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: 4,000-6,000m²/ 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..)
=> 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