

Some Concepts and Terminology



Farmers

Consumers

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Wandschneider

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Learning Outcomes

By the end of this session, you should have a good understanding of:

- categories of chain participants
- market typologies
- marketing functions
- implications for chain research design
- implications for chain upgrading and development strategies



Structure of the Presentation

1. Market participants and market intermediaries
2. Categories of chain participants
3. Market typologies
4. Marketing functions, activities and services



Section 1

Market participants and market intermediaries



market participants

agents involved in the purchase and sale of products / services
(for our purposes, all chain actors, including farmers and consumers, as well all businesses servicing the chain)

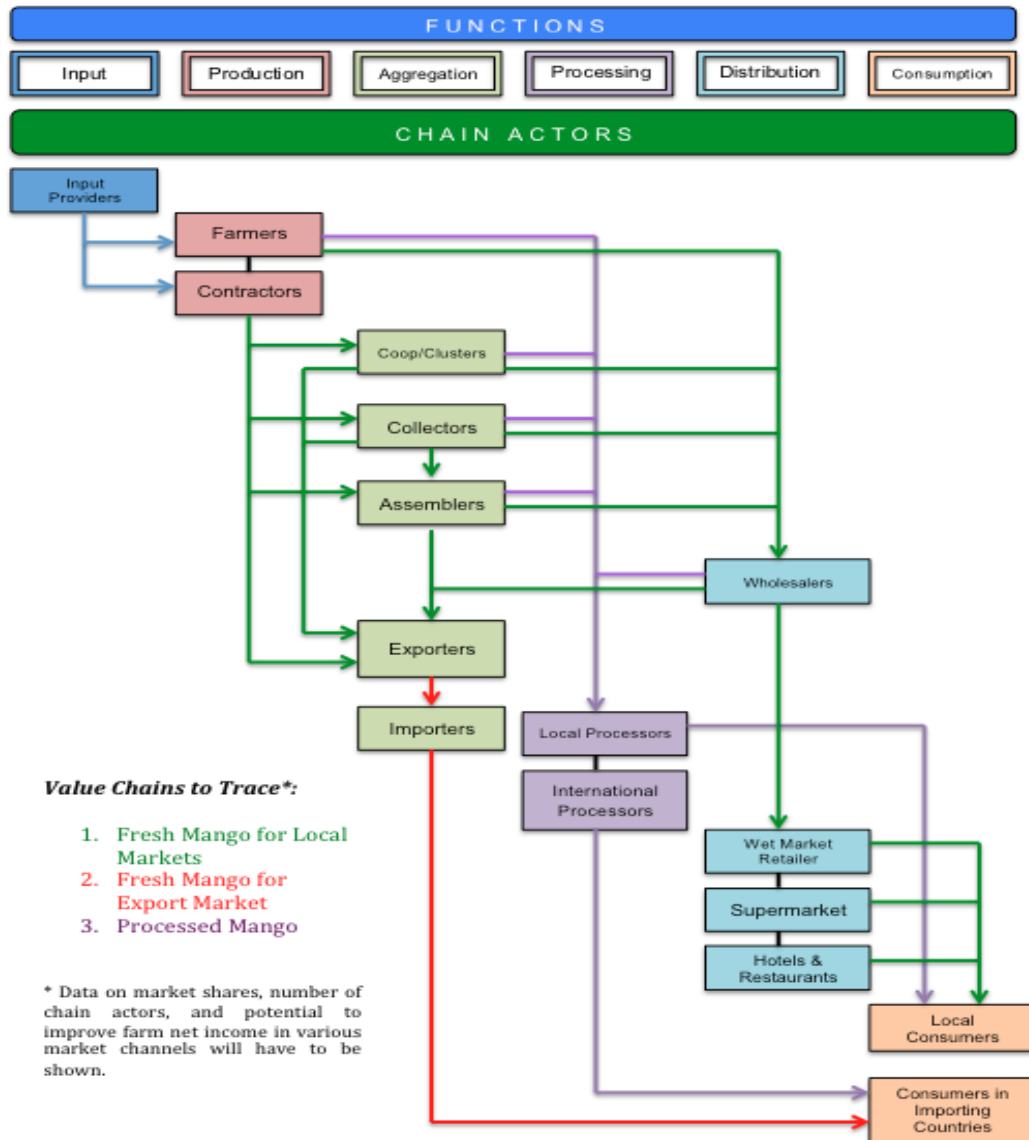
market intermediaries

chain actors linking farmers to input manufacturers
(input distributors and input retailers)

chain actors linking farmers to end-users or consumers
(collectors, assembly traders, wholesalers)



Questions



- Identify the market intermediaries in the diagram
- Which market intermediaries are missing from the diagram?



Discussion

Please comment the following statements:

“Many attempts to link farmers to markets under-estimate the critical role and efficiency of market intermediaries”

“Many attempts to link farmers to markets over-estimate the profit margins earned by market intermediaries”



Section 2

Categories of Chain Participants



input suppliers

input manufacturers
input wholesalers / distributors
input retailers

farmers / plantations

traders

collectors
assembly traders
wholesalers
retailers
importers
exporters

processors



there are many kinds of input suppliers...



there are also many different types of farmers/farms...




collectors



assembly traders



assembly traders are not collectors!

