OPERATIONAL GUIDELINES FOR RAPID APPRAISAL OF AGRI-CULTURAL MARKETING SYSTEMS

March 1993

Abt Associates Inc.

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The Agricultural Marketing Improvement Strategies Project

Agency for International Development

R&D/EID Project 936-5447

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FOREWORD

This document has been prepared for the guidance of marketing specialists and their host country counterparts, who are conducting rapid appraisals of commodity marketing systems for the AMIS Project. It draws heavily on the work of Dr. John Holtzman, formerly of Michigan State University and Research Director of the AMIS Project at Abt Associates. Jerry Martin, AMIS Project Director for Abt Associates, and Richard Abbott, Senior Agribusiness Analyst for the Postharvest Institute for Perishables, University of Idaho, a subcontractor on the AMIS Project, co-authored the report.

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The paper draws upon AMIS experience in implementing rapid appraisals of agricultural marketing systems in developing countries. An in-depth review of the AMIS RA experience, prepared by John Holtzman, was published in March 1993 as *Assessing the AMIS Project Experience In Using Rapid Appraisal and Future RA Directions*.

PREFACE

AMIS: AN OVERVIEW

The objective of the Agricultural Marketing Improvement Strategies Project (AMIS) is to improve the efficiency and effectiveness of agricultural marketing systems in less-developed countries. Core funding for AMIS is provided by A.I.D.'s Office of Economic and Institutional Development, Bureau for Research and Development. The project addresses the complex issues related to producing, processing, storing, transporting and distributing agricultural commodities. The underlying rationale is that marketing is a key factor in increasing agricultural production and generating employment and the associated economic and financial benefits to firms and households.

Through its technical assistance component, AMIS has provided USAID Missions with the services of specialists in all aspects of agricultural marketing. The AMIS approach to marketing consists of three principal activities—rapid appraisals, applied research and marketing system innovations. These three project activities follow each other in logical order (diagnosis, focused study, interventions) as the means to understand and improve critical aspects of a marketing system. A major aim of the project is to identify those dynamic elements which move marketing systems to greater levels of specialization, efficiency and effectiveness, particularly the institutional, organizational and management components of marketing systems.

A.I.D. selected **Abt Associates, Inc.,** a research firm specializing in economic analysis, policy research, and agribusiness and trade strategy, to execute and manage this project. Abt Associates had two subcontractors on the AMIS Project: The **Postharvest Institute for Perishables** at the University of Idaho, a research and information center dedicated to improving postharvest handling and marketing of perishable crops and **Deloitte & Touche,** an accounting, management and development consulting firm with capability in parastatal reform and liberalization of agricultural marketing organizations.

GLOSSARY OF ACRONYMS

ADO	Agricultural Development Officer
A.I.D.	Agency for International Development
AMIS	Agricultural Marketing Improvement Strategies Project
CPSP	Country Program Strategy Paper
HC	Host Country
MOA	Ministry of Agriculture
PVO	Private Voluntary Organization
RA	Rapid Appraisal
R&D	Research and Development
USAID	A.I.D. Overseas Missions

FIRST PHASE:

PREPARATION

STEP ZERO: USE RAPID APPRAISAL OR ANOTHER APPROACH

STEP ONE: INITIAL VISIT

Task 1:	Determine Appropriateness of RA Approach
Task 2:	Determine Feasibility of Conducting a RA
Task 3:	Identify Critical Elements of the Marketing System

STEP TWO: RECRUIT RAPID APPRAISAL TEAM

STEP THREE: STUDY DESIGN

Task 1:	Collect and Review Relevant Market Studies and Secondary Data
Task 2:	Statement of Objectives
Task 3:	Identify Performance Indicators
Task 4:	Select Key Areas of Investigation
Task 5:	Prepare Preliminary Study Outline

STEP ZERO: USE RAPID APPRAISAL OR ANOTHER APPROACH

Before enthusiastically recommending that a rapid appraisal be undertaken and visiting the developing country where a USAID Mission has requested assistance, analysts need to bear in mind that rapid appraisal (RA) is one of a number of approaches to information gathering in developing countries. The best approach to use in a marketing or commodity subsystem study will depend upon the study context. Rapid appraisal is best suited to doing commodity subsector studies where little research has been done before, where an earlier RA has been carried out poorly, or where a RA study has not been conducted for some time (and needs to be updated). RA is usually a very good way to obtain information about commodity subsystems that fall outside of normal agricultural data collection activities or for which data collection is secondary, haphazard and unreliable.

The strength of doing RA, using a subsector approach, is its practical, problem-solving orientation. The theoretical framework underlying rapid appraisal is neoclassical economics, at a broad level, and the structure-conduct-performance paradigm of industrial organization theory as adapted to agricultural commodity subsystems. RA is not research for its own sake; rather, it focuses on identifying and diagnosing constraints to improved subsystem performance. Without an analytical and systematic assessment of constraints, interventions are often misguided. Many project, program and policy interventions designed to improve the performance of marketing systems in developing countries end up addressing problems which are either symptoms of underlying constraints, rather than the constraints themselves, or relatively unimportant.

As argued elsewhere (see Holtzman 1986, 1990, 1993), RA can be a very effective way to initiate a longer-term program of applied research. RA helps to sharpen problem identification, to rank-order constraints, and to identify emerging issues, themes or opportunities facing marketing systems. RA can also be used to assist developing country governments and donor agencies at key points in the project life cycle (see Exhibit 1), including identification, appraisal, and monitoring and evaluation. In a similar way, RA can provide useful and timely information to decision-makers prior to policy formulation and after policies are implemented (*i.e.* in monitoring and evaluating the effectiveness and impacts of implementation). Finally, RA can assist public or private decision-makers in assessing the viability of agribusiness projects or investments. Examining key links in vertical commodity subsystems helps to identify potential weaknesses and may suggest remedial measures.

Prior to making the initial visit to a developing country requesting a rapid appraisal marketing study, the task manager or future study team leader is urged to understand as clearly as possible (from a distance) what are the underlying foci and USAID Mission needs driving the request. Based upon the institutional or organizational focus of a study request, the following *ex ante* observations can be made.

1) Single commodity subsystem or related group of commodity subsystems:

- RA is a highly appropriate diagnostic tool.
- RA is more manageable if the geographic scope is sufficiently limited.
- RA is easier if focused on a domestic marketing system, but RA teams can undertake foreign market research in one or a few countries if additional resources are provided.

Exhibit 1

Rapid Appraisal Applications

General Application	Specific Point at which Applied	Rationale for Application of RA
Programs of Applied Food Systems Research	Problem Identification	Enables analyst to focus in quickly on key constraints and problem areas.
	Preliminary Knowledge Generation	Can generate an integrated picture of the organization, operation and performance of a commodity subsystem in a short time.
	Implementation of Applied Research	Can complement formal survey research with structured informal interviews of policy-makers and marketing system participants and special, focused studies. RA can be used to verify results of formal surveys and probe deeper.
	Study Updates	RA surveys can be used to quickly update earlier work. Typically, the RA survey will focus on identifying and explaining changes in the commodity subsystem, issues and constraints which have emerged since study completion, and future anticipated changes and likely responses to such changes.
Agribusiness Trade and Investment Promotion Projects and Programs	Initial Diagnostic Assessments	Where information on the commodity subsystem is sketchy or incomplete, and constraints to trade and investment are not well-understood, such an assessment will provide valuable background information to both private and public sector users.
	Feasibility Studies	RA can complement a feasibility study, which focuses on specific investments or trade relationships. RA will raise issues, constraints and possibly unexploited opportunities which are critical to the success of private trade and investment promotion.
	Post-Investment or Establishment of a Trade Relationship	RA can be used to monitor and evaluate progress and problems. Special RA market surveys may be undertaken to evaluate potential for expansion into new markets, or expansion of existing plant and operations.

Project or Program Life Cycle of Donor Agencies	Project Identification	RA helps to identify problems and constraints which the public sector, with help from donors, can address.
	Project Appraisal	If further investigation of a commodity subsystem is required under tight time constraints, focused RA can generate the necessary information to fill gaps and answer remaining questions.
	Project Implementation	RA can be used to monitor and evaluate progress and problems.
	Project Evaluation	RA is one method of evaluating the impact of the project or program on the commodity subsystem(s) in a broader, systems context.
Policy Analysis and Reform Programs	Identification of Policy Problems	Through in-depth interviews with private sector participants, disincentive effects of policies are quickly uncovered using RA. Interviews with public officials can elicit their perceptions of the effectiveness of current policies and their implementation, and the need for policy or regulatory reform.
	Assessment of Policy Impacts	RA can be used to gain a quick, current assessment of how different groups of food system participants are affected by the existing set of policies or policy reform. RA is especially well-adapted to understanding how policies change firms' behavior and adaptive responses.
	Implementation of Policy Reform Programs	RA is one method of evaluating the impact of the policy reform program on the commodity subsystem(s) in a broader, systems context. By interviewing private firms, one can distinguish between stated policy objectives and how policies are being implemented (and how this affects the behavior and performance of food system participants).
	Final Evaluation of Policy Reform Impacts	As a complement to formal surveys, RA can focus on the adaptive strategies and behavior of particular food system participants. Case studies are valuable for examining in-depth the responses to policy reform of particular firms. Formal surveys are recommended for detailed quantitative analyses of impacts on different groups in the food system, as well as subgroups within those groups (*e.g.* poor vs. middle-class consumers, or rural vs. urban-based traders or processors).

2) Stage of a commodity subsystem:

- The subsector approach underlying RA can provide vertical perspective and insights into the organization and performance of the entire subsystem.
- The study of a horizontal group of firms, using an industry focus, may be more appropriate for examining stage-specific constraints (see Adoum, 1992).
- There will be more in-depth analysis of the constraints facing a group of firms at the same level of the marketing system.
- There may be more in-depth economic and financial analysis of industry and firm viability.

3) Supporting or coordinating institution:[1]

- The subsector approach is likely not to be suitable, as supporters and coordinators provide services and perform functions that cut across subsectors.
- The analysis would focus on the organization, functions and performance of the particular supporting or coordinating institution.
- The study sponsor will probably have higher expectations regarding concrete, specific recommendations for upgrading operations or expanding programs.

4) Trade or industry association: (could be subset of item 3)

- A horizontal industry focus is likely to be more suitable than RA's subsector approach.
- Analysis would focus on the organization, functions and performance of the particular association, and perhaps of the industry it represents.
- The study sponsor will expect specific recommendations for helping the association expand its influence, membership and effectiveness.
- A technical assistance task might also be to work interactively with key association members to better define the association's mandate, objectives and essential services or functions. Such an exercise would require extensive interviews with members, prospective members, and persistent non-members.

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[1] Supporters and coordinators follow James E. Austin's taxonomy of agribusiness participants, described in *Agroindustrial Project Analysis* (1981). Supporting organizations include input suppliers, financial institutions, and agricultural research centers. Coordinating organizations and institutions include governments, contractors, futures markets, and industry/trade associations.

5) Agribusiness, broadly writ:

- Using RA can help to provide specific subsector foci to such a broad undertaking. A limitation is that only a handful of subsystems can be studied using RA. The study sponsor may have trouble selecting subsystems or feel that choosing only a few will provide sparse representation of the agribusiness universe.

- The focus is more likely to be on broad areas of inquiry such as the enabling environment (including macroeconomic and trade policy), the business and investment climate, and political risk. In this case, AMIS recommends using a tool such as the Agribusiness Policy Inventory (see Ender, 1993).

- Limiting the agribusiness universe to agro-industry will lead the analysts to adopt an agro-industrial project analysis approach (see Austin, 1992 and Brown, forthcoming). But even an agro-industrial approach will require limiting the number of commodities for analysis.

- Using a RA subsector approach can help identify backward and forward linkages, constraints and opportunities for vertical integration, or novel contracting arrangements.

6) Parastatal organization:

- Recommend using RA for parastatally dominated marketing systems (see Gulliver, 1988).

- If the study focus is on agro-industrial privatization and divestiture, see Brown's privatization guidelines (1992).

7) Agribusiness firm:

- Using a RA subsector approach can provide contextual information of value. The success or failure of a particular firm often can only be explained within a commodity subsystem framework.

- The Harvard Business School case study approach may be a more effective way to focus in quickly and precisely on constraints and opportunities facing an individual firm. The subsector approach will tend to provide more generic recommendations that apply across different sizes and classes of firms.

8) Investment or transactions objectives:

- Recommend undertaking a feasibility study (of the financial viability) of a specific investment (in a start-up enterprise or in expansion of an existing enterprise).

- Technical assistance will focus on providing information to prospective investors or buyers regarding the investment and business climate of the developing country, as well as specific firm or association contacts.

- The study sponsor could partially finance the trips of representatives of agribusiness firms in industrial countries to the developing country of interest to match up prospective outside investors, buyers of raw or semi-processed commodities, and sellers (of inputs, equipment and finished agro-industrial products) with local partners.

- The study sponsor could finance the participation of developing country firms in international trade fairs or trade association conferences.

9) International market opportunities:

- RA can be used effectively to understand the organization, operation and performance of markets for commodities of interest in an importing country or countries. Such RAs may only focus on the distribution system for the commodities under investigation, unless there is processing in the consuming country. Key informant interviews with importers, government regulators, brokers, wholesalers, retailers, and large-volume, direct (institutional) buyers will provide valuable insights. Interviews with "representative" consumers fit nicely within a RA framework; consumer panels do not (and are the focus of separate market studies).

- If the study sponsor wants in-depth analysis of trade data, RA is unnecessary. The analyst needs to access international data banks and obtain detailed, secondary trade data (volume and value of exports and imports by exporting country) for analysis.

- Commodity markets for key internationally traded commodities are well-researched and well-understood. Prior studies and commodity specialists can be consulted. Telephone interviews with importers, brokers and other participants may be adequate substitutes for actual site visits when these are deemed unnecessary or too costly.

Based on the initiating cable and subsequent written request (*i.e.* statement of work), it will be relatively straightforward in most cases to determine whether rapid appraisal is the most suitable method for carrying out the study. In the event that it is not, the Mission and the AMIS Project could select among a range of other approaches, including an industry study, a feasibility study, a case study of a firm, an examination of the enabling environment for agribusiness, an international commodity analysis, or a parastatal divestiture study and plan. In the rest of this paper, we shall assume that there are adequate grounds for undertaking (or considering that it is feasible to undertake) a commodity subsystem study using rapid appraisal methods.

STEP ONE: INITIAL VISIT

This section describes the critical factors which determine the technical and operational feasibility of applying the rapid appraisal approach to the examination of an agricultural marketing system. It is designed to be used by a single analyst, preferably the team leader, during a preliminary visit to a USAID mission interested in AMIS technical assistance.[2] The guidelines cover three steps:

1. Determine the appropriateness of the RA approach given the needs of USAID and host country officials;

2. Given the appropriateness of the RA approach, determine the feasibility of conducting a rapid appraisal in that setting; and,

3. Given the determination of appropriateness and feasibility, and provided this RA has priority over other potential RAs, execute the initial steps of the rapid appraisal.

As Exhibit 2 illustrates, these guidelines are a series of steps which constitute a logical sequence in the process of deciding whether to conduct a rapid appraisal, given a specific set of circumstances.

Task 1: Determine Appropriateness of the RA Approach

The first step is to determine if a rapid appraisal is a useful analytic approach given the problem or need to be addressed. Clearly, if the RA approach is not compatible with the purpose, scope, or subject of the problem, then no further effort is called for.[3] Making this determination will require simultaneously defining the research problem and relating it to the rapid appraisal approach.

