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# The effect of changing consumers and modern food retailing on the local horticultural value chain in Fiji

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# Presentation Plan

- Background
- Activities
- Insights
- Impact and Benefit



# Background

## Global Food and Retail Transformation

- Globally consumers and food systems are changing
- Why? What are the drivers?
  - Urbanization and rising urban incomes – Fiji has both (Narsey 2001)
  - Private sector investment – Fiji doesn't have this which makes it unique
- Potential Impacts and Implications
  - Smallholders can not always meet these new requirements (Reardon et al. 2009)
  - Implications for food security, local agriculture / policy and private sector
- Therefore it is quite important to understand what is happening in the Fiji food industry



# Activities

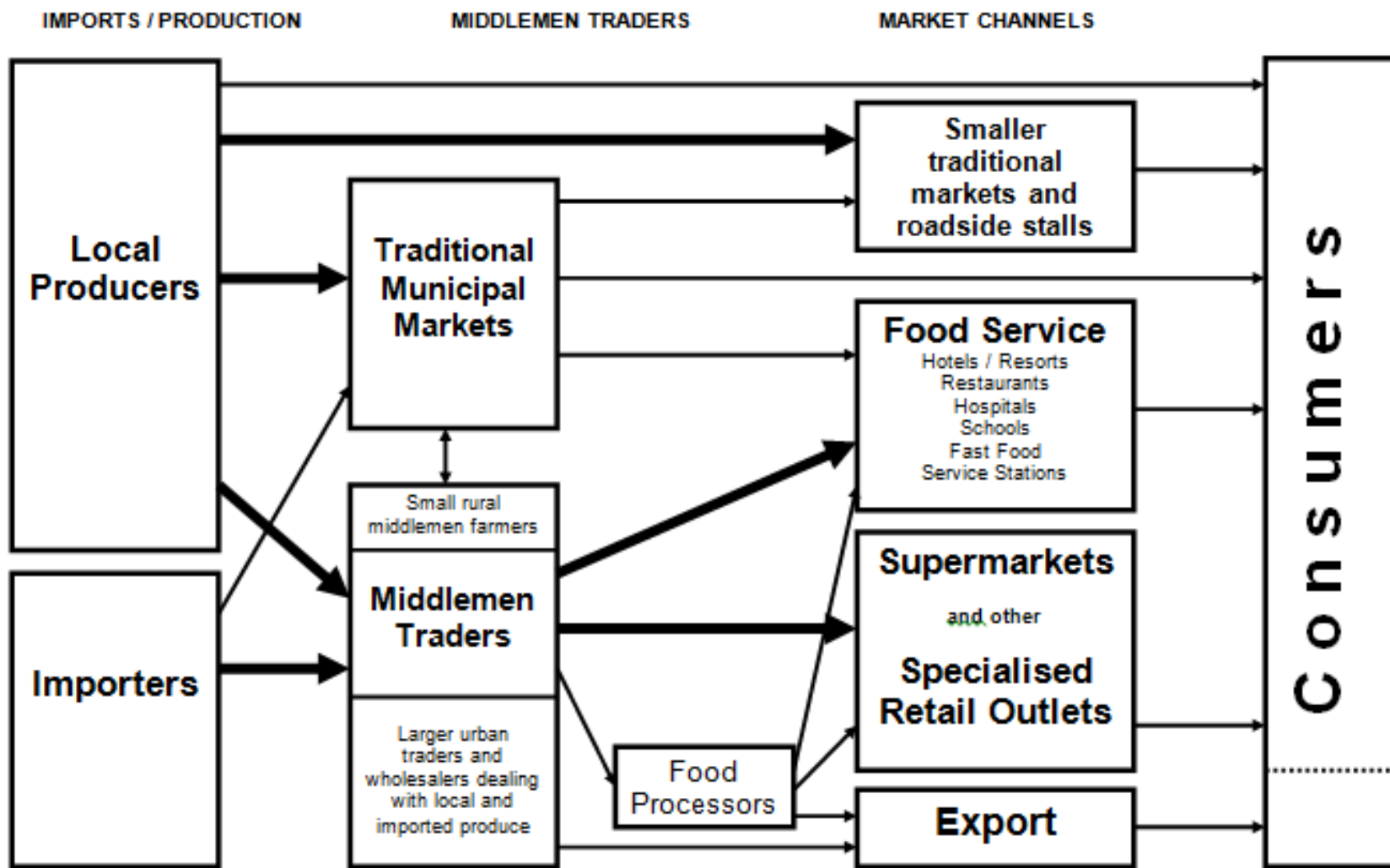
- Project partners include USP, SPC, FBOS, UNWomen, Richard Beyer and the Fiji Ministry of Agriculture.
- Activities
  - Interviewed all major Supermarkets, Resorts & Food Processors
  - 4 Municipal Market Studies (across Fiji and Vanuatu)
  - 1000 Urban household consumer surveys on food shopping behaviour
    - 79 different food categories / 8 retail outlet types
  - 1200 Producer surveys (600 female)
    - 89 different crops / shopping behaviour
    - BMI of all HH members
  - 85 Trader surveys to understand links to market