	Collectors	Assembly traders
Location	Production areas (village)	Production areas (village, small town)
Scale	Small	Medium
Target markets	Local	Province, other provinces (spatial arbitrage)
Transportation	Bycicle, motorbike, mini van	Mini van, truck
Suppliers	Farmers	Farmers, collectors
Clients	Assembly traders, wholesalers, processors, retailers	Wholesalers, processors
Organization	Independent or purchasing agents for larger traders and processors	Independent 

assembly traders are not wholesalers!

	Assembly traders	Wholesalers
Location	Production areas (village, small town)	Consumption centres (towns and cities)
Scale	Medium, sometimes large	Medium to large
Geographical scope	Medium, long-distance trade	Local Medium, long-distance trade
Suppliers	Farmers, collectors	Farmers, collectors, assembly traders, primary wholesalers
Clients	Wholesalers, processors	Retailers, secondary wholesalers, processors



but inter-island traders (Indonesia) can be
assembly traders or wholesalers...




traditional wholesalers





modern wholesalers
are an emerging
chain actor in many
Asian countries...



	Modern wholesaler	Traditional wholesaler
Location	Major cities, outside wholesale market	Large towns and cities, inside wholesale market
Scale	Small to medium, sometimes large	Medium to large
Focus	Quality	Volume
Coordination w/ suppliers	Informal	Informal
Clients	Traditional wholesalers, supermarkets, high-end hotels and restaurants	Mainly traditional retailers, traditional wholesalers
Coordination w/ clients	Informal, formal	informal
Enterprise form	Formal	“Informal” 

	Primary wholesaler	Secondary wholesaler
Location	Major cities	Large towns and cities
Scale	Large	Medium
Geographical scope	Medium, long-distance trade	Urban and peri-urban
Clients	Wholesalers, retailers	Retailers, restaurants



processors can differ significantly in their form of organization, scale, technology, products and markets...



traditional versus modern retailers



Question

Why is it so important to have a good understanding of who is participating in a value chain that has been selected for research and/or development?



- Survey design
 - ✓ selection of key informants for data collection
 - ✓ sample design
- Intervention design: targeting strategies / entry points for intervention



Section 3

Market Typologies

Physical markets

1. Assembly markets
2. Wholesale markets
3. Retail markets

Farmers

assembly

wholesale

retail

Consumers



Assembly Markets

places where agricultural products are sold by farmers and collectors to large traders (assembly traders and wholesalers)

- ✓ Rural
- ✓ Specialized / diversified
- ✓ All-year round / seasonal
- ✓ Daily / weekly / by-weekly...
- ✓ May also function as wholesale and retail markets

Question

Please provide some examples of assembly markets in Myanmar...





Wholesale Markets

places where wholesalers, retailers and businesses buy their supplies, mainly from wholesale traders

- ✓ Urban or peri-urban
- ✓ Daily
- ✓ Large volumes of a wide range of products (fruits and vegetables) in one single location



primary versus secondary wholesale markets

Primary wholesale markets

- ☐ Supply wholesalers in other urban centres
- ☐ Large size
- ☐ Located in largest urban centers

Secondary wholesale markets

- ☐ Source supplies from other wholesale markets
- ☐ Small / medium size

Question

Please provide some examples of primary and secondary wholesale markets in Myanmar...



Retail Markets

places where consumers
and small businesses buy
their supplies

- ✓ urban and rural
- ✓ daily / specific days
of the week



Question

Many chain actors operate outside physical markets.
Please provide some examples...



Section 4

Marketing Functions, Activities and Services



Marketing activities and services

- shelling
- drying
- cleaning
- sorting and grading
- bundling
- packing
- product assembly
- transportation
- loading and unloading
- processing
- product wholesaling
- product retailing
- certification
- Branding
- (...)

ensure that agricultural products are available for consumption:

- in the right **place**
- in the **form** wanted
- in the **quantities** and **quality** required
- at the **time** needed



shelling maize





drying cassava chips





farmer bundling
yard long beans



bundling of chayote shoots (packing house)





removing
damaged chillies



in eastern Indonesia tomatoes
are not sorted for colour or size...