The analyst must assess the problem in terms of the five critical characteristics of rapid appraisal:

1. RA is narrowly focused on a commodity subsystem or some part of this subsystem.

   - Is the problem in question related to a particular commodity, a set of related commodities, or some segment (e.g., processing, wholesaling) of a commodity subsystem?

2. RA is designed to diagnose the critical marketing constraints in a commodity subsystem.

   - Are USAID and the host country interested in a diagnostic approach to the problem; *i.e.* is the problem already well defined or is there a need to systematically appraise the situation?

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[2] It is assumed a number of weeks or months will pass between this preliminary visit and commencement of the RA.

[3] The analyst, obviously, would advise A.I.D. and the government on more appropriate methods for addressing the problem.

EXHIBIT 2

Guidelines for the Application of The Rapid Appraisal Approach

Task 1: Determine the Appropriateness of the Rapid Appraisal Approach

Characterize RA		Characterize Marketing Problem
• Focus on commodity subsystem or segment of subsystem	IF YES ↓	• Is the problem related to a commodity or set of commodities or segment of the subsystem? IF NO • Redefine study • Conduct RA on subset of problem • Reject RA approach • Recommend alternate approaches
• Purpose is to diagnose constraints	IF YES ↓	• Is there a need to systematically appraise the subsystem? IF NO • Explore applied research possibilities • Reject RA approach • Recommend alternate approaches
• Short-term, preliminary in nature	IF YES ↓	• Is the study objective compatible with a short-term approach? IF NO • Reject RA approach • Determine if long-term research is required • Determine if a marketing system innovation is possible • Recommend alternate approaches

EXHIBIT 2

Guidelines for the Application of The Rapid Appraisal Approach

Step 1: Determine the Appropriateness of the Rapid Appraisal Approach

Characterize RA (continued) • Limited geographic scope	IF YES	Characterize Marketing Problem (continued) • Can problem be adequately examined without national coverage? IF NO • Assess mitigating factors: size of country, ease of travel, etc. • Propose RA on a sample area • Reject RA approach • Recommend alternate approaches
• Leads to in-depth research and/or pilot-testing of marketing system innovations		• Is there USAID and host government interest in pursuing findings of RA?
Go to Step 2: Determine Feasibility	IF YES	IF NO • Judge if interest might be kindled by RA • Reject RA approach • Recommend alternate approaches

3. The RA approach is short-term (1-3 months) and preliminary in nature.

   - Does the problem require in-depth data gathering and analysis (*i.e.* formal surveys)? In other words, is this an applied research problem?

4. The RA usually covers a geographically restricted area and is rarely national in scope.

   - Can the problem be adequately examined without national surveys or countrywide travel?

5. The completed RA should lead to policy recommendations, additional applied research on critical constraints, and/or pilot-testing of marketing system innovations aimed at removing these constraints.

   - Is there interest on the part of USAID and the host country to consider, at this time, a program of in-depth study and intervention based on findings of this RA?

The role of the AMIS analyst should be one part heuristic—explaining to USAID officials what is meant by RA; one part investigative—identification and definition of the problems; and one part diplomatic—how can the problem be defined to fit the RA approach as well as USAID and host government needs. There are no hard and fast rules in this process, but it should be clear that if there is no felt need for a diagnostic approach, then it would be inappropriate to recommend and conduct a rapid appraisal. If it is agreed among the analyst, USAID, and host country officials that a RA is appropriate, then the analyst begins Step 2.

Task 2: Determine Feasibility of Conducting RA

The problem at hand may be ideal for the RA approach, yet it may not be feasible to conduct the rapid appraisal for institutional, technical, or operational reasons. The analyst must satisfy himself or herself that the conditions exist for the successful implementation of the appraisal. Some of these conditions are imposed by the approach itself (RA's reliance on local analysts and institutions), and others result from external sources (e.g., political will or agricultural production and marketing seasonality).

A. Ascertaining Level and Nature of USAID Support

Conducting a successful RA requires a significant level of support from the USAID Mission. The first stage in determining the feasibility of doing a RA is to review these requirements and the mission's resources.

- Cost—under the AMIS Project, RAs were fully funded by missions. Cost will vary depending on the problem, existence of previous studies, available data, and other factors. As a rule, these costs will range between $50,000 and $200,000, depending on the commodity and geographic scope of the RA, and the number of participating expatriate specialists.

- Involvement of Key Mission Personnel—the collaborative nature of the RA approach means that the ADO should be willing to spend time fostering contacts between the RA team, host country officials, and private sector representatives. The analyst should try to determine the likely level of involvement by the ADO and the quality of USAID's contacts with the government and private sector.

- Compatibility with CPSP/Mission Strategy—RAs are intended to be the first phase of a longer-term relationship between AMIS and the Mission. It is important for the analyst to assess the interests of people outside the Agriculture Office. Meetings with the Mission Director, Deputy Director, Program Officer, Project Development Officer, Private Sector Development Officer, and others should be arranged for this purpose.

- What are the Mission's overall development goals?

- What are the agricultural sector and agribusiness development strategies?

- How does marketing correspond with (or diverge from) these goals?

- What are other donors doing in the areas of agricultural marketing, agribusiness development, and trade and investment promotion?

- How does USAID perceive the government's policies toward agriculture, marketing and agribusiness?

- Where and how does USAID's program complement and strengthen the government's program?

- What are reasonable expectations of host government support? Is such support essential to carrying out RA in collaboration with a private sector consulting firm or trade association?

B. Ascertaining Level and Nature of Host Country Support

The RA approach is built upon active cooperation and collaboration between the AMIS team and the host country public and private sectors. Government support will often be essential for the implementation of a useful RA. Among the issues which should be explored by the analyst and representatives of the government are:

- Government's perception of the problem (Step 1 addresses this issue, too);

- Government's understanding of the RA approach and what is expected in terms of local support;

- Likelihood of government commitment of resources: analysts for field work and writeup of RA findings, facilities, and funds;

- Government's assistance in securing access to people, data, and different regions of the country;

- Government's working relationship with the private sector;

- Designation of an institutional base for RA collaboration, which could be a private consulting firm, the Marketing Division of the MOA, some other government agency, a university or research institute, a trade or industry association, or a private voluntary organization.

C. Assessing Local Institutional Capacity to Support RA

A solid local institution is important for the RA because significant preparatory work may be required before field work. It is also important because local analysts' knowledge of the socio-cultural, political and economic context is critical to the design and successful conduct of rapid appraisal field work. Among the issues which the analyst must attempt to assess are:

- Appropriate institutional setting—Public sector institutions such as the Ministry of Agriculture, a national research institute or a national university department convey official support and may have important links to policymakers. Private sector institutions such as voluntary organizations, trade associations, and private consulting firms may provide less politically-oriented research agendas and quicker mobilization of resources.

- Capacity to carry out RA—capacity should be defined in terms of personnel, facilities, and funding.

- Primary importance must go to the availability of qualified personnel. Among the considerations are the following:

  * Academic training

  * Field research experience

  * Knowledge of the agricultural sector, especially the commodity subsystem in question.

  * Demonstrated writing skills

  * Local language skills

Determining the availability of well-qualified individuals will be difficult during a preliminary visit, so heavy reliance must be placed on the judgement of the ADO. The local institution should be able to provide copies of past work, and the analyst can contact those who supported this work for evaluations of performance. The management and administration of the institution should be

reviewed. Some pertinent factors are length of operation, sources and stability of funding, and length of time the directors and other senior staff have worked with the organization.

The types of facilities and resources at the institution's disposal can be important, though not critical. For example, presence of some or all of the following indicate stability and capacity, in addition to being of use to the RA team: personal computers and printers, adequate office space, other supplies such as paper and copy machines, vehicles in good operating condition, reliable electric power, and good international telecommunications links.[4]

In the end, the analyst should have an idea which organization, if any, will be able to do the following:

1. Access relevant secondary data;

2. Provide two or three qualified analysts for the duration of the RA;

3. Provide logistical support in the field;

4. Provide office facilities, if necessary;

5. Be credible in the eyes of the government, USAID and the private sector; and,

6. Provide additional support staff, such as enumerators, interviewers, drivers, and computer operators.

If no particular organization can provide competent, experienced analysts and adequate support to the RA effort, a second-best alternative is to identify capable local consultants. This alternative is second-best in that the consultants may be fully employed elsewhere and unable to devote full time to the rapid appraisal. Independent consultants or university professors are likely to be the most suitable individual contrators. Hiring government analysts on temporary contracts, where these analysts moonlight or take leave without pay, should generally be discouraged, as such practices detract from capacity building programs funded by A.I.D. and other donors.

It is desirable to conduct a brief orientation and training session in rapid appraisal methods for counterpart personnel during the initial visit. This should whet their appetite to read RA monographs and reports (samples of which should be brought to the country during the initial visit by the team leader). By the time the expatriate participants in the RA return to the developing country, the collaborating local analysts will typically have thought about the RA methods and their limitations, and they should have specific questions that will help to focus training prior to field work. By discussing RA methods during the initial visit, the team leader may also identify data gaps that require primary or secondary data collection and analysis that can be carried out before the RA field work begins.

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[4] As the ease and reliability of transmitting text and data files electronically to foreign countries increases, an important consideration for facilitating report finalization in either the U.S. or a developing country is the availability of modems for transferring files or on-line access to Internet or another international electronic mail and file sharing system.

D. Availability and Quality of Secondary Data

The length (and cost) of a RA can be significantly reduced and the validity of its findings significantly enhanced if the team has a foundation of reliable, well-defined secondary data. During this preliminary visit the analyst's goal should be to learn the following about data sources and needs:

- Quality of government statistics—a composite based on opinions of USAID, other donors, government officials and analysts, and researchers;
- Other sources of data—A.I.D. reports, other donors, and research organizations;
- Accessibility of other data by the RA team;
- Types of data available: commodity production, price and trade data;
- Firm numbers, listings and classification at different stages of the subsystem under investigation.

E. Seasonality and RA Implementation

Since RA is usually conducted during only one circumscribed time period, it is important to time the field work to coincide with the most informative segment of the agricultural production and marketing cycle. Timing of the RA will depend on the need to observe particular marketing functions and processes. The perceived food system constraints and opportunities (i.e., the preliminary problem as defined by the host government, USAID, any participating private sector organization, and the analyst) will suggest the best timing for the RA. Some examples follow:

- A perceived storage problem would suggest a RA during periods of storage and sales from storage.
- RA could be carried out immediately after harvest to examine the impact of a marketing parastatal on sales, or the effect of deficiencies in market information, or in grade and quality standards, on marketing activities.
- An input marketing problem would suggest a RA before the planting season.

After determining the appropriate timing for the RA, the analyst must verify the feasibility of conducting the RA with the other principals involved. Any number of factors may come into play: a scheduled national election may preclude field work; the RA may coincide with the end of tour for the key USAID officer; a religious period such as *Ramadan* may fall during the period of planned field work; or the simple fact that the appropriate time is only weeks away so that a twelve month wait is judged best.

The analyst who follows this course to determine the feasibility of RA will, of course, be ultimately relying on his or her professional judgement. In some cases each of these points may be considered critical; in others, some will be judged to be desirable but not essential. However, it is

hard to imagine a case where either USAID or host country support is judged to be inadequate, yet a RA is recommended and attempted.

Task 3: Identify Critical Elements of the Marketing System

Having determined that a rapid appraisal is both appropriate and feasible in the country setting, the team leader should lay the groundwork for the appraisal by identifying those elements or aspects of the marketing system which appear on initial inspection to influence performance most strongly and to be most problematic. In the course of conversations with USAID, HC officials, and private sector representatives under Tasks 1 and 2 above, the analyst will usually acquire a broad understanding of the commodity subsystem to be investigated and be able to isolate key factors. This information is important for design of a focused study in Step 3. The trip report prepared by the analyst should include a section dealing with these issues, organized somewhat as follows:

Objective: What does the Mission want to achieve with the RA? How will it be used? Is there a secondary purpose?

Impetus: Who in the mission is the main proponent of the study? Are there differing views within the mission about the purpose or value of the study? Who in the host government supports and who opposes the work?

Previous Work: What prior studies have been done on the commodity subsystem and agricultural marketing system? How does the mission view this work? What are the opinions of host country officials?

Problems/Constraints: What do informants say about factors which constrain performance of the marketing system? Are there differing views between the mission and host country government officials? Between government informants and private sector representatives? What were the conclusions of other analysts in prior studies, and do informants generally agree with them?

Dynamic Factors: What are the changes, if any, which are underway in the system and what external or internal factors are causing these changes? Since when have such changes been taking place? What political, economic, trade or other factors are different from when prior studies were carried out? What do informants say about the future?

STEP TWO: RECRUIT THE RAPID APPRAISAL TEAM

Upon completion of the initial country visit in Step 1, and assuming the decision to do a rapid appraisal is positive, the next step is to recruit the team. The mix of expertise required is dictated by the particular objectives and thrust of the RA as formulated in Step 1. Typically, it will consist of two to four persons.

Based on the initial visit, if the team leader, USAID Mission, and public and private sector informants identify particular problem areas as highly constraining and meriting in-depth investigation, the AMIS Project will consider identifying and hiring commodity or technical specialists. For example, if storage losses are perceived to be a serious constraint to improved marketing system performance, AMIS will look for someone who knows both the commodity characteristics and a range of storage technologies and their costs and effectiveness. Finding a technical specialist who has worked in a similar developing country setting is not always easy, however. If financial markets in the developing country are poorly developed and many agribusiness firms have limited access to credit, AMIS could hire a financial analyst with relevant developing country experience.

If the RA objectives are broader and more exploratory, multidisciplinary teams are not usually necessary. Typically, agricultural economists, economists and agribusiness analysts is suitable for the field work, provided they understand the technical characteristics of the commodity and how these affect marketing system operation and performance. As an example, analysts participating in a horticultural export rapid appraisal will need to know about the special handling and cool-storage requirements of perishable, high-quality produce.

The quality of most RA surveys will usually improve, however, if researchers with complementary disciplinary skills participate. These teams may include an economist or agricultural economist, an agribusiness specialist, an economic anthropologist, a postharvest technician, a transport economist, an institutional analyst, a commodity specialist, or a financial analyst. It is important that an analyst with a general background in agricultural marketing (typically an agricultural economist) lead the team, and edit and complete the final report to provide an integrated picture.

STEP THREE: PRELIMINARY STUDY DESIGN

Preliminary design of the rapid appraisal will normally be done by members of the study team prior to departure from the U.S., based on information collected in an initial on-site visit. A more refined study design will evolve during the course of the field work. More importantly, host country collaborators will help to shape the analytical agenda and fieldwork priorities. As the work proceeds and the investigators learn more about the agricultural marketing system, they will tend to focus on those factors which most influence change.

An overriding consideration in study design is a concentration of effort on those aspects of marketing systems which afford the opportunity to test technological and institutional innovations and policy, public sector and financial sector interventions. The opportunity to pursue further applied research is also a principal thrust of the AMIS Project.

Task 1: Collect and Review Relevant Market Studies and Secondary Data

Before beginning field work, someone on the RA team should conduct a literature search to identify any studies with relevance to agricultural marketing and particular commodity subsystems in the country under study. Principal resources that can be accessed from the U.S. will be the A.I.D. library, as well as those at the World Bank, regional development banks, FAO, USDA/ERS and the National Agricultural Library. Studies by private consultants and dissertations or papers by advanced university students and professors at national or foreign schools may also provide useful information.

If export crops are examined, RA team members should obtain recent world trade data on the commodity under investigation, as well as data on relevant exports and imports for the study country. Useful sources of such information are the World Bank, the Foreign Agricultural Service (FAS) of USDA (as well as ERS), FAO, the International Trade Centre, and well-known trade databases such as the U.N. and EUROSTAT (EC) databases.

