



**Australian Government**

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International Agricultural Research**

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*Markets and Agriculture Linkages for  
Cities in Asia*

# **Market Analysis – enabling smallholders to meet market demands**

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# Content

- A. Why needs to link smallholders to markets?
- B. Whom to link smallholders to?
- C. Market analysis: some issues.

# 1. Why needs to link smallholders to markets?

- a. Smallholder farmers ( *vegetable farmers in the South VN: 4,000-6,000m<sup>2</sup>/ HH*) involve in long market chains in which transmission of consumers' wants and preferences to the farmers is very weak.
- b. Smallholder farmers lack capital, inputs and technology.
- c. **Emergence of the “supermarket revolution” in Vietnam since 1990's and its consequences:**



**Traditional VC and modern VC co-exist at one place**

# Issues:

- Production areas of high quality agro-product (ex: safe vegetables) is relatively very small ( *Ex: Lam dong province: safe veg area is < 2% of total vegetable area* ) .

Yet, only a small portion of safe vegetables can be sold to supermarket.

- => **Whom to link farmers to?**

# Types of linkages: link farmers to

- Local traders: “Friendly traders and farmer clusters”.
- domestic agri-business firms.
- Supermarkets and modern chains.
- Farmers’ markets and Direct-to-consumer marketing ( sell on truck/vehicles, farmer’s outlets, co-operative’s market stalls...).

**Issues:** Research design is usually biased to supermarkets/ modern chains linkages..

### 3. Market Analysis for market chains

**Purpose:** To identify market attractiveness, opportunities and “critical points”.

**Feature:** Survey begins at the furthest end of the chain (consumer, retailer) then walk back up the chain to farmers, input suppliers.

# Issue 1: Identification of products.

## Analytical Approach:

- a) Value Chain Analysis.
- b) Agro-enterprise development.

**Common characteristics:** *work with the whole “market chains”:*

- Market (chain) survey of the identified commodity.
- Participatory decision making of actors.