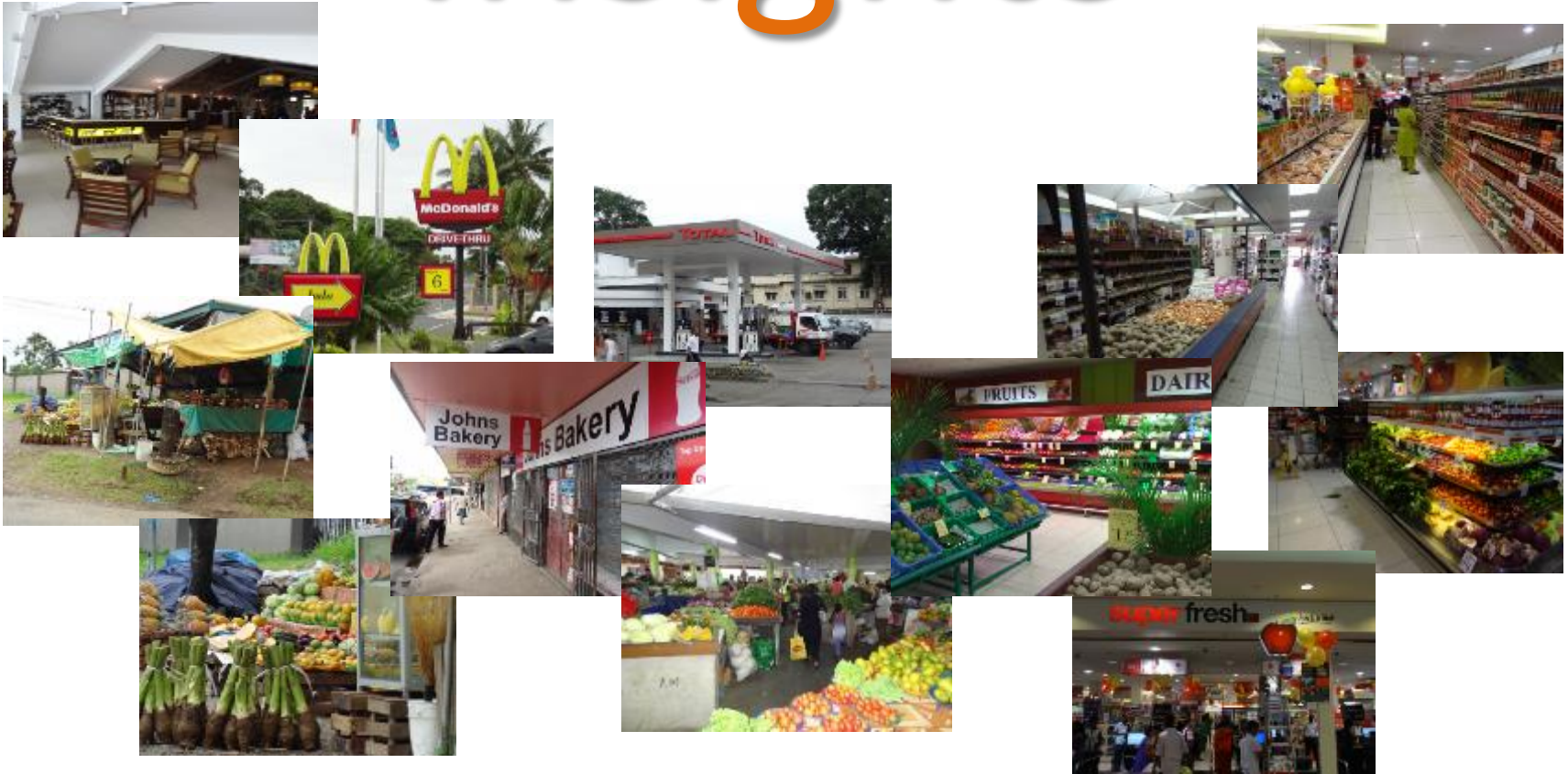
	Food Categories	Retail Outlet Types	Producers	Traders	Households
1. Vegetables					
2. Fruits					
3. Grains					
4. Meat					
5. Fish					
6. Eggs					
7. Dairy					
8. Beverages					
9. Snacks					
10. Other					
11. Total					