By reviewing available studies and secondary data initially, before a RA field study is designed, the RA team is able to learn about the organization and performance of the commodity marketing system under investigation, to put production, trade and price levels in international perspective (to assess competitiveness), to formulate some preliminary hypotheses about how well the system functions, and to determine those areas of investigation that are already well-researched or about which little is known. Even if there have been significant changes in the commodity marketing system since the completion of earlier work, those studies provide a useful baseline against which to gauge the magnitude of recent changes in subsystem organization, behavior and performance.

Task 2: Statement of Objectives

Before beginning to design the study, the RA team should formulate a clear statement of objectives. Information and discussions from the initial on-site visit will be the basis for this formulation, which will then be reflected in the study design.

A rapid appraisal is most appropriate when USAID and the host government are engaged in a discovery process regarding an agricultural commodity marketing system. Alternatively, RA may be suitable for commodity subsystems undergoing significant and/or rapid change. The need would be to learn about, or confirm ideas about, how the marketing system is functioning. From this perspective, RA may be appropriate for studies whose objectives are among the following:

- Design of an agricultural marketing project;
- Monitoring or evaluating impacts of policy reform;
- Evaluation of the effects of a marketing project on commodity production and marketing; and,
- Diagnosis of system constraints as the basis for strategic public sector interventions, a pilot innovation, or further applied research.

Task 3: Determine Study Focus

Successful rapid appraisal emphasizes the **dynamic** rather than the static elements of a marketing system. An AMIS rapid appraisal is designed to be carried out within strict time and cost limitations; it does not pretend to be an exhaustive analysis of all aspects of the system. Nor is this necessary in most instances, since AMIS will typically be involved where the study sponsors are seeking to introduce improvements rather than to measure performance of the system at any given moment. The aim of RA is to understand the nature of changes underway, how the marketing system is responding to these changes, and how to strengthen and facilitate desired changes and trends, as well as to minimize the chances or impacts of undesired outcomes.

Operationally, rapid appraisals move through four phases:

1. Achieving an understanding of the way the marketing system is organized and how it functions.
2. Selecting the factors which influence performance (system dynamics).
3. Focusing the investigation on these influential factors.
4. Making appropriate recommendations in any or all of the following areas: policy and regulatory reform; technology research and experimentation (innovations); alternative institutional arrangements for production and marketing; and human capital development in agribusiness management.

It is therefore important to identify as early as possible the key factors influencing system performance. The key factor could be a system-wide constraint, such as an export tax which renders a product noncompetitive in external markets, or the lack of an adequate market information system to inform farmers and traders of current prices prevailing in the principal markets. A discussion of typical constraints encountered in marketing systems is included as Appendix A to the guidelines.

Or the key factor might be an underlying cause or **driving force** in the economy, which has an indirect but important effect on the marketing system. Examples would include increased urbanization or rising incomes and accompanying changes in consumption patterns. Or expanding electrification could make new technologies in the handling or processing of a commodity feasible, affordable and widely used. Additional examples of driving forces which investigators should be aware of are discussed in Appendix B.

An AMIS rapid appraisal does not attempt to quantify every aspect of performance of a commodity marketing system. Analysts should strive to gather detailed marketing cost data for performance of key marketing functions, however. Furthermore, investigators need to draw conclusions about the dynamics of system performance based on their knowledge of constraints and driving forces. A discussion of both static and dynamic performance indicators appears in Appendix C.

The initial site visit is the time to make a first determination of study focus. It will usually be possible to identify the key factors influencing performance through discussions with USAID and host government officials and to establish the rapid appraisal foci. Based on these discussions, working hypotheses can be formulated; they will be subject to change as the study progresses.

Task 4: Select Key Areas of Investigation

This early determination of study focus will lead naturally to a selection of areas of investigation in the field work. These in turn will be reflected in a study outline to be prepared before the study team leaves the U.S. (Task 5).

The attached matrix (Exhibit 3) lays out ten broad areas of investigation for rapid appraisals, lists components of each area, notes methods of inquiry for obtaining necessary information, and outlines the reasons for investigating each of the areas. Analysts will need to select those areas which contribute relevant information in light of the study focus. An exhaustive study of all of the areas listed will not be possible, nor is sufficient information likely to be available to do so in most cases.

In carrying out rapid appraisals under time and resource constraints, investigators are generally recommended to estimate orders of magnitude rather than attempt to obtain precise estimates of many marketing variables. The benefits of increasing precision will likely not be justified by the high opportunity costs of gaining such precision. Investigators need to ask themselves continually whether it is worth the time and effort to gather particular types of data.

It may be imperative, however, to quantify some variables of prime importance, such as marketing costs. Careful and precise estimation of marketing costs can form the basis of enterprise budgets or subsector accounts. In analyzing these budgets or accounts, analysts look for evidence that particular cost categories or marketing functions have costs which are disproportionate to total marketing costs or are suspected to be excessive. Evidence of high costs in the performance of particular marketing functions should prompt further analysis, which may well offer clues on ways to lower marketing costs and increase marketing system efficiency.

EXHIBIT 3

KEY AREAS OF INVESTIGATION IN RAPID RECONNAISSANCE OF FOOD SYSTEMS

AREAS OF INVESTIGATION	COMPONENTS	METHOD OF INQUIRY	REASONS FOR INVESTIGATING
1. Commodity Characteristics	a) Different grades, end uses. b) Degree of bulkiness, perishability. c) Physical/handling requirements. d) Degree/type of processing. e) Types and magnitude of post-harvest losses. f) Packaging methods and materials for shipment and sale.	1) Review commodity manuals, studies. 2) Develop commodity calendars showing periods of production and transformation. 3) Observation of handling, processing, storage, any sorting or grading, and packaging. 4) Assess nature and degree of post-harvest losses in a rough way.	a) Commodity characteristics can influence operation of the subsystem, which functions are performed, how they are performed, and the relative cost at which they are performed. b) The nature of the production process influences the timing and magnitude of producer sales and marketed flows. c) Post-harvest losses are high in many countries. Identification of causes and means of reducing losses can expand food availability.
2. Consumption Patterns	a) Seasonal and secular trends in domestic and export markets. b) Disaggregated consumption patterns by socioeconomic and ethnic group. c) Future market prospects.	1) Review consumption studies, food balance sheets, and demand projections. 2) Construct food balance sheets if data are available. 3) Interview nutrition/consumption researchers, selected commodity importers, exporters, institutional buyers, and rural and urban consumers.	a) Demand drives (or pulls commodities through) subsystems. b) The strength and seasonality of demand affect production and storage incentives, as well as the direction and magnitude of marketed flows. Longer run trends and opportunities affect investment decisions of participants in the subsystem.
3. Supply Situation	a) Production by year and by region for recent years, noting trends and variability. b) Stocks for transformation and consumption by season and region. c) Flows from major supply areas to major markets, including imports and exports.	1) Review commodity studies. 2) Interview large wholesalers, parastatal managers, crop production researchers, importers, exporters, processors, cooperative and trade association officials. 3) Use map to show flows and apparent surplus and deficit areas. 4) Describe seasonal variation in stocks and flows.	a) Supply and demand are basic elements of economic analysis. b) Production levels and variability affect prices (depending on elasticities), returns via the price mechanism, and risk perceptions of producers. c) The level of stocks during different periods affects seasonal variation in prices and commodity availability. d) Shifts in supply over time may indicate response to policies, technological change, the institutional environment, and alternative institutional arrangements.
4. Price Relationships and Seasonality	a) Secular trends in real prices at the farmgate, wholesale and retail levels. b) Seasonal and cyclical trends in prices. c) Changes over time in relative price relationships. d) Changes over time in input-output price and (product) value/(input) cost relationships.	1) Gather secondary price data for the commodity and close substitutes/complements for a ten or more year period. 2) Deflate prices or express prices in constant price terms. 3) Analyze secular, cyclical and seasonal price trends, and changes in relative price relationships over time. 4) Estimate supply and demand relationships if data permit. 5) Calculate input-product price ratios, and/or value-cost ratios over several years.	a) Relative prices are a measure of the structure of incentives facing food system participants. b) Changing relative price relationships may indicate shifts in production and marketing incentives, especially if coupled with accurate production and marketing cost data. c) The domestic pricing structure relative to international prices provides insight into regional and national comparative advantage. d) Input-product price and value-cost ratios are proxies for the profitability of agricultural production.
5. Food System Participants and Organization	a) Marketing channels and commodity subsector stages. b) Important assembly, redistribution and terminal markets. c) Types, numbers, and geographical distribution of firms at key subsector stages. d) Prevalence and importance of alternative institutional arrangements, such as contracts, vertical integration, direct marketing, cooperatives, and spot markets.	1) Review previous commodity studies. 2) Check if existing enumerations or sample frames in government agencies (e.g., licensing offices). 3) Interview knowledgeable observers of subsectors and selected participants. 4) Draw a subsector map (flow chart) showing principal stages and marketing channels. 5) Use a geographic map to show important marketplaces. 6) Identify firms using alternative coordination mechanisms and do case studies.	a) Food system organization (or structure) influences the conduct of participants, which in turn affects performance. b) High levels of concentration of firms at particular stages of the food system may lead to higher production/marketing costs than under conditions of lower concentration. c) Prevalence of myriad small firms who fail to specialize at one or more levels of the food system may lead to scale diseconomies and high costs. d) Analysts need to examine the benefits and costs of alternative institutional arrangements as the food system evolves.

EXHIBIT 3

KEY AREAS OF INVESTIGATION IN RAPID RECONNAISSANCE OF FOOD SYSTEMS

AREAS OF INVESTIGATION	COMPONENTS	METHOD OF INQUIRY	REASONS FOR INVESTIGATING
6. Subsector and Food System Operation or Behavior	a) Practices and strategies of subsystem participants (individuals, firms, organizations for procuring inputs, processing, storage and marketing of outputs). b) Vertical coordination mechanisms: exchange arrangements, risk-reduction/sharing, information dissemination. c) Sources, uses and distribution (equity) of production and marketing information. d) Adaptability and responsiveness of subsystem to shifting supply/demand, exogenous shocks, policy changes and uncertainty. e) Evidence of market power.	1) Identify key stages and participants. 2) Develop informal interview guidelines. 3) Sample purposively based upon knowledge of the population of potential respondents from previous records or studies, or from the above characterization of subsystem (#5). 4) Conduct selected in-depth informal interviews. 5) Crosscheck findings with other subsystem participants and knowledgeable observers.	a) Operation and behavior in the aggregate affect food system performance. b) Information is costly to gather and process, and access is unequal. This affects the ability of different size firms to respond to changing market conditions. c) The adaptability and responsiveness of commodity subsystems to changing conditions and uncertainty affect levels of output and performance, as well as the continued viability of the subsystem in a particular country. d) Better vertical coordination can improve the matching of supply and demand at successive stages of the food system and reduce risk. It is important to determine if this is associated with limited entry, unequal access to information, and unequal sharing of risks and rewards.
7. Marketing System Infrastructure	a) Physical infrastructure (transport, including roads, ports, airports and waterways; market-places; storage and processing facilities; communications; electricity; water supply). b) Infrastructure adequacy and bottlenecks. Excess, unutilized capacity.	1) Review studies of transportation and communication infrastructure, storage/processing capacity and utilization, and marketplaces. 2) Inspect and assess the adequacy of a sample of the above. 3) Use a map to show key infrastructure. 4) Identify bottlenecks and constraints, uneconomic excess capacity (or inappropriate scale).	a) In some developing countries infrastuctural constraints constitute severe bottlenecks that slow food system development and penalize isolated areas and regions. b) Excess, underutilized capacity suggests uneconomic investments and resource misallocation.
8. Government Marketing Institutions and Polices	a) Regulatory environment: rules; input and product regulations; laws affecting marketing and trading activities; property rights. b) Public marketing institutions (parastatals, cooperatives, joint ventures); the extent and nature of their participation in marketing; effect on the behavior and performance of private participants in the food system. c) Macroeconomic policies: price policies; exchange, interest, wage rate policies; fiscal and monetary policies. d) Banking and credit policies.	1) Regulations: use informal interviews with subsector participants to identify vexing or constraining regulations. Do follow-up interviews with selected policy-makers. 2) Institutions: interview managers, determine the organizational mandate, outline its functions, estimate its market share, examine its pricing policies, assess the effectiveness of distribution and marketing services, and assess the impact of its participation on system performance. 3) Policies: review macroeconomic assessments of the World Bank, IMF or others. Assess the impact of policies on the organization and operation of the food system & the incentives of different system participants. 4) Interview bank and credit agency officers. Determine whether credit is subsidized, how it is rationed, who gains access, and the sectoral distribution of credit.	a) The regulatory environment generally and specific regulations in particular affect the behavior and incentives of food system participants. b) Public marketing institutions dominate food systems in some countries, influence the organization, operation and performance of food systems in many countries, and generally affect the behavior of system participants. c) Macroeconomic policies condition and shape the environment in which system participants make decisions about investments and operations. d) All of the above contribute to food system stability and/or uncertainty, which greatly influence behavior. e) Banking and credit policies determine who gains access to formal credit, which is often subsidized.

EXHIBIT 3

KEY AREAS OF INVESTIGATION IN RAPID RECONNAISSANCE OF FOOD SYSTEMS

AREAS OF INVESTIGATION	COMPONENTS	METHOD OF INQUIRY	REASONS FOR INVESTIGATING
9. International Trade and Commodity Competitiveness	a) Commodity exports and world market situation. b) Imports of the commodity or substitutes and their impact on domestic production, markets and prices. c) Trends in exports and imports. d) Likely changes in exports and imports, and emerging market opportunities or dependencies. e) The competitiveness of exports in particular foreign markets.	1) Analyze trade quantity and price data available in statistical abstracts or outside assessments. 2) Review international commodity production, price and trade forecasts. 3) Compare prices of domestically produced commodities with international prices. 4) Analyze the competitive position of a specific export commodity in key markets. Examine trends in export levels, market shares and prices and ascertain reasons for changes. 5) Interview exporters and importers and major domestic buyers in the foreign markets. 6) Visit export-staging and import-receiving facilities. Inspect exported produce in terminal markets and compare with that of competing suppliers.	a) Few, if any developing country food systems are autarkic. International trade in agricultural commodities affects production and marketing incentives, consumption patterns and preferences, and the behavior and opportunities of system participants. b) International market conditions influence developing countries' comparative advantage in production and export (import) of agricultural commodities. c) In assessing export competitiveness, site visits to markets and buyers' premises and in-depth interviews with importers and end users in foreign markets provide a good picture of how a country's exports compare with those of other suppliers. Such visits to foreign markets often yield concrete input and insights into what needs to be done to meet international grades and standards generally and the requirements of particular buyers and end users.
10. Representativeness of the Period Under Study	a) Timing of the RA relative to the annual commodity production and marketing cycle. b) Agricultural and economic characteristics of the year of the RA study relative to earlier years or climatic cycles.	1) Compare rainfall data and production estimates with earlier years. 2) Compare economic data: GDP, balance of payments, inflation rates, trade patterns, exchange rates. 3) Assess political factors: any change of government, policy changes, movements towards (or away from) democracy.	a) The period of observation may be unusual with respect to climate, agricultural production, economic and political conditions, and the effects of recent changes. b) Food system development is an ongoing process. Historical perspective of long-run patterns of change in basic economic, institutional, political and environmental conditions is valuable in understanding food system development.