**Difference:** Method to identify products => who select and who make decision?

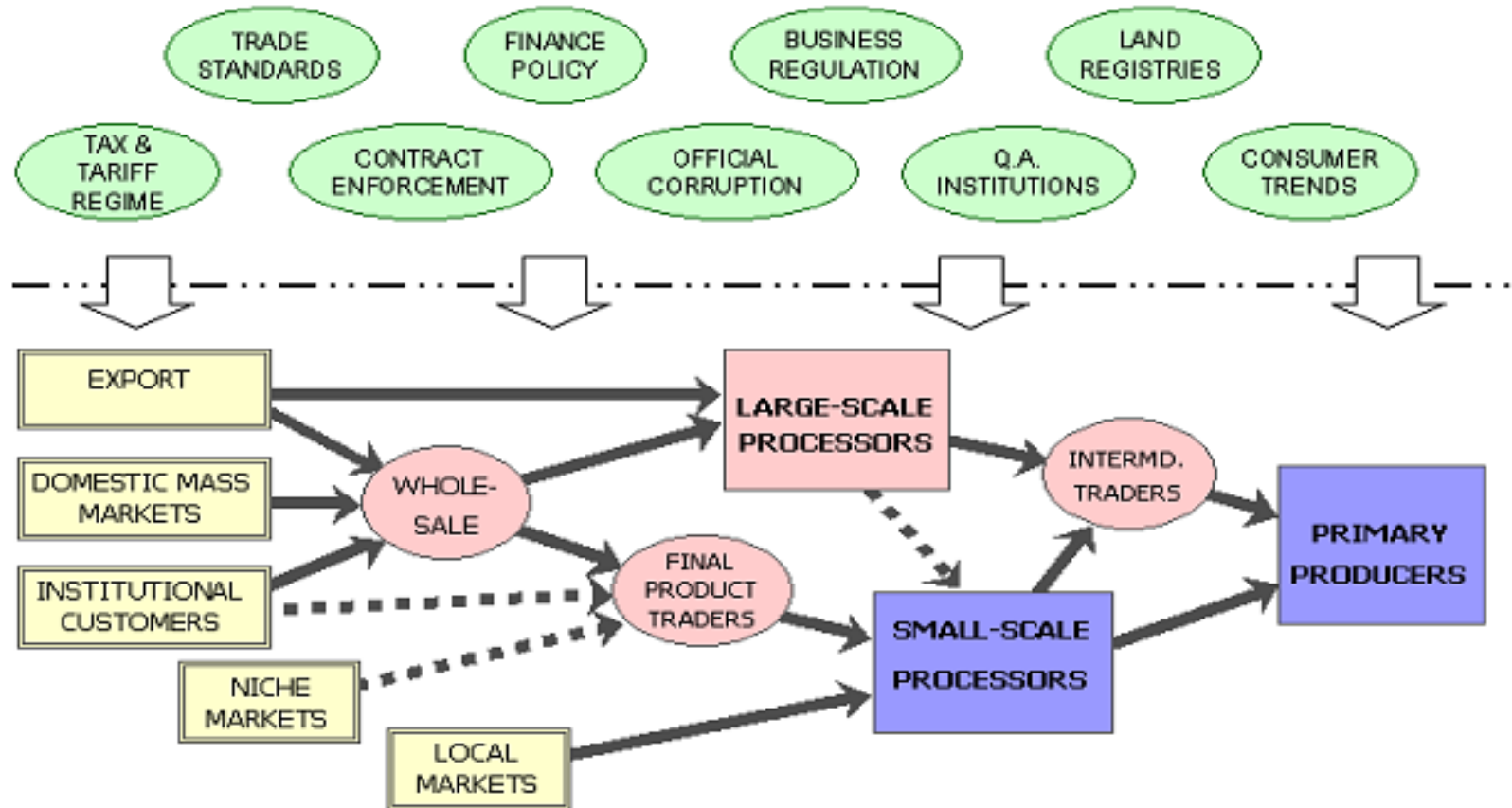


## Issue 2: complicated process of collecting data.

- Need to collect abundant information, data to understand the market chain and linkages (eg: who involved in the chain, what they do, where they operate from, and how they interact)
  - => a) before collecting data, select in advance a comprehensive tool to present the market chain and linkages (tabulated form , graph, diagram, map..)

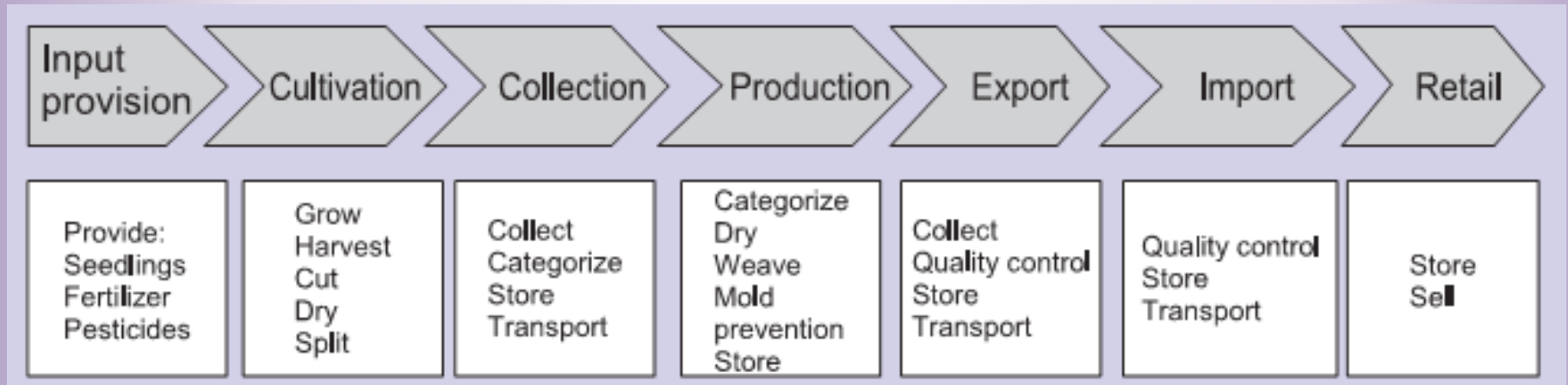
# Example:

## THE ENABLING ENVIRONMENT



=> b) Close look to the enabling environment  
(ex: tax regime, business regulation...)

c) Identify institutions at the meso level;



**Issue 3: Qualitative versus quantitative methods**