Participatory Market Chain Approach (PMCA)

Linking Vegetable Farmers With Markets in West & Central Java, Indonesia (ACIAR AGB/2006/115)

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OUTLINE

• Market and value chain research: *from assessment to action*

• PMCA: *methodological overview*

• PMCA in Indonesia’s vegetable sector: *processes and results*

• Emerging lessons on *impact, upscaling and sustainability*
Market & value chain research
FROM ASSESSMENT TO ACTION

TYPES OF RESEARCHERS

• Analyze (assess)
• Recommend (suggest)
• Evaluate (judge)
• Act (intervene)

CHALLENGES

✓ Often considered as common sense//intuitive
✓ Continuously evolving, with anticipated/unanticipated results
✓ Produces tangible and less tangible outcomes
Market & value chain research
FROM ASSESSMENT TO ACTION

enabling policies and institutions

- FARMERS decision-making and action
- MARKET CHAIN ACTORS Collaboration, trust & coordination
- CAPACITY BUILDING & ORGANIZING
- CHAIN-WIDE FACILITATION
- DEMAND CREATION

Infrastructure & support services
Market & value chain research
FROM ASSESSMENT TO ACTION

enabling policies and institutions

PMCA

FARMERS decision-making and action

MARKET CHAIN ACTORS Collaboration, trust & coordination

CAPACITY BUILDING & ORGANIZING

CHAIN-WIDE FACILITATION

DEMAND CREATION

Infrastructure & support services
PMCA
Methodological Overview

KEY FEATURES

• Action research and learning
• Semi-structured (3 phases)
• Joint learning by chain actors
• Pro-poor orientation

The “A” in PMCA

Participatory market chain **approach**
*NOT* appraisal
assessment
analysis
PMCA
Methodological Overview

**Phase 1 ASSESSMENT**
- Market chain characterization & targeting
- Market opportunities identification & prioritization

**Phase 2 INNOVATION**
- Series of thematic meetings by learning groups
- Developing/testing of innovations
- Marketing research
- Experts’ consultation and backstopping

**Phase 3 ACTION**
- Business planning
- Organizing & linking
- Launching

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2-4 mo

Public Event

6-8 mo

Public Event

4-6 mo

Public Event
PMCA in Indonesia

- West & Central Java produces over 70% of Indonesia’s vegetables
- Small-scale farmers unable to provide regular adequate supply of vegetables
- Fresh market chain: farmers disconnected from urban market centers, w/ numerous intermediaries
- Processing market chain: mismatch of farmers’ products w/ requirements from large/small processors
- Farmers’ extremely limited understanding of broader market chain, beyond their immediate market envt
- Existing training and extension support programs focus on technological improvements on-farm
# PMCA in Indonesia

## Market Chain Actors

<table>
<thead>
<tr>
<th>Market Chain Actors</th>
<th>No. of participants</th>
</tr>
</thead>
<tbody>
<tr>
<td>Farmers</td>
<td>64</td>
</tr>
<tr>
<td>Small-scale processors</td>
<td>34</td>
</tr>
<tr>
<td>Local traders/assemblers</td>
<td>13</td>
</tr>
<tr>
<td>Local distributors/suppliers</td>
<td>31</td>
</tr>
<tr>
<td>Wholesalers/private companies</td>
<td>9</td>
</tr>
<tr>
<td>Seed producers/suppliers</td>
<td>3</td>
</tr>
<tr>
<td>Retailers/shopkeepers</td>
<td>8</td>
</tr>
<tr>
<td>Others (service providers)</td>
<td>18</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>183</strong></td>
</tr>
</tbody>
</table>
PMCA in Indonesia
PHASE 1 ASSESSMENT

Small-Scale
VEGETABLE PRODUCERS

large-scale producers
traditional markets
agri-product suppliers
transport service providers
exporters
home-based food industries

assemblers
supermarkets
field collectors/agents
retailers
wholesalers

large-scale processing factories

Fresh market, domestic?
Fresh market, export?
Processing market, large-scale?
Processing market, small-scale?
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PHASE 1 ASSESSMENT

Small-Scale
VEGETABLE PRODUCERS

Fresh market, domestic
PRIORITY

Processing market, small-scale
PRIORITY

Fresh market, export

Processing market, large-scale

INNOVATIONS

technical
technologies

commercial
supply, distribution, quality incentives

institutional
agreements, support services, organizing
PMCA in Indonesia
PHASE 2 INNOVATION