Task 5: Prepare Preliminary Study Outline

A preliminary outline of the written report should be developed before field work begins. As field work proceeds, modifications can be made and details filled in. Drafting of a detailed outline or parts of the final report can start while the RA is underway. Sections examining secondary data, for example, can be drafted early on. Refining an outline as one proceeds is a good disciplining process.[5] It helps to clarify analysis and understanding, identify needed mid-course corrections, and ease the preparation of the final report. It will be much easier to expand a detailed outline in process into a report than to create a preliminary outline after most of the empirical work has been done.

When preparing the final report, separate papers along disciplinary lines are discouraged. It is the responsibility of the team leader to integrate different disciplinary findings into an summary report. A concise (5-10 page) executive summary which discusses key findings and marketing system problems should always be prepared, leaving the more detailed reports of subject matter to the body of the report or to the annexes. A generalized format for the report follows in Exhibit 4.

[5] Note that analysts will be better able to write report sections after some field work has be undertaken but not while actual field research is underway. Field work will usually be for short durations (one week or less per trip to the field) but iterative (several visits to the field, each to different areas, over the course of the RA).

EXHIBIT 4

RAPID APPRAISAL REPORT FORMAT

EXECUTIVE SUMMARY

PART I. INTRODUCTION: THE RAPID APPRAISAL APPROACH

1.1 Background
1.2 Rapid Appraisal Objectives
1.3 Study Focus
1.4 Rapid Appraisal Methods
1.5 Study Limitations

PART II. OVERVIEW OF THE COMMODITY SYSTEM

2.1 Commodity Characteristics
2.2 Production and Supply Analysis
2.3 Demand Analysis
2.4 Price Relationships
2.5 System Organization
2.6 System Performance
2.7 System Infrastructure
2.8 Government Regulatory and Support Institutions and Policies
2.9 International Trade and Commodity Competitiveness

PART III. SYSTEM DYNAMICS

3.1 Key Factors Influencing Performance (System Constraints, Driving Forces)
3.2 Informed Judgements and Measures of System Performance
3.3 Further Data and Analytical Needs for Evaluating Performance

PART IV. RECOMMENDATIONS

4.1 Policy and Regulatory Recommendations
4.2 Recommendations Regarding Other System Components
4.3 Further Applied Research Needs
4.4 A Strategy for Improving System Performance (Towards a Program of Interventions)

SECOND PHASE: INFORMATION GATHERING (IN COUNTRY)		
STEP FOUR:	**INITIAL PLANNING**	
	Task 1:	Team Preparation Meetings
	Task 2:	Project Planning Meeting
STEP FIVE:	**MOBILIZATION FOR FIELD WORK**	
	Task 1:	Select Key Informants
	Task 2:	Develop Research Itinerary
	Task 3:	Train Host Country Counterparts
STEP SIX:	**SYSTEMATIC REVIEW OF THE LITERATURE AND SECONDARY DATA**	
STEP SEVEN:	**CONDUCTING THE FIELD SURVEY**	
	Task 1:	Structured Informal Interviews
	Task 2:	Periodic Team Meetings
STEP EIGHT:	**REFINING THE REPORT OUTLINE**	

STEP FOUR: INITIAL PLANNING

Task 1: Team Preparation Meetings

During the first few days in country, the team will need to define RA objectives, review available studies and secondary data, identify data gaps and needs, develop information gathering strategies, and define clearly the objectives of the RA and the roles of each of the team members in the survey. Study sponsors in the USAID Mission and host government should be consulted. It is often useful to do a preliminary outline of the RA report (see Step 3). This helps the team to focus on information needs and priority topics.

Preferably local counterpart personnel will have been selected during the initial visit and introduced to RA methodology so that no time is lost in mobilizing the team. These persons should be involved in planning from the beginning.[6]

After the discussion of the methodology and review of the literature and secondary data, team members should be encouraged to jot down their hypotheses about the food system components under examination, identifying key factors which affect performance. Developing hypotheses about the organization and operation of the system will help to focus data gathering efforts. It will also hopefully make the researchers more conscious of possible sources of bias in their forthcoming information gathering. As a result, they must plan to offset these biases and preconceptions consciously in their research.

Task 2: Project Meeting

This larger meeting will bring together involved USAID officers, representatives of host government agencies—the "sponsors" of the study, and representatives of the private sector.

Items on the agenda would include:

A. Review of study objectives

- Comments are sought with the purpose of getting general agreement on objectives.

[6] Depending on the effectiveness of international telecommunications links and the available lead time, it may be possible to involve the host country analysts in the rapid appraisal planning process from the time of initial planning meetings in the U.S. The more deeply involved local analysts are, and the earlier the RA team leader can get them to participate in the planning process, the better coordinated field work will be. Local analysts can provide needed local contextual information and increase the sophistication and relevance of the RA planning.

B. Identify information sources

- Government agencies, names of individuals
- Private sector sources

C. Assignment of counterpart personnel from appropriate government agencies (if not already done) and/or from the private sector (*e.g.* through a trade association).

D. Selection of a government agency or a private firm to provide logistical support, *i.e.* enumerators (if applicable), transport, office space, computers or printers, etc.

STEP FIVE: MOBILIZATION FOR FIELD WORK

Task 1: Select Key Informants

There are two sets of key informants: subsector participants and knowledgeable observers of subsectors.

Subsector participants are linked forward and backward to other participants in the production-distribution system. Some participants, particularly wholesalers, processors, importers and exporters have a systems perspective about the interrelationships among the parts of the system and resulting system performance. They are able to identify both system-wide problems and potentials as well as stage-specific constraints. Other participants have long years of experience in the commodity subsector and in-depth knowledge of particular problems. They often have parochial views and attitudes and may not be able to identify system-wide problems. Their perceptions of stage-specific marketing problems are important, however, and need to be tapped by RA researchers.

As suggested by the title, **knowledgeable observers** do not actually participate in the commodity subsystem under investigation, but they know it well through years of keen observation. Knowledgeable observers may be drawn from researchers in universities or institutes, or from analysts in government agencies or private consulting firms. A manager of a private voluntary organization or non-governmental organization may also be able to provide valuable insights about the commodity subsystem.

Exhibit 5 lists key informants who may be interviewed during RA surveys. The advantages and disadvantages of each type of informant are noted. The types of informants who will be interviewed during a rapid appraisal will depend on the objectives and focus of the study. It is clearly not necessary to contact all the types of informants listed in Exhibit 5. Moreover, other analysts will doubtless be able to add other informants to the list for the purposes of their particular RA studies.

Sampling of disadvantaged and less vocal groups, such as landless laborers or nutritionally vulnerable consumers, as well as systematic contacting of women or their associations, may be necessary to offset common biases of many rapid appraisers. It is noteworthy that women play an important role in staple food crop production, processing and retailing in many developing countries, particularly in Sub-Saharan Africa. While agricultural production and marketing interventions affect female participants in the food system and may exclude women from gaining access to certain resources, some analysts have failed to anticipate these impacts. Given recent interest in disaggregated welfare effects of food policies, most analysts will probably devote some attention to examining consumption patterns of disadvantaged groups in food systems.

Task 2: Develop the Research Itinerary and Interview Guidelines

Researchers will rarely have the luxury of developing formal questionnaires (which are pre-tested, translated and back-translated) for each type of participant interviewed. Nevertheless, it is useful to develop interview strategies and topic guidelines for different groups of participants, including specific questions, desirable sequences of questions, and types or ranges of questions for initial and follow-up interviews. Illustrative questions for different groups of food system participants are provided in Appendix F.

EXHIBIT 5

KEY INFORMANTS IN FOOD SYSTEM RESEARCH: ADVANTAGES AND DISADVANTAGES AS INFORMANTS

KEY INFORMANT	ADVANTAGES AS INFORMANTS	DISADVANTAGES AS INFORMANTS
Wholesalers	a) Located at system node which offers a vantage point and system perspective. b) Knowledge of production, stocks, flows, prices and strength of demand in different rural and urban areas.	a) Extremely busy and often difficult to interview for more than a short period. b) Given the typical hostility of many governments, they may be uncooperative informants.
First Handlers	a) Detailed knowledge of exchange arrangements with producers and wholesalers. b) Knowledge of market opportunities, production, stocks, and prices in particular rural areas.	a) Knowledge rarely extends outside circumscribed rural areas. b) May have parochial perceptions and attitudes.
Managers of Processing Firms	a) Located at system node which offers vantage point and system perspective. b) Knowledge of production and prices in selected rural areas, and demand for processed products in urban markets. c) Detailed knowledge of exchange arrangements and risk-sharing mechanisms with producers or producer groups and buyers of processed commodities.	a) Given the typical hostility of many governments, they may be uncooperative informants. b) May be unwilling to divulge details of exchange arrangements with producers. c) Will often underreport throughput in order to evade taxation.
Transporters	a) Knowledge of direction and magnitude of commodity flows. b) Familiar with structure of commodity trade. Can often identify large-volume traders. c) Can provide transport cost data. (Transport costs represent a high proportion of marketing costs).	a) Do not actually participate in trade, so lack of knowledge of trading practices and strategies, and commodity prices.
Importers/Exporters	a) Knowledge of magnitude, timing and prices (seasonality) of imports and exports. b) Detailed knowledge of import/export practices, procedures and regulations. c) Some level of wholesale/retail distribution system for products. Knowledge	a) May know little about how commodities are assembled for export, or how they are distributed after importation. b) Since smuggling and under-invoicing are common practices in many countries, they may be unwilling to report volumes or prices. c) If rights to import/export are obtained through privileged access or rent-sharing arrangements, they may be unwilling to discuss business practices.
Representatives of Cooperatives, Trade Associations	a) Knowledge of numbers and sizes of membership firms and their output/throughput. b) May effectively represent membership and its perceptions of constraints, opportunities.	a) If representatives are appointed by the government, they may not effectively represent membership. b) Membership may be restricted to larger firms and producers.
Bank Loan Officers	a) May possess information about operations, throughput and returns of larger wholesalers, and large-scale processors, retailers, and importers/exporters. b) Access to information about composition of commercial bank loan portfolios.	a) May not possess systems perspective. May make judgements on basis of narrow rate of return criteria and perceived risk. b) May be unwilling to divulge confidential information about borrowers' operations.
Institutional Buyers (e.g. supermarket chains, schools, hospitals, military)	a) Often major buyers of high-value commodities, such as fruits and vegetables, livestock products. b) May have negotiated contractual arrangements with large-volume wholesalers, processors or importers.	a) As buyers of final products, they may have limited knowledge of upstream system organization and operation. b) Often constitute a small proportion of final demand for staple commodities in developing countries.
PVOs, Missionaries	a) Well-placed to describe difficult to observe phenomena and report on phenomena that others may be unwilling to discuss. b) Sometimes provide extension, input supply and marketing services to rural clients.	a) Usually have separate agendas that lead to parochial perceptions and attitudes. b) May regard donor agencies or the government as adversaries c) May not participate directly in commodity subsystems.
Extension Agents	a) May have detailed knowledge of farmers' production and marketing practices and strategies, producer-first handler exchange arrangements, and the structure of the first handler stage. b) Knowledge of the size distribution, alternative technology utilization, the range of marketed surplus, and the food security situation of local farms.	a) Agents may not be natives of the area they serve. b) May have few funds and no transport for extension visits. c) Low pay and difficult working conditions may induce poor performance. d) May be a biased source of information regarding farmer production practices and technology utilization.
Managers of Parastatal Agencies	a) Parastatals may buy a large proportion of marketed surplus and manage reserve stocks. b) Parastatals are often major importers and exporters of commodities and inputs. c) Parastatals are often important distributors of inputs.	a) If possess legal monopoly powers, may know little of private competitors' operations and oppose them categorically. b) If parastatal under pressure to divest, it may be very defensive and try to justify/rationalize parastatal functions and role.

EXHIBIT 5

KEY INFORMANTS IN FOOD SYSTEM RESEARCH: ADVANTAGES AND DISADVANTAGES AS INFORMANTS

KEY INFORMANT	ADVANTAGES AS INFORMANTS	DISADVANTAGES AS INFORMANTS
Agricultural Producers	a) Knowledge of sources of input supply, production practices and strategies, alternative technologies, prices and marketed surplus in own area. b) May be able to identify largest and most productive farmers, as well as least successful farms with precarious food security situations. c) Detailed knowledge of local marketing opportunities and outlets. d) Able to identify constraints to increased production, marketed output, and input use.	a) Primarily subsistence farmers may know little of current practices and market opportunities. b) Some producers may have parochial perspectives and malign traders. c) Few producers have a systems perspective and knowledge of functions at other stages of the food system.
Urban Consumers	a) Can discuss current and seasonal consumption practices and preferences. b) Able to discuss pros and cons of alternative retail food outlets, and product packaging and presentation for sale.	a) Individual consumers cannot speak for the full range of consumer groups. b) Care must be taken to identify and interview nutritionally vulnerable groups.
Retailers	a) Possess better knowledge of consumer wants and needs than other market system participants. b) Knowledge of wholesaler-retailer exchange arrangements.	a) Small-volume retailers in many countries are relatively homogenous, parochial, unprogressive and lack a systems perspective.
University or Agricultural Researchers	a) Detailed knowledge of literature and secondary data sources and their reliability. b) May possess an analytical framework that leads to better understanding of the food system and its constraints/opportunities.	a) May have a narrow disciplinary perspective and perceptions. b) May lack detailed knowledge of the business objectives, practices and problems of participants at different stages of the system.
Input Producers and Suppliers	a) Knowledge of input demand in different regions. b) Knowledge of input supply, flows and prices at the wholesale level.	a) Distributors may promote inputs without detailed knowledge of their technical characteristics and best uses, or without extension follow-up. b) Any supplier or distributor who adulterates inputs (e.g., fertilizer) may be an uncooperative informant.

Before actually beginning the RA field work, it is useful to develop a **research itinerary** and **activity lists**. These lists should note tentative research plans for each day, including towns, agricultural processing plants, rural markets, and producing areas to be visited and government officials, types of marketing agents, and producers to be interviewed. If researchers plan to visit rural periodic markets, it is advisable to find out beforehand how often and on which days particular markets are held. It is also useful to plan around government holidays, communal work days, religious festivals, days of worship and rest, or particular times of the day when potential informants are busy working, praying, attending important social functions, or otherwise engaged.

An activity list is a useful tool in focusing data gathering on critical and necessary activities. It enforces discipline in planning research logistics. When travel and protocol requirements are taken into account, there are often strict limits on the number of places that can be visited and the number of informants interviewed. However, the researchers do not need to be slaves to an activity list, and it is wise not to overload it. Unanticipated opportunities to observe marketing functions or to interview system participants may arise which can justify deviation from a fixed itinerary. It is advisable to allow time for improvisation, possible repeat visits or interviews, and other contingencies.

Task 3: Train Host Country Counterparts

It is expected that counterpart personnel from the Ministry of Agriculture, another government agency or a private sector organization will be assigned to the team during the mobilization phase. As noted under Step One, Task 2C, it is desirable to conduct a training session on RA methods during the initial site visit. If this is not possible, it should be done during this mobilization phase.

Time will not permit in-depth training—it is unlikely that more than a day or two will be available.[7] These rapid appraisal guidelines may be used as a training tool by asking the counterparts to read them ahead of time, then conducting a task-by-task discussion. It is useful to have available copies of previously completed rapid appraisals as models. Another helpful activity is practicing interview techniques (role playing). Once the field survey work has begun, junior counterparts may be further trained by having them sit in on interviews conducted by senior team members (both local and expatriate), as well as conducting trial interviews under the supervision of senior staff who later critique the interview.

Finally, interview guidelines or questionnaires prepared for the upcoming field work (Task 2 above) can be tested and reviewed with the counterpart trainees, both as a training exercise and as a check on their suitability for the particular cultural environment.