# Fiji Fresh Fruit and Vegetable Value Chain Map



# Insights



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# Supermarkets

- Supermarkets use centralised buying for imported fruits and vegetables but rely on individual store managers to source local produce
- Supermarkets aim to be a 'one stop' shop for consumers but price and space pressure is seeing some reduction in the range of produce offered
- Supermarkets in close proximity to municipal markets focus more on imported fruits and vegetables rather than compete on local produce

Source: Richard Beyer's report 'The supply of local fresh fruits and vegetables to supermarkets'



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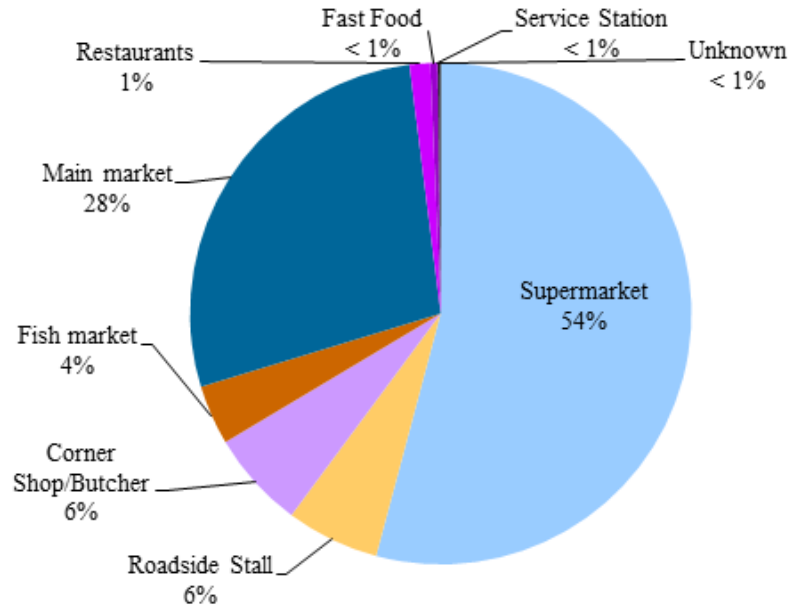
# Hotels and Resorts

- Differences between transit hotels and destination resorts
  - Size, quantities required
  - % of local guests and staff
- Hotel requirements and constraints
  - Price and freshness incentives to buy local
  - Capability of middleman to service large resorts is limited
  - Resorts need consistency, reliability and volume



