor organisation among the many smallholders has meant that farmers have not been very effective in effectively lobbying the government for more responsive service institutions in the areas they reside and farm.

Indigenous Leafy Vegetables in Tanzania, Zambia and Botswana

Indigenous Leafy Vegetables (ILVs) are native or introduced species which due to long use have become part of the culture & tradition of a community (Maundu, 1997)

They have been used by both urban and rural communities for a long time. Indigenous Leafy vegetables possess several values such as high micronutrient content, medicinal properties, several agronomic

advantages e.g. improve soil fertility by fixing nitrogen in the soil (cowpeas), contribute to food and nutrition security, income generation

(Onyango, 2007). In fact, past research indicates that Indigenous Leafy vegetable marketing in the SADC region is mostly dominated by women, and hence the likelihood that it is the biggest single employer of women in region today. Despite all the above advantages, ILVs still remain a neglected group of vegetable crops. Since the opportunities of investing on ILVs are greater than disadvantages, we would like to do the following; identify the main challenges/ constraints encountered in ILVs marketing systems, Discuss on key policy issues regarding the marketing of ILVs in the SADC partner countries (Tanzania, Zambia and Botswana), Share perspectives and experiences on policy making in ILVs marketing within Tanzania, Zambia and Botswana, Identify institutional arrangements for networking, lobby and advocate for policy changes to institutionalise Indigenous leafy vegetable marketing in the region and lastly Suggest policy strategies that can be implemented for strengthening smallholder farmers in the region.

Indigenous Leafy Vegetables Marketing Challenges

Although favorable geography and climate in SADC partner countries have played a major role in the expansion of Indigenous leafy vegetables (ILVs) production; Market, Policy, and Institutional conditions are critical in realizing such growth. Indigenous leafy vegetables (ILVs) marketing is characterized by inadequate government intervention. Generally the following issues have been identified; Lack of reliable market information to both farmers and market advisory service providers, Lack of mechanism to set price. ILVs are sold by farmers mostly on the basis of "cost of living" rather than considering the cost of production, supply and demand conditions. High perishability of ILVs poses major challenges in distribution and marketing. ILVs are mainly abundant during the rainy season. However, poor roads, which are in accessible during the rain seasons hinders timely transportation of ILVS to the market. Low level of ILVs productivity is partly due to inadequate investment in business and insufficient seed production and supply. Inadequate market linkages and market extension support to foster multiplicity of technology transfer systems. Inadequate network as most of the resource poor farmers are not adequately covered, technical Capacity within the Extension System, and capacity building of farmers. There is weak Research-Extension-Farmer-Market Linkages and inadequate operating resources. Financial sustainability as well as high interests charged by financial institutions when farmers take loans/credits. Last but not least is poor

handling (sorting, grading and packaging) at the farm gate or village level, as a result of which some vegetables are lost before reaching the market.

Marketing system is the critical link between farm production sector and nonfarm sector, industry, and urban economy. Besides the physical and facilitating functions of transferring the goods from producers to consumers, the marketing system also performs the function of identifying the prices at different stages of marketing and transmitting the price signals in the marketing chain. The issues and concerns in marketing relate mainly to the performance (efficiency) of the marketing system, which depends on the structure and conduct of the market. An efficient marketing system helps in the optimization of resource use, output management, increase in farm incomes, widening of markets, growth of agro-based industry, addition to national income through value addition, and employment creation. There is a suggestion that, due to illiteracy, ignorance, financial weakness and lack of organization, the farmers are in a poor bargaining position in relation to the consumers/retailers who are well informed, organized, and financially sound

Building Effective and Sustainable ILVs Marketing Systems

To help build effective and sustainable ILVs marketing systems, governments need to focus on educating and training participants in the public and private sectors to increase their understanding of the technical aspects of ILVs production, and ILVs marketing, as well as of policies and regulations related to ILVs marketing systems.

Public-Private Partnership (PPP) should be practical implemented to strengthen output markets so that as indigenous leafy vegetables research generates productivity-increasing technology to farmers, countries can avoid a situation of oversupply that depresses prices and causes farmers to reject the technology. Partnerships between public research institutions, private firms, and civil society organizations offer a means of tapping the strengths of diverse actors and channeling knowledge and resources into areas where they can address complex development problems that are relevant to the needs of resource-poor farmers and food-insecure consumers. Such steps will include more coordinated and predictable government behavior and increased investment in infrastructure and regulatory frameworks to support the development of ILVs markets. Reducing barriers to ILVs trade would expand markets and make them less vulnerable to local supply disturbances.

In trying to reduce price risks, PPP need to focus on forming contract farming arrangements, which will provide complementary measures aimed at expanding ILVs supply on a large scale. This will require the following: a) Organization of farmers/producers groups; (b) legislation and effective implementation of a contract law; (c) improvement in the quality of input delivery and research and extension services; (d)

training of farmers in maintenance of quality standards; (e) provision of complementary infrastructure, and (f) development of an effective land record and administration system.

Further more, the PPP need to provide extension, training, “best practices” workshops, and other forms of support to entrepreneurs seeking to produce or sell ILVs in the region. ILVs take advantage of an organic farming which offers smallholder farmers, who comprise the majority of Africa’s poor with less dependent on external resources and experience higher and more stable yields and incomes, enhancing food security. This should inspire the PPP to come with interventions that aim at promoting development of local and regional markets for organic products especially the supermarkets that are willing to pay premium prices to certified product quality, hence boosting the potential for ILVs to offer increased earnings to the smallholder farmers.