[7] One member of the expatriate team can arrive in country early in order to conduct training of counterparts. As knowledge of RA methods expands, increasing numbers of local developing country analysts will become familiar with RA. Hence, training can be condensed to specific questions, refinements in data gathering techniques and practice interviews.

STEP SIX: SYSTEMATIC REVIEW OF EARLIER STUDIES AND SECONDARY DATA

Although it may seem obvious to many that a logical place to begin research is by reviewing earlier work, there are many cases where this is not done, or it is not done very systematically. There is often a wealth of useful information and data in scholarly studies (including student theses), annual reports of governments agencies or parastatals, Ministry of Agriculture (and Commerce) data banks, records of cooperatives and private firms, project documents, trade publications and professional journals, and consulting reports. Although many researchers like to think that earlier studies are inadequate or unfocused for their particular purposes, this work often contains useful information and insights.

Not every team member has to review every document or data set, so division of labor along disciplinary or subdisciplinary lines is usually appropriate. Each team member should summarize the principal findings from the literature and preliminary analysis of available data for other team members. During the first week of the RA, team members can make oral presentations, or draft a series of brief annotations or memoranda. In preparing important data for others, team members may wish to tabulate secondary data so that it is readily accessible and usable. Critically important papers that every team member should read before beginning the RA surveys need to be identified. The objective of this review is not to burden team members with busy work and supplementary writing assignments. Rather, it is intended to prepare all team members for the RA field work in as rapid and systematic a way as possible.

Types of secondary data that are usually readily accessible include:

1. **Wholesale and retail prices** for agricultural commodities, usually collected in capital cities and other major urban areas. Farmgate prices are often not collected or may only be official producer prices.

2. **Price indices**, usually consumer price indices, constructed for a basket of commodities purchased by urban consumers in large cities. Serious attention needs to be paid to how representative the basket of commodities and the weights used in constructing the indices are for different groups of consumers. Consumer purchasing patterns and price relationships among commodities change over time.

3. **Data on quantities of commodities marketed, transported, and imported or exported.**

   a. Extension agents or agricultural statistics enumerators sometimes attempt to collect data on the volume of commodities marketed in rural areas, particularly at rural markets, which capture part of total marketed output. While absolute volume figures should not be taken too literally, year-to-year changes in marketed output may be reasonably accurate indicators of significant changes in production and marketing. It is important to note, however, that policy changes may shift the location of apparent market surpluses, as well as the direction and magnitude of marketed flows.

Furthermore, a change in government policy may encourage more officially recorded marketings through formal channels (transfer of sales from informal to formal markets), even though the total quantities sold may not have changed from one year to another.

b. **Interregional transport data** are less common and may be highly inaccurate, depending upon government controls and taxes, and whether commodities are transported in smaller or large lots. Data may be collected at entry points to large cities, at shipping and receiving points on rail, air and water lines, and at water crossings (ferries). Origin and destination traffic surveys provide accurate and detailed information but are often carried out at only one point in time (or during a relatively brief period), which may or may not coincide with the periods of major commodity flows. When traffic surveys are conducted at intervals over the course of one year, researchers need to assess the representiveness of the periods of data gathering.

c. **Import and export data** (quantities and values) are usually more accurate than other types of quantity and flow data, but they may understate the actual volume of imports and exports if government restrictions, quotas, taxes, levies or overvalued exchange rates encourage smuggling or under-invoicing.

4. Data on the **volume of processed or transformed commodities** are sometimes collected by government agencies for taxation purposes. Processing firms are often asked to submit records of the quantities of produce processed to government agencies. Since taxation encourages evasion, government data may significantly underestimate processed output. For example, livestock slaughter statistics are usually quite accurate for large ruminants (cattle, camels, buffaloes) slaughtered in urban areas, but typically incomplete for smaller stock (goats, sheep, pigs, poultry) in developing countries.

During rapid appraisals investigators should collect and analyze only secondary data which can be obtained with a minimum of difficulty. If RA teams can only obtain secondary data through extensive digging in government archives, or if aggregation of voluminous records is necessary, then these activities may be best reserved for later in-depth studies. Alternatively, the team leader could contract with a local organization to carry out tedious compilation and tabulation at the time of his or her initial visit, so that the data have been prepared for analysis or analyzed before the expatriate members of the team arrive in country to conduct the rapid appraisal.

STEP SEVEN: CONDUCTING THE FIELD SURVEY

Task 1: Interviews

Interviews will be informal yet structured in the sense that the intention is to cover important topics in a preferred sequence. They will be unstructured in the sense that interviewers will be able to vary the length and format of an interview, probing promising lines of inquiry in depth where feasible, or adhering to noncontroversial or less sensitive topics where necessary. For example, in one instance the interviewer might encourage a respondent to focus on subsector problems, government policies, or needs for infrastructure investments or public services. A parallel interview with another informant at the same stage of the subsector might focus on that firm's management, sources and uses of credit, standard operating procedures for carrying out particular marketing functions, marketing costs, and relations with other firms.

While it is useful to develop informal interview guidelines for different types of participants before beginning RA field work, it is important to realize that interviewing busy marketing system participants is an art. Investigators rarely have the time to ask even the most cooperative of informants everything they would like to ask, unless it is possible to arrange a follow-up interview or two. So investigators have to focus the interview on particular issues and problems. Allowing informants enough flexibility to discuss issues and topics which interest them or problems which they find especially bothersome can have high payoff. Investigators can often uncover unexpected insights in this way.

In addition, it can be very effective to challenge informants on particular issues, if only to stimulate discussion and compel them to articulate their views more clearly. Informants who are bored or annoyed by interviews will sometimes offer incomplete or unsatisfactory answers to questions, hoping that the investigator will accept those responses uncritically and continue toward completion of the interview. It is very important to challenge such responses and to demonstrate to the informant that the researcher understands enough about the marketing system to realize that his/her answer is incomplete or unsatisfactory. To do this in a humorous or clever way can liven up an otherwise routine interview, improve rapport, and facilitate the information gathering task.

Informal interviews in rapid appraisal are best used to elicit information on informants' perceptions of commodity system problems and opportunities, ideas of how the system can be improved, views of the effect of particular government policies and regulations, and the need for policy change or public investment. The emphasis should not be placed on accumulating detailed information on the organization and operation of the subsector at each particular stage.

A common mistake in conducting informal interviews is to postpone writing down observations, perceptions and responses until long after interviews are completed. It is also easy to fall into the trap of taking poor or incomplete notes. It is strongly recommended that researchers record the findings of informal interviews immediately after each interview is completed. In some cases, using a large informal questionnaire is a valuable tool in forcing analysts to record findings during or shortly after each interview. Having this recorded information will be essential at a later stage when the investigators write up the research results. Further guidance on interview techniques

are found in Appendix D (Planning the Field Survey) and Appendix E (Informal Interviewing Considerations).

Task 2: Periodic Team Meetings

Although it is recommended that RA groups divide into two or three person teams during the field research, the teams should not work in isolation. The individual RA teams are encouraged to meet periodically to discuss preliminary findings during the reconnaissance surveys. The meetings may be infrequent (weekly or perhaps biweekly) due to logistical difficulties. Nevertheless, it is important that the different teams discuss preliminary research findings, tentative conclusions and hypotheses inferred from the findings, information gaps, and needed data gathering emphases during the RA.

In some cases there may be disagreement among the participants. In the ensuing debate, the researchers may uncover preconceptions, unstated assumptions, and unclear or unjustified inferences. Periodic meetings are also useful in helping the researchers to focus increasingly on key strategic, policy and investment issues, which typically emerge during the course of the RA surveys, rather than to continue gathering information in a broader, less directed way.

STEP EIGHT: REFINING THE REPORT OUTLINE

It is strongly urged that team members begin refining outlines of report sections, or perhaps even drafting report sections, during breaks in the field work (on weekends or when the team returns to home base for R&R). This will help identify information gaps while at the same time speeding up the writing of the report. These sections may end up being more of an annotated outline than polished prose. The polish can wait for later, but writing down key findings and observations, and sharing these with other team members, provides discipline and structure to the remaining field work.

Undertaking a rapid appraisal is typically arduous. At the end of a long day of interviews, site visits and time spent in a vehicle on bad roads, most analysts will not have the time or energy to write up research results. An alternative is to complete and review field notes from the day with an eye toward distilling recurrent themes, emerging lessons or puzzling questions. Followed by discussion with team members, such an exercise can sharpen hypotheses and increasingly focus information gathering. Clearly, a challenge of RA is to identify key, emerging issues and problems without sacrificing comprehensiveness. Analyzing how a commodity subsystem is changing needs to be balanced with a thorough investigation of how the subsystem currently is organized and functions.

THIRD PHASE: FORMULATION AND PRESENTATION OF FINDINGS	
STEP 9:	**DRAFTING THE REPORT** • Assembly and editing • Team review of findings
STEP 10:	**REVIEW FINDINGS WITH STUDY SPONSORS**
STEP 11:	**FINAL DRAFT**
STEP 12:	**ORGANIZE WORKSHOP WITH PUBLIC AND PRIVATE SECTOR REPRESENTATIVES**

STEP 9: DRAFTING THE REPORT

Preparation of the first draft of the RA study will be done by the team in-country prior to departure. This is required not only so that a presentation of findings can be made to the study sponsors, but also because it helps to highlight inconsistencies or data gaps in the findings.

In most RA studies the final week of the expatriate team members' visit to the country will be reserved for this write-up and presentation. Previously drafted material will be assembled and edited, and the team members will discuss their findings and conclusions prior to making the team presentation (Step 10). At this presentation, study sponsors may well focus on policy issues. While programmatic and policy recommendations may be preliminary at this stage, the study team needs to be prepared to discuss them. Examples of policy issues which may need to be addressed include the following:

1. What changes are needed in policies and regulations affecting marketing in order to increase competition?

2. What are the main barriers to private sector marketing, processing and export of agricultural commodities?

3. What can policymakers and public agencies do to facilitate private sector marketing activities?

4. What institutional and technological innovations would improve marketing performance?

5. Are policy changes or public sector investments in R&D needed to promote technological innovation and enhanced productivity?

6. What is the appropriate role of the government in promoting improved performance of the food system? What existing regulations or policies should be abandoned or modified? What new approaches should be tried?

Policy-makers may also wish to discuss and prioritize public (and donor) investment needs. Possible issues for discussion could include any of the following:

1. Transport and communications infrastructure investment and maintenance needs.

2. The effectiveness of public investment programs and the suitability of funding levels in the agricultural sector generally, and the commodity subsystems under investigation in particular.

3. Within the commodity subsystem under investigation, the distribution of public agricultural investment (in research and technology development, as well as physical facilities) among different subsystem stages (inputs, production practices, marketing, transport, storage, and processing).

4. The effectiveness of public investment in irrigation infrastructure and services, and the distribution of the benefits of such investment.

5. The effectiveness of extension services provided to producers of the commodity or commodities under investigation.

One reason for drafting a report and presenting key RA study findings in country is that some time remains for follow-up data gathering or interviews with key subsystem participants, knowledgeable observers, or those who attend the oral presentation to the study sponsors. If the expatriate team members are unable to complete all the follow-up work, the host country analysts can do it. In this way the final report is likely to be stronger and more responsive to both USAID and host country government needs than if the report were drafted (in part) outside the developing country and the team did not receive face-to-face comments from the study sponsors.

STEP 10: REVIEW FINDINGS WITH STUDY SPONSORS

In most cases RA investigators will be asked before departure to brief policy- or decision-makers who commissioned the RA about the principal findings of the investigation. Presentations should be kept relatively short (no more than one hour) and may need to be considerably shorter for senior policy makers. Ample time should be left for discussion of the RA findings. The RA team should try to elicit discussion of the identified marketing problems and constraints. Do the policy-makers agree that these are key problem areas? If so, how would they rank order them? If not, which problems were missed, and why are these important? In addition, what areas do policy-makers view as most promising for further applied research? Do they support research in certain areas but appear reluctant to approve research in other areas? What are the reasons for the enthusiasm and/or hesitancy? Based on the RA findings, are policy-makers willing to make policy changes or to undertake marketing system innovations?

STEP 11: FINAL DRAFT

Under a centrally-funded A.I.D. project such as AMIS, editing and necessary revisions to the final draft will normally take place in the U.S. The final report will respond to Mission and host country client comments and questions on the draft report. Extensive comments may require a second draft, which will again be reviewed by the Mission and host country clients, before the RA report goes final. The finished report is submitted to the A.I.D. Project Officer and through him to USAID Mission which commissioned the study. Time needs to be allowed for translation, if required.

STEP 12: ORGANIZE WORKSHOP WITH PUBLIC AND PRIVATE SECTOR REPRESENTATIVES

Where funds permit and there is sufficient Mission, host country government and private sector interest, a valuable final step is to present the key findings of the RA study to a larger audience of private and public sector representatives. Post-RA workshops were held in Niger (for four subsectors) and Nepal (for vegetable seed and other subsectors) under the AMIS Project with considerable success. In Niger, committees of private and public sector representatives produced draft *communiqués* after the workshops were held; these papers constituted action plans for the different commodity marketing systems. The workshops provided a forum for private sector participants to hear and discuss study findings and recommendations, and to express their concerns to public officials attending the workshops.

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Appendix A

MARKETING SYSTEM CONSTRAINTS

Among the more common marketing system constraints encountered in developing countries are the following:

1. Geographical Dispersion of Production
2. Excessive Specialization by Traders
3. Monopsonistic Competition in Rural Markets
4. Crude and Inefficient Handling and Sorting
5. Price Volatility
6. High Transaction Costs
7. Pervasive Mistrust
8. Deficient and Uneven Market Information
9. Lacking or Underdeveloped Physical Infrastructure
10. Undeveloped Marketing Services
11. Atomistic Competition
12. Shortage of Marketing Credit
13. Negative Public Attitudes Towards Marketing
14. Ineffective or Counterproductive Government Policies
15. Excessive or Inappropriate Parastatal Activities

Characteristics of each of these constraints is discussed in the paragraphs to follow:

1. **Geographic Dispersion of Production.** Production of individual commodities takes place usually in a **large number of small scale farming units** spread out over wide physical areas. There is relatively little **regional specialization.** Each small farm tends to produce **small quantities of many products** instead of specializing in only a few. This of course reflects the need to provide for the

consumption needs of the farming family, but also reflects a strategy of reducing risk exposure to losses from price variation or physical product losses. This dispersion leads to high transaction costs due to excessive transport, collection and storage costs.

2. **Inadequate or Excessive Specialization by Traders.** In marketing systems characterized by wide swings in product output, availability and price, the distribution stage of marketing of farm products, that is to say, **wholesalers tend not to specialize exclusively in one or relatively few products.** As a result of inadequate specialization, wholesale traders in developing countries often fail to capitalize on economies of scale. In contrast, **retailing is excessively specialized.** The reasons for this excessive specialization are the small size of lots handled, the need to personally inspect each lot, a lack of standardized transactions, and low levels of capitalization of retail enterprises. Consumers also incur additional cost and inconvenience from having to make purchases from many retailers to obtain the desired mix of products.

3. **Monopsonistic Competition in Rural Markets.** Partly as a consequence of the geographical dispersion of production mentioned above, producers often **have access to only a few rural traders** to whom they sell their products at the farm or in small village markets. Moreover, given the small amounts sold by each farmer, and lack of access to suitable transport, it seldom pays farmers to take their products to larger markets where they could obtain better prices. This suggests the possibilities of monopsonistic competition in rural markets resulting in lower prices to farmers and higher profits for traders than would be the case in a better organized and competitive market. Nevertheless, empirical studies normally find **little evidence of either artificial barriers to entry or excessive monopsonistic profit.** Both traders and farmers are caught in a situation of supply and price uncertainty, small volume transactions, high transport costs per unit, high transaction costs, and low profits.