# Urban Household Consumers

## Share of urban food expenditure by type of retailer

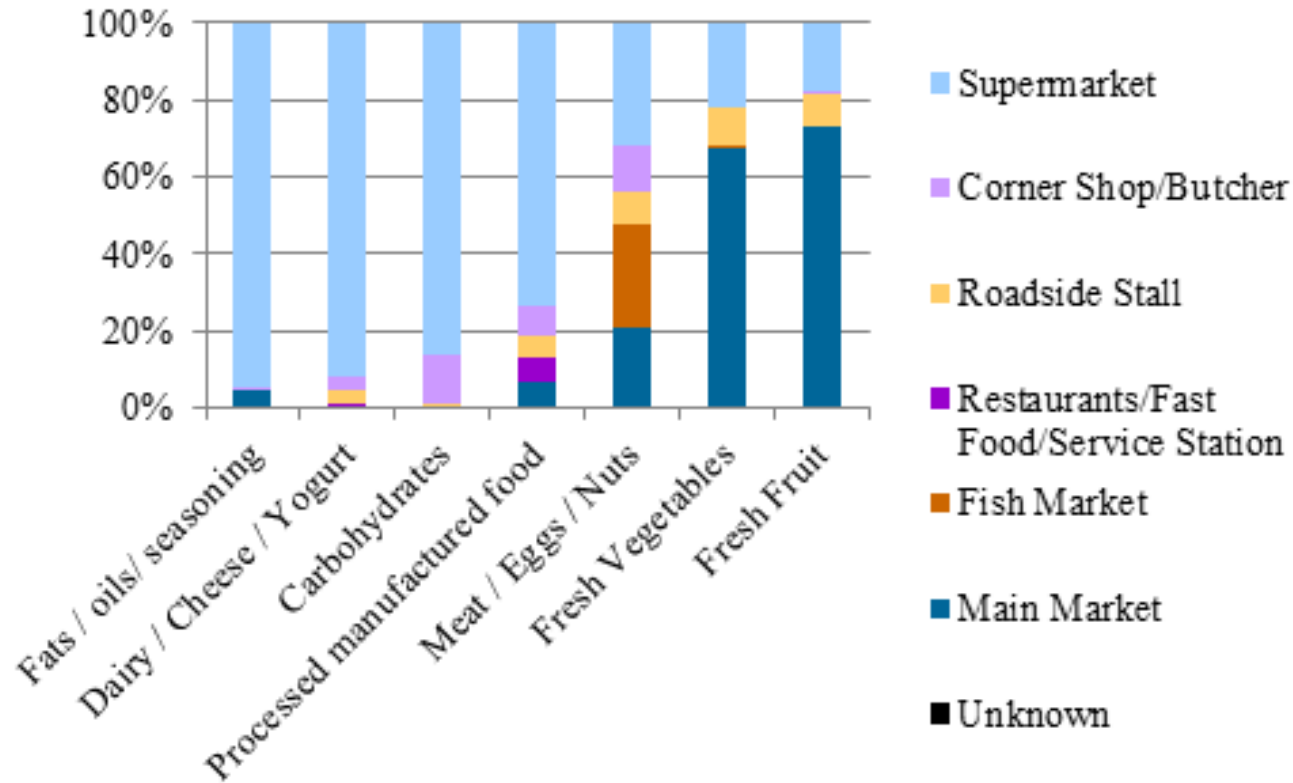


- Supermarkets with 54% of food expenditure . Main market still with 28%
- Supermarkets patronized by 100% of HH surveyed / Main Market 97%
- Roadside stalls 6% and interestingly sell 75 of the 79 products surveyed
- Combined 1.8% for restaurants, service stations and fast food indicate they are more likely servicing tourists rather than locals



# Urban HH Consumers

## Share of spending on each food category by type of retailer



- Supermarkets dominate processed food categories while the main market is preferred for fresh produce



# Urban HH Consumers

- Important characteristics when deciding where to shop
  - Supermarkets is favoured for price, convenience and variety of products
  - Main Market is because products are fresh and more variety of fresh produce
  - Roadside stalls, Corner shops, Bakery and Butcher are all favoured for their convenience
  - Restaurants, Fast Food and Service Stations aren't patronized much by locals, but when they are, it is for opening hours and fast service
- Key determinants of food shopping behaviour
  - Ethnicity; iTaukei are least likely to shop at supermarkets
  - Distance to retail outlet



# Producers

## Top Commercial Crops:

- Eggplant
- Tomatoes
- Okra
- Long, Bora and French Beans
- Chinese Cabbage
- Watermelon
- Cucumber
- English Cabbage
- Pawpaw
- Chilli
- Dalo

## Most Popular Crops Adopted in the last 5 years:

- Zucchini 23.08%
- Ginger 13.46%
- Capsicum 7.69%
- Cucumber 5.77%
- Dalo 5.77%
- Tomatoes 5.77%



# Producers

## Market Channels

Modern Channel	% of farmers selling through this channel	Traditional Channel	% of farmers selling through this channel
Supermarkets	1.58%	Municipal Market	87.22%
Processors	1.75%	Roadside Stall	14.25%
Exporters	17.28%	Village Market	6.87%
Hotels	3.6%	Next door neighbour	11.17%



# Producers

- 46% of respondents are performing post-harvest tasks on their produce.
- 9% have adopted a new crop in the last 5 years.
- Only 2% of respondents were members of a farmer group or cooperative.



# Traders

## Top Commodities bought and sold by traders:

1. Tomatoes 14.11%
2. English Cabbage 9.96%
3. Eggplant 9.54%
4. Chinese Cabbage 5.39%
5. Cucumber 5.39%
6. Pawpaw 4.56%
7. Okra 4.56%
8. Banana 4.15%
9. Lettuce 3.73%
10. Watermelon 3.73%