• 2 learning groups (by MC type)
• 6-8 thematic meetings
• on-site learning exercises
• learning experiments
• Interactive sessions with other MC actors
• market testing
### PMCA in Indonesia
#### PHASE 2 INNOVATION

#### Developing & Testing Innovations

<table>
<thead>
<tr>
<th>Innovations</th>
<th>Fresh MC</th>
<th>Processing MC</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Technical</strong></td>
<td><em>technologies</em></td>
<td></td>
</tr>
<tr>
<td></td>
<td>plant spacing for uniform tuber size (+)</td>
<td>seed supply for processing-type varieties (-)</td>
</tr>
<tr>
<td></td>
<td>coordinated planting calendar (-)</td>
<td></td>
</tr>
<tr>
<td><strong>Institutional</strong></td>
<td><em>norms</em></td>
<td></td>
</tr>
<tr>
<td></td>
<td>marketing agreement w/ supermarkets through consolidators (+)</td>
<td>retailers’ network (+) women-led enterprises (+) access to BDS (+)</td>
</tr>
<tr>
<td><strong>Commercial</strong></td>
<td><em>products</em></td>
<td></td>
</tr>
<tr>
<td></td>
<td>baby potatoes (-)</td>
<td>jacket potatoes (+)</td>
</tr>
<tr>
<td></td>
<td>sorting &amp; grading (+)</td>
<td>branding &amp; packaging (+) improved traditional snackfoods (+)</td>
</tr>
</tbody>
</table>
PMCA in Indonesia
PHASE 3 ACTION

- business planning
- topical meetings with BDS providers
- marketing campaign and promotion
- sustaining the learning & action groups
PMCA in Indonesia
PHASE 3 ACTION

1. New market chains: PMCA participants with forward & backward linkages
   - seed suppliers
   - raw material producers
   - women’s processors group
   - retailers’ network

2. Independent entrepreneurs linked via learning network
   - small-scale entrepreneur
   - small-scale entrepreneur
   - small-scale entrepreneur

3. Rationalized market chains through value-adding intermediaries
EMERGING LESSONS: TRACKING CHANGE

FRESH-Vegetables Domestic Market Chains: BEFORE THE PROJECT

- Large-scale farmers
- Small-scale farmers
- Local assemblers/agents
- Private fresh-market consolidator-companies
- Traditional fresh-wholesale markets
- Supermarkets
- Traditional retail markets
- Restaurants
- Consumers

FRESH-Vegetables Domestic Market Chains: PROJECT YEAR 3

- Large-scale farmers
- Small-scale farmers
- Farmers’ groups
- Local assemblers/agents
- Private fresh-market consolidator-companies
- Traditional fresh-wholesale markets
- Supermarkets
- Traditional retail markets
- Restaurants
- Consumers

Link established/strengthened by project
EMERGING LESSONS: TRACKING CHANGE

**PROCESSED-Potato Market Chains: BEFORE THE PROJECT**

- Large-scale farmers
- Small-scale farmers
- Local assemblers/agents
- Private processing companies
- Traditional fresh wholesale markets
- Small-scale processors
- Traditional retail markets
- Supermarkets
- Consumers

**PROCESSED-Potato Market Chains: PROJECT YEAR 3**

- Large-scale farmers
- Small-scale farmers
- Farmers' groups
- Local assemblers/agents
- Private processing companies
- Traditional fresh wholesale markets
- Small-scale processors
- Traditional retail markets
- Modern retail markets
- Supermarkets
- Consumers

Link established/strengthened by project
EMERGING LESSONS: IMPACT

- Marketing-related capacities
- Market chain relationships
- New/expanded businesses
- Improved chain performance
- Poverty alleviation

PMCA

Other Factors & Actors
EMERGING LESSONS: UPSCALING

PERU Native Potatoes PMCA

INDONESIA Vegetable Sector PMCA

Farmer Business School (FBS)

Business Devt Support (BDS)

NGO & Private Sector

GOVT Sector

PHILIPPINES
Sweetpotato MarketLink
Root-Tuber Crops FBS

BANGLADESH
Potato-Sweetpotato for Nutrition PMCA

CHINA
Organic/Clean/Green Root-Tuber Crops FBS
EMERGING LESSONS: SUSTAINABILITY

Sustaining the process of learning and innovation

Sustaining and growing the business

Sustaining the enabling environment
Available from

TuberTube
Videos about CIP
Youtube

CAPACITY DEVELOPMENT SERVICES

- Training for PMCA facilitators
- Training for Farmer Business School facilitators
- Training for program managers on integrating value chain perspective in program planning & design
- Cross-study visit for MC actors: sharing best practices across market boundaries