4. **Crude and Inefficient Handling and Sorting.** When each farm sells only a small quantity of a product, it isn't worth sorting, selecting, and grading. Produce leaving the farm often contains overripe and damaged units, as well as excessive amounts of stems, leaves, insects and other foreign matter. Protective packaging and standardized containers are unavailable to farmers or too expensive to use for such small volumes. The results are high spoilage, high transport and handling costs, and unattractive merchandise for consumers. Hence, each lot must be personally inspected by traders at each transaction in the marketing chain, and it precludes the development of uniform buying and selling parties.

5. **Price Volatility.** Price uncertainty and variability are at the core of many problems associated with agricultural markets in developing countries. Small variations in volume reaching the market cause disproportionate fluctuations in current prices; that is, **markets are thin.** In part this is a result of the small size of each market, inadequate integration with other national or foreign markets, and the absence of stocks and storage capability.

6. **High Transaction Costs.** The main causes of high transaction costs are small lot sizes and the heterogeneous quality of product. As a rule, commodities from different areas and even different farms vary greatly in variety, size, maturity, cleanliness, packaging, and quality. Under these circumstances each lot has to be inspected by the buyer, and each lot receives a price commensurate with its characteristics.

Product heterogeneity makes it extremely difficult to compare prices even within a market, and more so between distant markets. Haggling over price becomes a necessary part of each transaction. Long distance transactions are out of the question when there are no established quality standards nor uniform units of measure.

7. **Pervasive Mistrust.** Another contributing factor to high transaction costs in developing countries is the prevalence of opportunistic behavior at all stages of the market and the corresponding attitude of **mutual distrust among market participants.** In part, this mistrust can be attributed to the aforementioned lack of product homogeneity and quality standards. Traders prefer to deal with those who have proved reliable in previous exchanges because product adulteration is common. As a result seller reputation is important and **transactions are frequently personalized,** i.e., among people who know each other well.

Not being able to trust other market participants severely restricts the set of transaction opportunities for each agent and adds to marketing costs. The common success observed of particular **ethnic groups in marketing,** can be attributed in part to the higher level of trust among themselves than toward the general population. An appropriate role for governments is to provide the institutional mechanisms (courts to enforce contracts, agencies developing and ensuring compliance with grades and standards, etc.) to eliminate the causes of such mistrust.

8. **Deficient and Uneven Market Information.** The information available for economic decision-making by producers and traders tends to be deficient and unevenly distributed. Market conditions can typically be assessed fairly readily by buyers and sellers within localized market areas, but knowledge of price and volumes in other markets is often available to only a few people and closely guarded by them. This imbalance in access to market information is referred to as **information asymmetry.** Farmers and small traders with good private communication systems to other markets can thus realize sizeable gains from arbitrage opportunities. The poorly informed farmer and small trader are then at a relative bargaining disadvantage. The potential for improving market performance through better communications between markets has received serious attention from AMIS.

The quality of market information available for public dissemination is typically less than satisfactory, due in part to the undeveloped state of grades and standards for product transactions. The process of collecting, processing, and disseminating market news and information by government agencies is typically too slow and unreliable. Price and volume information is more likely collected for historical statistical purposes, rather than to aid farmers and traders in their decisions.

9. **Lacking or Undeveloped Physical Infrastructure.** Public and private assets such as roads and other transport facilities, warehouses, communication networks, processing plants, public utilities, water systems, irrigation, and other forms of productive capital are often scarce. Moreover, what is available is not operated effectively because of inadequate administrative organization, management expertise, and skilled personnel, as well as poor maintenance practices. Poor infrastructure leads to higher transport and transaction costs.

10. **Undeveloped Marketing Services.** Other basic marketing infrastructure that may be missing or undeveloped are data and information systems, widely accepted grades and standards, inspection services, regulatory codes against unfair practices, contractual enforcement procedures, credit services, banking and financial facilities, market research services, and commercial training activities.

11. **Atomistic Competition.** The lack of progressiveness in the food marketing system can be explained in part by the large number of small operators, sometimes referred to as **atomistic competition,** whereby small traders are caught in a **low-level competitive equilibrium,** which constitutes a **poverty trap.** The trading activity does not generate enough income beyond immediate subsistence needs to invest in knowledge, technical inputs, and organization in order to increase productivity. Concern for subsistence limits innovative behavior that, even though it may increase productivity, involves more risk than the trader is willing to take. Market operators often lack alternative skills. Petty commerce often constitutes a survival refuge for the urban unemployed. Improved market innovations that raise productivity, but that require fewer participants, are hampered by the inability of displaced workers to go into alternative jobs.

12. **Shortage of Marketing Credit.** In most countries financial markets are heavily regulated. Official and commercial credit is directed towards industry, agricultural production, and exports. Marketing firms are expected to finance their activities with equity capital, or borrowing from private money lenders. Whatever credit is left for food distribution activities is quickly absorbed by a few large, financially sound firms. Consequently, innovative marketing firms often encounter difficulty in obtaining the necessary credit to implement marketing innovations. Most credit for financing market functions must be provided by farmers or traders themselves, or borrowed, usually at high interest rates, from informal financial institutions or money lenders.

13. **Negative Public Attitudes Towards Marketing.** Middlemen are maligned in most societies. The traditional attitude in developing countries is that **marketing firms are at best a necessary evil.** This attitude is widespread among both farmers and consumers in rural and urban areas. Similar attitudes, one should point out, are prevalent in most developed countries as well. Consequently, there is little inclination to assist or encourage marketing firms. Public laws and programs are designed to **regulate, control, and discourage middlemen** rather than to attempt to change their undesirable traits through education, technical assistance and economic incentives. **Laws against "hoarding" and "speculation"** of food products are codified in many developing countries, thereby making illegal most commercial storage by firms other than farmers, consumers, or the government.

14. **Ineffective or Counterproductive Government Policies.** Most developing countries have no effective strategy for dealing with market-related policy issues. Government actions are usually based on conventional (and erroneous) wisdom, rather than empirical and analytical knowledge about the marketing system. As a consequence, government policies and programs often have little positive effect or even negative impact on the performance of the food production and distribution system.

Instead, governments attempt to correct the very real market imperfections described above by instituting **price and margin controls, antispeculation laws, and eventually direct state takeover** of the marketing functions. While all of these measures may be appropriate under certain circumstances, they can make matters worse, and often do, if applied indiscriminately.

Perhaps the most important marketing policy issue has to do with **food prices.** Farmers prefer high prices while consumers want low food prices. **Official floor prices** are mainly established for commercial crops, such as rice or cotton, where large farmers are organized into powerful lobbies to demand government subsidies. Most farmers in developing countries do not, however, benefit from farm subsidies. Government agencies charged with buying farm products usually run out of funds shortly after the harvest, leaving most farmers to sell at the lower market prices.

Retail food price controls are commonly imposed in large urban markets for the principal staples of urban middle classes, such as bread, milk, and meats. When prices are set too low and enforced rigorously, production is discouraged and consumers are faced with product shortages. Most price control mechanisms are difficult to enforce in the marketplace and become ineffective. However, when enforced diligently, they lead frequently to the development of parallel markets.

15. **Excessive or Inappropriate Parastatal Activities.** Parastatal organizations involved in marketing (and storage) of critical commodities are a common feature in developing countries. They are popular with politicians and much maligned by expatriate researchers who have studied their performance.

Public sector participation in food distribution represents a common feature in developing countries. State agencies often engage in buying and selling of commodities and thus take on the functions of intermediaries. Political leaders are attracted to these kinds of visible interventions in food marketing that will allegedly eliminate the middlemen, or at least, force them to reduce their margins.

Most marketing parastatals are intended to tackle real problems of traditional marketing systems: to reduce price instability; to reduce marketing costs; to provide a market outlet for all producers, including those in isolated regions not served by private traders; to assure food supplies; to improve the availability of farm inputs; to increase export earnings and foreign exchange; and to provide revenue for the government. They frequently fail to achieve all these objectives, because some of the objectives are inherently conflicting. Furthermore, inappropriate parastatal policies, poor management and accounting systems, lack of knowledge, and insufficient resources plague the efforts of parastatals. In many cases, they become instruments of political patronage and corruption. As government employees, neither managers nor workers have incentives to make parastatal operations succeed. Once organized into unions, government workers become powerful lobbies intent on protecting their jobs. Parastatals are also notorious for delivering inputs late, announcing buying prices in mid-season, and failing to honor price guarantees. At their worst, they can become instruments of forced taxation and forced farmer sales.

Nevertheless, direct government participation should not be completely ruled out, and sometimes it may be the only way to deal with problems of market failure. Where traditional markets are stagnant, change has to be induced from outside the system, and involvement by a state organization may be an effective means of doing just that. Agricultural commodity development boards could be designed to provide functions of active coordination. The challenge is to define appropriate and feasible functions and operating procedures so they contribute to improving the performance of the system in a cost-effective manner. Incentive systems within such boards need to be structured differently from government agencies in a way that encourages good performance.

Throughout the AMIS Project, analysts have emphasized going beyond describing how the existing marketing system is currently working (or the conventional wisdom on how it works) to examine why commodity system markets function as they do, and how their structure and performance are changing over time. Once the directions of change are understood and anticipated, the question arises about how appropriate innovations can be identified and implemented so as to accelerate or redirect the internal dynamics of the system. The aim is both to understand how markets work at a particular point in time, as well as to understand how marketing systems change and how to strengthen positive changes underway.

Appendix B

DRIVING FORCES AFFECTING MARKETING SYSTEMS

Important to an understanding of how a marketing system functions is a knowledge of driving forces in the economy—those underlying forces which may be both the cause and effect of change. Examples of such forces, and their impact on marketing systems, follows.

	Driving Force	Impact
1.	Population growth	Greater demand for food.
2.	Higher personal incomes	Changes in food consumption patterns. Increased incentive to add value to agricultural products through processing, sorting, grading, packaging, etc.
3.	Increased urbanization	More complex distribution system
4.	Rise in non-farm employment	Fewer and larger farms.
5.	Development of financial and commodity markets	Lower transaction costs. More investments in marketing. Better market information and price discovery.
6.	Technological advances	Higher farm productivity. Improved marketing efficiency. Improved quality of agricultural products.
7.	Entrepreneurship	A more innovative and progressive food system. Increased investment in the food system.
8.	Government attitude toward the private sector	Sets the general business and investment climate.
9.	Infusion of foreign resources (donor aid, private investment)	New technical and financial resources available.
10.	Changes in international trade patterns (commodity prices and flows)	Rising or declining commodity prices facing producers, agro-entrepreneurs and exporters/importers affect incentives to produce and trade exportable commodities or import substitutes.

11.	Infrastructure investment (communications, transport, electrification)	Lower marketing costs and higher food system productivity and output.
12.	Human capital development	Increased productivity, and better strategic planning and management of the food system.

Risk and **uncertainty** are other important driving forces which affect the performance of food systems. Important questions to be examined in studying marketing systems include the following:

- What are the key forms of risk faced by system participants at each level of a commodity subsystem or food system?
- Who bears the risks in producing and marketing a commodity within a subsystem?
- How are risks spread, shared or minimized? What are the contractual or institutional arrangements or responses to risk? Have effective have these arrangements been?
- What are the major sources of uncertainty?
- Is the policy environment (or investment/business climate) characterized by uncertainty, inconsistencies and reversals? If so, what has been the effect on private sector investment in the food system?

Both risk and uncertainty have an important influence on the organization and operation of the marketing system, the size of marketing margins, and possibilities for change, particularly adoption of new production and marketing practices, technologies, and institutional arrangements. Examples of risk include product perishability, supply variability and attendant price fluctuations, and variable demand. Common sources of uncertainty include weather (*i.e.* rainfall and drought), unanticipated shifts in international market conditions (supply and/or demand-driven), and policy and regulatory changes.

High levels of risk may compel producers and processors or other buyers to negotiate contracts or integrate forwards or backwards in a commodity subsector. Governments can intervene to offset risk by investing in irrigation, better storage, transport and handling facilities, improved communications and marketing information systems, or by initiating crop insurance schemes.

Investigators should obtain information on key driving forces from knowledgeable people in the country concerned, and from agricultural sector and economic reports such as those published by the World Bank. A section of the rapid appraisal report should contain a discussion of these underlying forces and how they affect marketing system performance currently and in the future.

Appendix C

PERFORMANCE INDICATORS

Experience and judgement are required in evaluating commodity subsystem or food system performance. Analysts need to be careful to distinguish between symptoms of poor performance and root causes or factors that contribute to poor performance. While it may be counterproductive to develop an exhaustive set of performance indicators and norms in each and every study, setting benchmarks for measuring the success of reforms, interventions and investments to improve commodity subsystems will provide guidance to policy-makers and investors.

A series of performance indicators is presented below grouped from I to III, beginning with static and dynamic efficiency criteria and followed by institutional and policy attributes. Devising quantitative measures of performance is easiest for indicators of static efficiency but difficult for the other categories of indicators. Data requirements for evaluating the efficiency criteria are burdensome, however, and careful judgements will need to be made as to the need and desirability of collecting detailed price, input/output, and cost/return data when they are not readily available. Ease in measurement should not encourage analysts to focus only on the static efficiency criteria (of Group I). Groups II and III need to receive equal if not greater emphasis, especially as RA focuses on dynamic forces in food system development and key institutional and economic organization issues.

When it is not possible or desirable to devise an exact measure of performance for a particular indicator, analysts can make careful, reasoned **qualitative assessments** that are based on specified standards. Assessments of dynamic performance indicators may simply measure the direction of change, whether positive (increase), negative (decrease) or nil (about the same level), over a period of three to twenty years. Cross-country comparisons and judgements may also be appropriate. Countries with similar levels of economic development, levels of urbanization, population and population density, infrastructural development, and food system diversity and complexity may be compared with respect to selected performance indicators.

I. Static Efficiency Criteria

1. Pricing efficiency

a. Degree of market integration. Degree to which price differences between markets reflect normal transfer costs, at different points during the year.

b. Extent to which interseasonal price movements reflect normal returns to storage (for storable commodities) and prevailing supply and demand conditions (for all commodities).

c. Extent to which price swings match underlying supply and demand conditions (rather than being due to imperfect information, speculative excesses, or government intervention).

2. Allocative efficiency

a. Extent to which supply matches demand at different stages of the subsector or food system.[1]

b. Evidence of commodity gluts or shortages (and consequent losses to producers, consumer hardship, and windfall profits to traders).

3. Technical efficiency

a. Lowest economic level of postharvest losses.[2]

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[1] Matching of supply and demand in vertically organized commodity subsystems requires economic decisions by operators at adjacent stages of subsystems. For example, fertilizer manufacturers attempt to produce adequate volumes of different types of fertilizer formulation in order to satisfy farmers' requirements, given their crop mixes. Processors need to obtain adequate supplies of raw product to meet the requirements of buyers of processed products in domestic and foreign markets. Failing to procure adequate supplies may lead to well below capacity utilization levels, leading to unprofitable operation. Procuring excess supplies will result in high utilization rates but perhaps low profits as the supply of processed products outstrips demand.