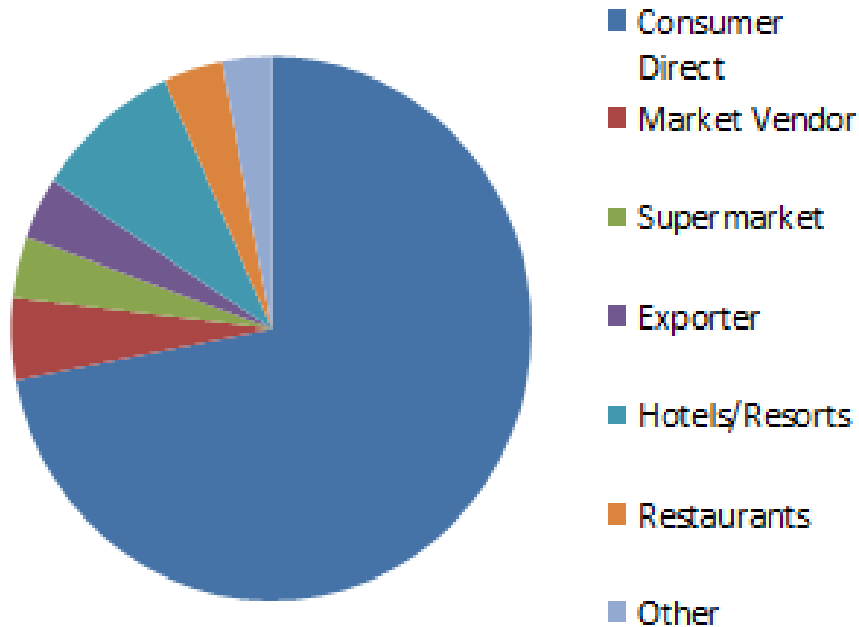
- 15% of traders had employed either permanent or casual staff in the last 12 months.
- 17% of traders required suppliers to perform post harvest activities.



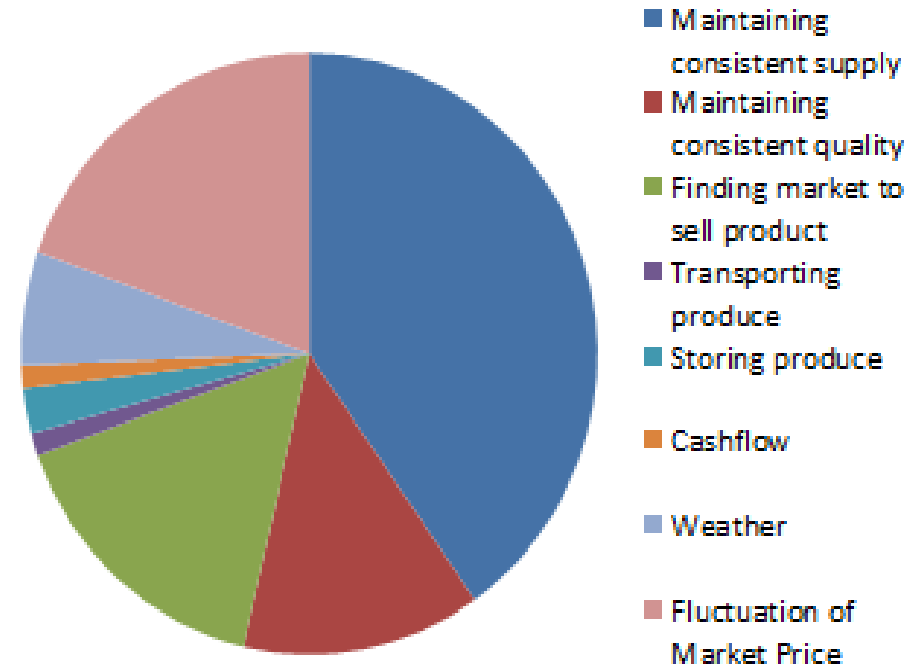


# Traders

## Main Buyers



## Main Challenges as a Trader in Fiji



# Impact and Benefit

## Summary

- Supermarkets have taken a significant market share of food expenditure
- Main Markets still dominate FFV but lessons from other countries show that this can change which has important implications for food security, health and nutrition and opportunities for local producers



# Impact and Benefit

- These insights have already fed into other existing projects
- Next steps
  - Share insights with all relevant stakeholders
    - Private sector, Govt & Donors Agencies
    - Lead to policy, investment, capacity building, training, new projects etc
    - Use for baseline evaluations
  - Further in-depth analysis of all surveys
    - Link the information together along the chain
    - Level of detail will allow us to target specific opportunities by product, location, market channel, consumer, private sector partners, first adopters etc.
    - I.e. ability to target early adopter farmers for products that not only have market demand but also involve women so benefits flow onto livelihoods, health and education



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