The Supermarket Revolution in Developing Countries

“Supermarket revolution” has been underway in developing countries since the early 1990s. Supermarkets (here referring to all modern retail, which includes chain stores of various formats such as supermarkets, have now gone well beyond the initial upper- and middle-class clientele in many countries to reach the mass market. Within the food system, the effects of this trend touch not only traditional retailers, but also the wholesale, processing, and farm sectors. The supermarket revolution is a “two-edged sword.” On the one hand, it can lower food prices for consumers and create opportunities for farmers and processors to gain access to quality-differentiated food markets and raise incomes. On the other hand, it can create challenges for small retailers, farmers, and processors who are not equipped to meet the new competition and requirements from supermarkets. Developing-country governments can put in place a number of policies to help both traditional retailers and small farmers pursue “competitiveness with inclusiveness” in the era of the supermarket revolution

Policies for “Competitiveness with Inclusiveness” in the Supermarket Revolution

As the supermarket revolution proceeds in developing countries, governments have several options for helping small farmers participate in supermarket channels (or gain access to viable alternatives) and traditional retailers coexist or compete with the modern retail sector.

Option 1: Regulate Modern Retail

To the extent developing countries have regulated modern retail, their goal has been to reduce the speed and scope of its spread. The regulations have mainly limited the location and hours of modern retail. Few developing countries have a pro-traditional or pro-small retail policy. Instead they usually take a laissez-faire approach to small shops and street vendors and make minimum initial public investments in open and covered municipal markets. A number of developing countries

even have policies that encourage the development of supermarkets and regulate traditional market in order to modernize commerce, lower food prices and congestion, and increase public hygiene and economic competitiveness. Finally, in the early stages of supermarket spread, the supermarket sector is relatively fragmented (weakly concentrated), and farmers and processors thus have a wide range of potential buyers among supermarket chains and between the modern and traditional sectors. In the advanced stage of supermarket spread, however, the sector becomes concentrated. At that stage it is important for governments and the private sector to enforce competition policies.

Option 2: Upgrade Traditional Retail.

A number of good examples of programs to upgrade traditional retail exist. In most of SADC countries, the programs in question are municipal, sometimes under a national umbrella policy. The programs have several elements in common:

Firstly, Governments involved in these programs have a “broad tent” approach—that is, they allow development of supermarkets as well as traditional retailers. Secondly, they promote traditional retailer modernization and competitiveness.

Thirdly, they accept the social and market role of traditional markets, street vendors, and small traditional shops but encourage them to locate in noncongested areas and on fixed sites (to increase hygiene and tax payment) and to improve their physical infrastructure. They also train the operators in business skills, food safety, and hygiene.

Option 3: Upgrade Wholesale Markets to Serve Retailers and Farmers Better.

Traditional market operators typically source food products from wholesale markets, which typically buy from small farmers. Upgrading wholesale markets’ infrastructure and services is thus important to the whole traditional supply chain. Private-sector actors are helping traditional retailers (and supermarket independents and chains) obtain the services and products they need. But governments and wholesalers also need to invest in upgrading wholesale markets in order to maximize access by farmers and retailers.

Option 4: Help Farmers Become Competitive Suppliers to Supermarkets.

Private-sector programs are emerging to help small farmers get the assets and services they need to supply supermarket channels. Governments need to supplement private efforts with public investments in improving farmers’ access to assets, services, training, and information. Some of these assets are public goods, such as regulations on retailer-supplier relations to promote fair commercial *Eliamoni Lyatuu (Project leader), Gilbert Msuta, Silvester Sakala, Mercy Marope. Ketseemang Safi and Eric Kooma are the team for Marketing of Indigenous leafy vegetables Expression of Interest, its activities supported by SADC-ICART project and European Union. These issues are based on Tanzania, Zambia and Botswana.*

practices, wholesale market upgrading, market information, and physical infrastructure such as cold chains and roads. Other assets are semi-public or private goods, such as assistance with market linkages between small farmer cooperatives and supermarket chains; training in post-harvest handling; and credit facilities for making on-farm investments in assets needed to meet quality and volume requirements, such as irrigation.

In short, the development of a strong ILVs marketing system in SADC partner countries namely Tanzania, Zambia and Botswana requires a coordinated effort between the public and private sectors, where the roles may differ across activities (ILVs production, and marketing), across vegetable types, and across countries. The public sector needs to invest more in providing a sustained market channels. ILVs production and marketing is often more efficiently coordinated by Public Private Partnerships, but they must be supported with an enabling policy environment. Such an environment would include a clear legal framework for local and export market, Easier access to micro credit facilities, access to marketing information which will in turn enable the smallholder farmers to make informed decision on what to sell, where to sell and at what prices. ILVs marketing policy should also help promote efficient informal marketing systems, while controlling misleading sales practices. Effective and sustainable ILVs marketing systems and information can help to improve the livelihoods of the region’s small holder farmers through increased production as well as sales and consequently benefit consumers, serving as an important element in strategies for income generation and poverty reduction.

Consequently, the fact that the supermarket revolution has progressed far and will continue apace for years to come in developing countries, this revolution will present opportunities for small farmers who have access to infrastructure and possess assets, but it will present a challenge for asset poor farmers and traditional retailers. It is important for governments to build policies and make investments that prepare farmers and retailers to face the challenges and meet the requirements of the modernized food markets whose development is stimulated by the supermarket revolution.

It is therefore anticipated that an Indigenous leafy vegetable price policy will considerably influence the marketing system of ILVs. The policy will primarily intend to stabilize ILVs prices and influence the price spread from farm gate to the retail level.

IMPLEMENTATION AND COORDINATION OF AGRICULTURAL RESEARCH AND TRAINING IN SADC REGION (ICART)

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