[2] Post-harvest losses are inevitable in agriculture. They can be minimized by following prescribed, careful harvesting, post-harvest handling, storage, transport, and packaging practices. Eliminating post-harvest losses entirely is uneconomic, as the marginal costs of achieving additional reductions in losses rise while marginal gains in terms of conserving additional product decline. The higher value a commodity is, the more costly post-harvest handling and storage measures for reducing losses are likely to be. As an example, cold storage of grain (or complete elimination of insect or rodent damage) is not economically viable. Pre-cooling of vegetables in the field prior to export is likely to be economically viable in many cases, given the potentially high returns to top-quality produce in terminal markets.

b. Least-cost transformation (processing) of crop/livestock per unit, consistent with the quality of product demanded by users.

c. Most appropriate technology used, given the economic environment, and the cost and availability of fuel, parts, and service networks (skilled operators and repairmen).

4. **Operational efficiency**

a. Least-cost provision of input/output marketing services, consistent with the quality of services sought by users.

b. The extent to which marketing margins reflect real costs of services and transformation, and normal returns to labor, management and capital.

c. Firms are large enough to realize available economies of scale.

d. Competitively priced inputs are available.

e. Manpower resources are sufficient (education and training) and effectively utilized.

II. Dynamic Efficiency Criteria

1. **Progressiveness** of the commodity subsystem. The extent of technological, institutional and management innovation in performance of functions of production, handling, processing, storage, and distribution of food. Source of investments in R&D: government, universities, large domestic or foreign firms.

a. Innovations to reduce costs and increase productivity.

b. Innovations to improve quality.

c. Innovations to reduce, share and better manage risk.

d. Innovations to generate new demand or meet unsatisfied demand.

2. The extent of **entrepreneurship and leadership** in the subsystem. Extent to which creative, opportunistic individuals are able to make changes that increase competitiveness by improving productivity, lowering costs, or by tapping new markets.

3. The **adaptability** of the commodity subsystem (or food system), and individual participants in the system, to external factors or shifts (international price changes, climatic cycles, political change, etc.).

4. The extent to which the subsystem **anticipates and responds to changing consumer demands.**

5. The extent to which the subsystem creates, experiments with, and perfects **institutional arrangements** (e.g., contracts, vertical integration) that lower costs, reduce and spread risks, increase productivity, improve quality, and improve coordination.

6. The extent to which a commodity subsystem generates and uses **information** to improve production and marketing decisions.

III. Institutional and Policy Attributes

1. The effectiveness of marketing enterprises (cooperatives, parastatals, private firms, and joint ventures) in **meeting demand** for particular types and quality of food and in providing inputs and services to system participants.

2. The effectiveness of marketing enterprises and institutional arrangements in **coordinating production, transformation and distribution** of agricultural commodities.

3. The effectiveness of marketing institutions in **organizing and regulating** the food system. Such institutions include regulatory and promotional agencies; trade associations; assembly, wholesale and retail markets; commodity exchanges, auctions and futures markets.

4. The extent to which economic organization and the policy environment **foster competition, entrepreneurship, and innovation.**

5. **Ease of entry** into the food marketing system. Absence of entry barriers.

Some analysts emphasize the **degree of competition** as a performance indicator. Competition in and of itself is not necessarily good. **Atomistic competition** may be highly inefficient and high cost, as micro-marketing agents are unable to achieve scale economies and innovate, and their marketing costs are high. At the other extreme, monopoly is generally not desirable, unless it is heavily regulated, and alternative incentive systems substitute for monopoly pricing. **"Workable competition"** is sometimes cited as an alternative. This concept recognizes the optimal balance between competition and effective scale for reducing costs per unit and lowering transactions costs. The greater the scale required for firms to compete in an agribusiness, the higher the implicit barriers to entry.

One way to shorten the list of germane performance indicators in a marketing study is to **evaluate performance against stated government objectives**, rather than against a set of absolute and universal norms. These are generally stated in important planning documents (e.g.,

Five Year Plans), or in agricultural sector policy statements. However, government objectives may be conflicting. Promoting high producer prices and incomes is usually not consistent with low consumer prices, unless subsidies are high. **Government policies, programs and regulations may be evaluated with respect to:**

1. Farm prices and rural incomes.

2. Consumer prices, welfare, food security and satisfaction with the quality of the food supply.

3. Food system participant employment and income (relative to other sectors).

4. Degree of competition in the food system.

5. Quality, availability and timeliness of agricultural inputs.

6. Quality, availability and timeliness of food products and marketing services.

7. Cost of agricultural inputs and food products relative to world prices.

Appendix D

PLANNING THE FIELD SURVEY

1. Where to Begin

In abbreviated surveys, more so than in longer term studies, what one often finds depends heavily on when the surveys are carried out, who is interviewed, what is observed, and where research is conducted. Where an investigation begins is usually a function of the rapid appraisal objectives.

- If RA studies are funded as an input into the design of a project for improving urban food distribution, surveys will begin in urban areas. Analysts will need to analyze urban demand patterns and prospects and urban food distribution channels before surveying rural producing areas.

- If RA precedes design of a project which will promote production of particular commodities, surveys will usually begin in rural producing areas. When a particular rural area is targeted for production increases, the analysts will visit that area early in the RA to examine constraints to increasing production and marketed output.

- If the objectives of the RA are broad and the organization funding the research does not demand that RA focus on any particular segment of the marketing system or a particular geographic area, analysts will usually find it useful to interview wholesalers and processors based in large markets and secondary towns. They are typically more knowledgeable about the organization and operation of the entire marketing system than other participants, and they often have a vantage point acting as "channel captains" in the marketing system.

- If a rapid appraisal concentrates on exported commodities, beginning the investigation in terminal markets will provide important insights on how product quality, timeliness of delivery, reliability of shipment, and importing firms' ease in dealing with exporters measure up against competing suppliers. By visiting markets and food stores and interviewing importers, brokers, distributors, large-volume institutional buyers and consumers, analysts gain an appreciation for desired product attributes (freshness, appearance, packaging and labeling) and which suppliers are making the grade.

2. What to Observe

The following processes, functions and facilities are important to observe and inspect during RA:

1. **Transactions** for both inputs and outputs at the farm level (if possible), at assembly and wholesale marketplaces, at parastatal buying stations (where appropriate), and at retail outlets.

2. **Performance of the physical functions** of handling, weighing and measuring, sorting, grading, packaging, processing, transport, and storage of commodities at different stages

of the marketing system, including farms, assembly markets, processing plants, terminal markets, storage facilities and retail stores.

3. **Facilities** for buying/selling, processing, transporting, grading, storing and exporting commodities in rural and urban areas.

4. Selected **commodity flow patterns**, and delineation of key characteristics and reasons for the direction and magnitude of flows.

5. Physical and natural **characteristics of production zones and trade routes**, including the presence or absence of needed infrastructure and how well infrastructure is maintained.

A useful technique for observing facilities, functions and processes is to follow agricultural commodities from the farm to the terminal market, or at least through part of the production-marketing chain. Accompanying wholesale traders or their agents to rural areas and then back to urban markets is one method of observation. Investigators can observe transactions, note costs and losses for a particular marketing trip, ask the wholesaler how representative these costs and losses are for his/her business, and ask the wholesaler questions along the way about marketing processes and functions. Analysts are also usually able to spot inefficiencies and problems in the system during these trips, as well as to inspect marketing infrastructure and facilities.

During RA field work it is often useful to purchase retail lots of the commodity in question in markets and towns visited during the RA. It is important to bring small scales along so that these purchased quantities can be weighed, the price per unit of measure calculated, and comparisons made with values obtained in other locations. If there are unexpected or unexpectedly large differences, the investigators can interview traders and retailers on the spot in order to ascertain reasons for these differences.

It may also be useful to bring hanging scales (as well as hooks and ropes for suspending the scale) for weighing bags of produce (or quarters of beef, crates of vegetables, etc.) or other units sold wholesale. By weighing produce sold wholesale, the weights of local units of measure, and any variation therein, can be determined. Since produce is often bought and sold in the same units (e.g., sacks) at the farm, in rural assembly markets, and in urban wholesale markets, prices per unit can be calculated for produce sold at different levels of the marketing system. Adjustments may need to be made for shrinkage, losses, or addition of foreign matter as the commodity moves along the marketing chain. Gross marketing margins can thus be established.

3. Purposive Sampling Considerations

Where the RA survey begins will suggest where the investigators wish to go next. Studies which begin in urban areas will usually work back through marketing channels to rural producing zones. Selection of zones is not determined by hard and fast criteria. In some cases analysts will go first to the producing area which ships the largest quantity of produce to the urban market.

It may be useful to visit areas where there is agronomic potential for producing the commodity in question, or for producing significantly more of the commodity, in order to examine why production and marketed output are low or nonexistent. When there are several important producing

areas, the RA team will need to develop criteria for selecting particular zones and subzones for examination. Random selection is usually suitable for subzones. Selection of zones may sometimes be guided by political objectives or regional equity considerations.

Selection of particular villages or subsector participants presents other problems. In rapid appraisal studies, selection is generally purposive. Selection criteria need to be established and particular choices of villages or informants justified in each case. RA does not include large sample surveys and does not generate estimates which are representative in any statistical sense. In order to sample purposively, RA teams should know something about the population of villages, trading firms, processors, transporters, or other group. This can be determined through earlier studies, interviews with key wholesalers or knowledgeable observers of commodity subsectors, and existing enumerations (*i.e.* lists) of firms by government agencies, NGOs or trade associations. If the general characteristics of the population are known and different strata can be identified, individuals and firms can be selected randomly from each stratum. For example, RA teams may stratify agricultural producers into five groups: small farmers who do not produce the target commodity; small farmers who produce it but who sell little or none; small farmers who sell a significant proportion of what they produce; medium-sized farms which sell most of what they produce; and large farms which sell all or nearly all of the commodity produced. As a second example, wholesalers can be stratified by volume of the commodity they handle, the approximate value of their assets (vehicles, warehouses, storage facilities), or commodity mix.

Purposive sampling becomes more difficult when there are no existing studies or enumerations, if existing enumerations are incomplete or inaccurate, or if knowledgeable observers cannot provide information about numbers of different size/type firms at different levels of the food system. RA teams are then encouraged to select strategically placed informants, such as large-scale wholesalers, processors or exporters, for in-depth interviews. Analysts can then proceed to retail firms, first handlers or producers linked vertically to these informants. Alternatively, analysts might interview a second or third informant at the same level of the system as an immediate cross-check.

One RA team can proceed backward through the subsector toward producers, while a second can move forward toward consumers (or institutional buyers). Through this process the teams are able to gain a better understanding of the organization of the food system, marketing processes and vertical linkages in the system. They are also able to cross-check information provided in earlier interviews with informants at the same stage or at adjacent stages of the system. Different perceptions of problems and opportunities can also be elicited. These will vary, of course, depending on where firms are placed in the subsystem.

Appendix E

INFORMAL INTERVIEWING CONSIDERATIONS

1. Building in Consistency Checks

Informal interviews can be structured so that information about certain topics is obtained in more than one way, either in different sequences of questions or by approaching the topic from two or more angles. For example, interviewers can obtain information about producers' marketed output by first asking producers directly the number of sacks of a commodity that have been sold since the harvest. An indirect way of obtaining the same information would be to ask the producer the numbers of sacks harvested, given and received, and consumed. The residual would then be the number of sacks sold.

Information obtained from interviews with key informants about exchange arrangements, risk-reducing and -sharing mechanisms, credit arrangements, commodity flows and other vertical linkages should be cross-checked with informants at adjacent stages of the subsector. The overall validity of rapid reconnaissance findings can be also checked with knowledgeable observers of commodity subsectors, including researchers, certain government technocrats, selected agricultural project managers, and regionally important agribusiness people. A useful method of consistency checking is mirror image interviewing. This technique involves asking informants at adjacent stages of a subsector the same set of questions. Major differences in responses are generally an indicator that one or both informants are misinforming the research team. Such differences may also indicate that one or both of the informants does not know or accurately recall the answer to the question.

2. Repeat Interviews

Repeat interviews with cooperative and knowledgeable informants, or interviews with informants who substitute for uncooperative or less useful informants, are often necessary in order to:

1) Follow up on initial, more general interviews with questions about the organization and operation of particular firms (especially if these firms play an important role in the subsector or at a particular stage of the subsector).

2) Clarify statements or viewpoints presented during an earlier interview.

3) Cross-check information provided during an earlier interview or by another informant at the same stage of the subsector or an adjacent stage.

4) Discuss more sensitive topics, such as credit arrangements, price formation, relations with other firms, circumvention of government restrictions, parallel markets, etc.

Follow-up interviews with selected key informants during the rapid appraisal can lay the base for **case studies** during later phases of research. Case studies may entail multiple visits over a longer period, which may exceed a year. They usually generate valuable, in-depth information that can be used to understand firm behavior and objectives. Case studies provide detailed information about marketing costs and operations.

3. Interviewing Village Headmen and Other Local Informants

One information gathering shortcut in rural studies is to interview traditional leaders, such as village leaders or headmen. In many African countries local notables meet periodically as a group to arbitrate between conflicting parties. These groups often discuss issues of land tenure and use, disputes between farmers and herders, and other grievances, as well as issues of collective organization, such as constructing social infrastructure (schools, clinics), road maintenance and formation of cooperatives. While calling together all the members of a local deliberating body may take time, it may prove valuable if some of the above issues are addressed in a RA study. When the focus of a rapid appraisal is agricultural marketing, it will generally not be necessary to convene a large group of notables. An interview with a village leader or headman will usually suffice to legitimize the RA inquiry and team in a particular area.

Interviews with older members of the community who are producers or traders can also be very valuable in learning about change in agricultural production and marketing practices and policies over long periods. These informants possess a wealth of local knowledge, as well as a longer term historical perspective. Such perspectives are valuable and researchers can elicit perceptions of current problems in historical contest, as well as historical information on when particular types of agricultural production technology were first tried and adopted, when rural roads and wholesale trading networks penetrated rural areas, and shifts in agricultural production patterns over time in response to marketing opportunities and availability of inputs.

As a general word of caution, it is advisable not to ask sub-district or village headmen questions which demand detailed responses that they are unable to provide. In other words, it is best to tailor questions to respondents' frame of reference and level of knowledge. For example, a sub-district official is unlikely to possess detailed information about the size distribution of farms in his jurisdiction or of marketed surplus of particular types of farms, whereas a village headman may well be able to answer questions about these topics.

4. Group Interviews

Depending upon the cultural context, interviews of relatively homogeneous groups of subsector participants can elicit views of subsector performance, the need for and effects of government policies and regulations, and system bottlenecks and opportunities. Group interviews can also serve to legitimize the process of inquiry among potential participants. In many Asian and African countries, for example, agricultural producers are more likely to cooperate in a RA study or survey research once the village chief or elders have met with the analyst and approved the research agenda. The main drawback of group interviews is that they can be dominated by especially articulate and forceful individuals, whose views and perceptions may not be widely shared. The findings of group interviews or of meetings with representatives of producer, trade or industry associations must always

be cross-checked with individual informants. Preferably some of these informants will not have attended the group meeting.

5. Informal Delphi Techniques

Informal Delphi techniques for obtaining information about the views and perceptions of marketing system participants are sometimes appropriate in rapid reconnaissance field research. Delphi methods are an iterative form of information gathering that can involve several group interviews with brainstorming and intense interaction or iterative, private consultations with anonymous informants. Either form of Delphi is designed to elicit candid appraisals of participants' views, perceptions and ideas (in this case, about marketing system performance, problems, constraints and opportunities). The Delphi approach assumes that the group will move toward consensus and that false or misleading views and perceptions will be exposed and discredited. This approach is a potentially attractive information gathering shortcut for RA investigators in that reliable information on sensitive topics can supposedly be obtained in a short time span. Moreover, the difficult process of trying to separate out reliable information from unreliable information and misinformation supplied by individual informants can be largely avoided.