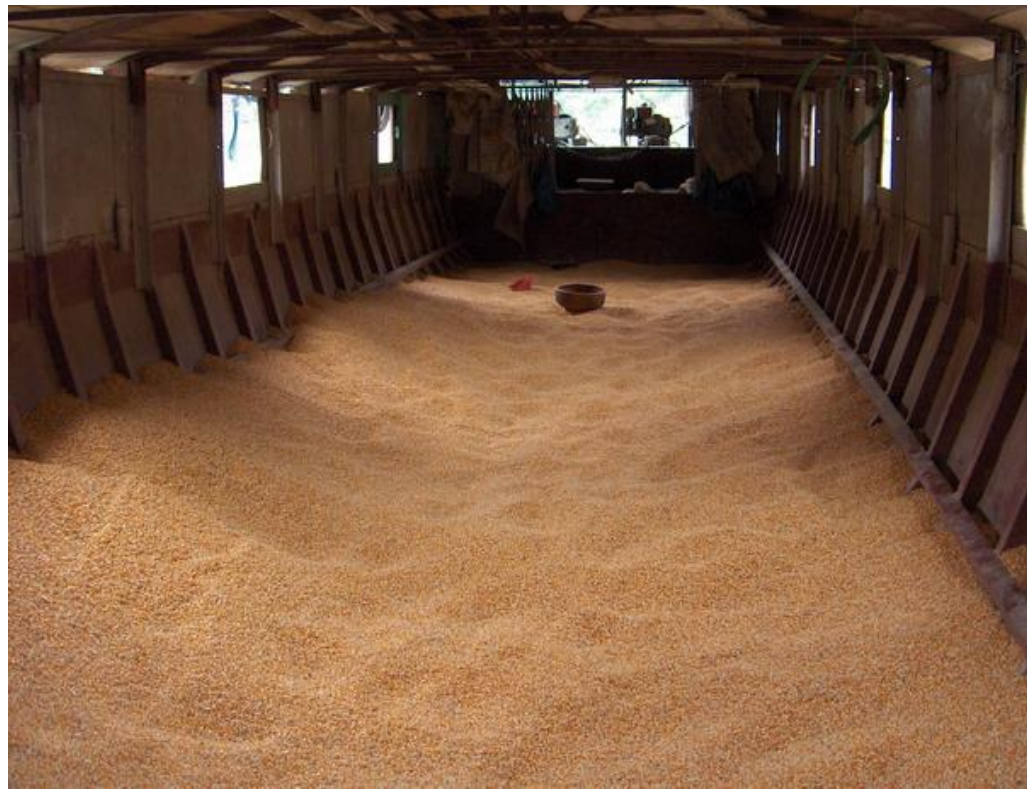
trimming shallots
(packing house)



peeling shallots



transportation



loading mangoes
into a truck



unloading cassava roots



on-farm maize storage





Storage of shallot bulbs
by an assembly trader



rice storage



forcing persimmon





packing potatoes
in the farm





Packing mangoes
at a wholesale market





packed shallots
in a supermarket
in Surabaya



fresh tomato in a wholesale market in eastern Indonesia



CỘNG HÒA XÃ HỘI CHỦ NGHĨA VIỆT NAM
Độc lập - Tự do - Hạnh phúc

GIẤY CHỨNG NHẬN
CƠ SỞ ĐỦ ĐIỀU KIỆN AN TOÀN THỰC PHẨM

CHI CỤC QUẢN LÝ CHẤT LƯỢNG NÔNG LÂM SẢN VÀ THỦY SẢN SƠN LA

CHỨNG NHẬN

Tên cơ sở: Tổ hợp tác sản xuất rau an toàn An Thái - Mường Sang

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Đủ điều kiện an toàn thực phẩm để sản xuất kinh doanh sản phẩm:

1. Sản xuất rau an toàn.

2. _____

3. _____

Số cấp: 38/2013/CCQLCL - Sơn La

Giấy chứng nhận có giá trị 03 năm kể từ ngày ký

Sơn La, ngày 17 tháng 5 năm 2013

CHI CỤC TRƯỞNG


Phạm Thế Cường

certification



branding of safe vegetables



branding of avocado from Dak Lak



DAKADO

NATURALLY MAKES YOUR SKIN AND HAIR
BEAUTIFUL AND HEALTHY

Discover the beauty benefits

Avocado is a perfect source for beauty care both in and out side the body.
Avocado is rich in vitamins A, D, E, potassium and phosphorus:

- Vitamin A helps to slough off dead skin, and boost the production of collagen.
- Vitamin D plays a important role in the absorption of calcium which is important for strong bones and beautiful teeth.
- Avocados are very rich in Vitamin E that is known to be a powerful antioxidant 'mopping up' free radicals and helping to slow the signs of ageing.
- Potassium and phosphorus are helpful for skin and hair as well as body development.

Also the high content of lecithin and Beta-sitosterol has an effect on slowing down



advertising safe vegetables
from Moc Chau


Rau
Mộc Châu
An toàn và sạch

DỰ ÁN TĂNG CƯỜNG KHẢ NĂNG
KẾT NỐI THỊ TRƯỜNG CHO SẢN PHẨM
RAU TRÁI VỰC VÙNG CAO TÂY BẮC VIỆT NAM



CHƯƠNG TRÌNH THỬ NẾM VÀ QUẢNG BÁ

**RAU TRÁI VỰC
MỘC CHÂU**

— 28.7.2013 —







Question

Why is it so important to have a good understanding of the marketing activities and services performed along the chain and who in and outside the chain undertakes these activities or provides these services?



- Calculation of net marketing margins
- Understanding employment along the chain
- Identification of opportunities for innovation
- Design of chain upgrading strategies
 - ✓ target innovations
 - ✓ entry points for intervention (targeting of innovation agents)



Discussion

Please comment the following statement:

“Marketing actors and marketing systems are more rational and efficient than is often assumed”