There are several potentially serious problems with Delphi methods, however, particularly in group meetings. In heterogeneous groupings of Delphi participants, some individuals may not express their views and ideas candidly, deferring to participants with more power in the marketing system or to representatives of government agencies. Less powerful participants avoid risks by being reticent and not openly criticizing participants who can apply sanctions or use confidential information in a way that harms them. Among groups of peers (participants at the same stage of the marketing system), Delphi methods are most likely to generate reliable information. Individual participants are less likely to refrain from criticizing the government or marketing agencies, or other groups of participants (especially powerful participants) in the marketing system.

Informal Delphi techniques can be quite useful in evaluating the performance of organizations and agencies within the marketing system. For example, representatives of producer cooperatives could diagnose problems associated with the input procurement and distribution, crop storage, and crop marketing practices of the cooperative. It is not recommended to include government overseers of the cooperative or appointed cooperative officers, who are often not producers, in the discussions. Unequal status among participants will usually preclude frank discussion of problems.

6. Recording Rapid Appraisal Findings

When recording information during RA interviews, time-saving techniques must be adopted. There are few things more disturbing to a busy marketing agent than to sit through long interviews where the investigator spends half or nearly half of the time writing longhand notes. Several shortcut techniques are possible. Analysts might only note quantities, prices, and other continuous variables, which are more difficult to recall than qualitative data, during interviews and reserve detailed recording of other information until after the interview is completed. Standardized formats for different types of data gathering, such as forms for recording prices and quantities in marketplaces, and for different types of informants, such as producers, can also speed up the note-taking process.

And, of course, developing an effective shorthand for recording information is another means of shortening the time required for interviews.

7. Speeding up Information Gathering in the Field

Depending on the circumstances, the two or three members of a RA team can work separately to increase the rate of information gathering. For example, one member of the team can interview wholesalers and retailers at a rural market, while a second can observe the market, counting the numbers of traders of each type, estimating the quantities of the commodity brought to the market that day, noting the numbers and types (make, tonnage) of trucks at the market, and chatting with truckers to obtain information about transport costs and the magnitude and direction of marketed flows. When the RA team is in rural areas interviewing producers, team members can individually interview producers to get a broader sample. The more standardized the informal interview format for producers, the less risk there is in having team members carry out individual interviews. When analysts are not following informal interview guidelines but are extemporizing, research findings may differ quite significantly, reflecting the interviewers' different interests and biases, or perhaps the asking of questions on similar topics in quite different ways.

While splitting up RA teams will accelerate information gathering, this may not always be desirable. When two or more analysts participate in an informal interview, they may interpret the informant's responses in different ways. At the end of each day, or perhaps immediately after each interview, the team members can discuss informants' responses and their implications. By comparing interview findings and inferences within each RA team, possible bias in interpretation can be offset. Teaming up to do interviews can also speed up individual interviews. One analyst can pose questions in an informal, conversational style, while the other records the informants responses. The two researchers can take turns asking questions in their areas of specialization during an interview.

In the final analysis, researchers participating in rapid reconnaissance surveys will need to evaluate the tradeoff between breadth of coverage (numbers of participants interviewed) with depth and accuracy of coverage. Choices about interviewing strategies will be influenced by he time available for RA, the skills and experience of researchers participating in RA, and the degree of variation in interview findings and interpretations of informant responses.

APPENDIX F

ILLUSTRATIVE QUESTIONS FOR INFORMAL INTERVIEWS [1]

1. Farmers

a. What crops[2] did you produce during the most recently completed production cycle? How much was harvested (in local units of measure)?

b. What crop volume or quantity did you harvest this year? Compare this year with last year (and any previous years). How much of what you harvested did you sell this year? Last year or in any previous years?

c. How do you decide how much and when to sell? (What influences your decision?)

d. To whom do you usually sell? Why did you choose this type of buyer?

e. Where and by what means of transport do you deliver goods to the buyer? How much do you pay (if anything) for this service? How far must you travel?

f. Does the buyer (first handler) provide other goods and services as part of the sale, such as inputs, credit, bags or other packaging materials?

g. Do you obtain information on market prices prior to the sale? If so, from what source? How do you judge the reliability of market information from different sources? Does this information influence your decision on when, where and to whom to sell?

h. Do you sort the goods before sale to meet market requirements? Are there price differences according to quality? Are these differences large enough between grades to encourage you to grow (handle and sort) produce which is higher-grade?

i. What changes have occurred in the past three years in the way you market your crop? What factors underlie or have brought about these changes? What changes would you like to see in the marketing system?

j. For the key crop(s) under investigation, how much do you plan to produce in the next cropping season? (This could refer to actual plantings during an uncompleted cropping season).

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[1] Note that the illustrative questions need to be refined, adapted and in many cases expanded to be used effectively in a particular RA study context.

[2] Note that "crops" is shorthand for field crops, tree crops, livestock products and specialty crops (horticultural products, spices, herbs, essential oils, etc.).

2. First Handlers or Rural Assemblers/Collectors [3]

a. Which crops do you buy? How much have you bought so far in the current marketing season (or another well-defined period)?[4]

b. From whom do you buy? Note type of buyer and approximate volume by buyer type.

c. What has been your volume of crop purchases and sales in the past three years? Have purchased volumes for key traded crops expanded, stayed about the same or declined? What are the reasons for any change or shift in your crop purchase mix?

d. In which geographic area do you collect crops? At what rural markets do you assemble? What transport means do you use? How much do you pay for transport (along principal transport routes)?

e. How long do you typically store produce? What are approximate losses due to spoilage or insects? What do you pay (if anything) for storage?

f. Where do you sell products? How much does it cost to transport the assembled products from the collection zone to the sale point(s)? How far is it between collection and sales points? Who provides the transport services?

g. To whom do you sell? Wholesaler? Direct retail sale? If you sell to wholesalers, what are the sale terms and conditions? Do you sell to one or two wholesalers most of the time, and if so, why?

h. How are prices established? Describe any seasonal, quality or geographic (production zone) variations in prices. What are your sources of market information? Do you consult public sources of market information (newspaper reports, radio broadcasts)? If so, evaluate the reliability of each public source. If you do not consult public market information, why not?

i. How do you finance purchases? If you receive credit to finance purchases, from whom do you receive it and on what terms?

j. Are there any quality standards for the produce you sell? If so, what are they and how are they enforced? Are there price differences according to quality? Do you do any sorting or grading of produce after procurement? If so, distinguish between grades.

k. Enumerate key marketing costs.

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[3] In some countries, there is overlap in roles and functions within commodity subsystems. First handlers may also be wholesale traders, who are based in rural areas or small towns but sell produce, collected in rural production zones, to other traders or retailers at large towns.

[4] The recall period for purchases and sales may need to be limited to the previous week or month.

1. What changes have occurred in the past three years in the way you do business? What are the reasons for these changes? What other changes would you like to see? What could the government, with help from donor agencies, do to help your business? Should any particular policies, regulatory measures, programs or projects be changed or terminated?

3. Wholesalers or Commodity Trading Firms

a. What volume of business do you do, and how has this changed over time? Do you know approximately what market share your business represents (in a well-defined area, such as a district or market town)?

b. From which first handlers do you buy? Do you buy from the same sellers routinely? If so, how do you select your suppliers (first handlers)?

c. Are the first handlers with whom you deal able to supply anticipated quantities of produce on a reliable basis? Do you pre-finance any first handler purchases? If so, specify the terms and conditions of such financial arrangements.

d. Do you have contracts with any suppliers (producers or first handlers)? If so, specify the nature and characteristics of these contracts. Do you provide other services to your suppliers (producers or first handlers)?

e. What is the quality of produce purchased? Do you have quality standards which must be met? Are there price differences according to quality? How do you evaluate (or measure) the quality of produce that you plan to buy? Do you sort or grade the produce prior to sale?

f. How do you obtain price information in the markets where you sell? What variations by season have you noted? Do you consult public sources of market information (newspaper reports, radio broadcasts)? If so, evaluate the reliability of each public source. If you do not consult public market information, why not?

g. Do you store produce? If so, for how long, where, and in what type of facilities? What are the storage costs? What losses are typically experienced? Have you tried in any way to minimize these losses? If so, describe the measures taken. How do you decide when to remove produce from storage and sell it?

h. Do you handle other agricultural commodities as well as the commodity under study? What percent of your business does the study commodity represent? How have your commodity mix and the share of the study commodity varied over the past three years?

i. Do you own transport facilities? If so, please describe them and how they are used. If not, how do you arrange for transport? What does it cost? Are there seasonal variations in transport cost? Are there problems getting adequate transport generally or during particular periods?

j. How do you finance your investments and crop purchases (*i.e.* working capital)? Own equity plus retained earnings? Commercial banks? Producer credit? Other sources?

k. Enumerate key marketing costs.

l. Do you belong to an organization of wholesalers, or do you collaborate in any way with other wholesale traders/firms? If so, describe the organization and type of collaboration, and evaluate their effectiveness. If not, why?

m. What changes have taken place in the past three years in the way you do business? What caused these changes? What would you like to see changed in the future?

n. How can the government or a donor agency help you resolve key constraints or improve your business? Describe specific policy and regulatory reform measures or investments that the government, with help from donors, could make.

4. Retailers

a. What is your volume of business (annually, seasonally)? How does this compare with last year and earlier years?

b. How and from whom do you procure the produce you sell? Do you have regular suppliers? Why or why not? Do you have contracts with suppliers? If so, describe the nature and characteristics of contractual arrangements. Do you collaborate with other retailers to procure produce? Describe these arrangements.

c. How do you finance your purchases? If credit is used, what are the terms and conditions? How could this be improved?

d. How often do you turn over your stock? Does this vary by season or from month to month (or year to year)?

e. Do you store produce? If so, where and for how long? Do you own or rent storage space? If you rent, what do you pay for rental space? What losses do you have due to spoilage, insects or excessive moisture? Do you take special measures to minimize storage losses? If so, describe these.

f. Do you buy and sell other commodities? If so, compare sales volume for the commodity under investigation with volumes for other commodities. (Alternatively, what percentage of your sales are from the commodity under study?)

g. If you have employees, how many and what do they do?

h. Enumerate key marketing costs.

i. Have you ever organized with other retailers for any reason? If so, specify the organization and its functions. Has the organization been successful in achieving its goals? If not, why? If you have never organized with other retailers, why not?

j. What changes have taken place over the past three years which have affected your business? What do you think caused these changes? What would you like to see changed in the future? What could the government or donor agencies do to help you?

5. Processors

a. What are your volumes of processed throughput and sales (per season or other well-defined time period)? What is your market share (in a well-defined regional or urban market)? How have your processed throughput and market share changed over time? Describe significant factors leading to or driving change.

b. How many people do you employ and in what capacities?

c. How do you procure raw material for processing? Spot purchases? Contracts with growers, assemblers or wholesalers? Do you import raw material for processing? If so, why? Why do you use particular procurement methods and what are their advantages?

d. Do you sort or grade raw material? If so, what are the end uses of the different grades? Do you face quality problems with any of the raw material? If so, how could these problems be addressed?

e. If you negotiate contracts with suppliers of raw materials, how are prices and quantities set? Are you able to enforce contracts when spot market prices are higher than negotiated contract prices? How are grades/qualities specified and measured or evaluated?

f. Where do you obtain funds for investment in plant and equipment and for purchasing raw material? Do you use commercial banks or other sources?

g. Describe the location and capacity (daily, weekly or monthly) of each of your processing plants. How much do you actually produce (by plant) during different time periods of the year? Can your plants be adapted to processing different commodities?

h. To whom do you sell your products? Do you have contracts with customers for fixed amounts (or prices) of processed products? Describe the nature of any contractual arrangements, including quantity, grade/quality, delivery and payment specifications.

i. Enumerate key processing and marketing costs. What are your procurement prices (differentiate by season or grade) and sales (or ex-factory) prices?

j. What is the market outlook for your products? Are there marketing opportunities that you are unable to exploit? If so, what are they and what needs to be done to be able to exploit these opportunities?

k. Do you belong to any type of industry or trade association? If so, what services does the association offer? What is the cost of membership? What are the advantages of membership? How could services be improved or expanded? If you are not a member of an association (or if you are a former member), why have you never joined (or why did you leave) the association?

l. Do you export any processed commodities? If so, specify volumes exported by processed commodity and export destination. Compare recent performance with earlier years. Have exports expanded, stayed about the same, or declined, and why?

m. What changes have taken place over the past three years that affect the way you do business? What do you think was the cause of these changes? What would you like to see changed in the future? What can the government or donor agencies do to facilitate positive change?

6. Exporters

a. What commodities do you export and what are export volumes by season? What is your market share (in particular importing countries)? How have the product mix and volume of exports changed over time? What factors underlie any changes?

b. How many people do you employ and in what capacities?

c. How do you procure produce for export? Spot purchases? Contracts with growers, assemblers, wholesalers or processors? Why do you use particular methods and what advantages do they have for you?

d. Do you sort and grade procured produce? Describe the grades and the rationale behind the grading system. Are there quality problems with the commodity you purchase? If so, how could quality be improved?

e. Do you re-export any produce? If so, where does this produce come from originally? How do you procure this produce for re-export? Please describe the conditions (particularly those in the original producing country) which lead you to re-export this produce. (Note: these questions may also be adapted to exporters who ship produce to a neighboring country for re-export).

f. Where do you obtain funds for investment in plant and equipment and for purchasing produce? Do you use commercial banks or other sources? Do importers provide finance? Have importers invested in joint ventures with your firm?

g. Do you produce agricultural commodities for export yourself or through a subsidiary enterprise? If so, describe the location, scale, output and management of any production schemes.

h. To what types of importers (brokers, wholesalers, institutional buyers) do you sell your products? Do you have contracts with importers for fixed amounts of exports during specific time periods? What payment arrangements are used? How are prices set?

i. Are there any disagreements between you and foreign importers over produce quality or grade? If so, how is produce evaluated for quality and grade in the importing country? Do you have any local representation in the importing country, or are you dependent upon importer assessments? How often do disagreements arise, and how are they resolved?

j. What is the market outlook for your exported products? How does your produce measure up to shipments of other international suppliers (in markets that you supply)? Are there marketing opportunities that you are unable to exploit? If so, what are they and what assistance do you need to be able to exploit these opportunities?

k. What changes have taken place during the past three years that affect the way you do business? What do you think was the cause of these changes? What would you like to see changed in the future? How could the government, with help from a donor agency, do to help you expand exports or improve the quality of what you currently export?

l. Have you sought foreign sources of finance, technology or management in recent years? If so, describe such efforts, any specific instances of collaboration with foreign firms, and resulting changes in the way you do business.

m. Are you the member of a trade or industry association? If so, describe the advantages of membership. What services would you like to see the association provide that are not currently provided? How much do you pay as a member? If you are not a member of an association (or if you are a former member), why have you never joined (or why did you leave) the association?

n. What are your sources of market information and intelligence? If they are public sources, please specify and evaluate their reliability. How often do you visit foreign markets and importing customers? Do you attend any international trade conferences and fairs? Have you identified importing firms to whom you currently ship through such events?

o. If possible, ask the exporter to specify procurement prices (differentiated by season, grade, procurement zone and supplier type) and sales prices (in different export markets). Ask the exporter to enumerate key marketing costs, such as transport and handling charges from procurement zone to export staging point (port, airport, railhead); any sorting/grading services; any cold storage or storage; handling charges at export staging point; port, customs or veterinary/phytosanitary fees; export finance costs; licensing and export registration or recording charges; international shipping costs; handling charges at ports, airports or railways in the importing country; customs or veterinary/phytosanitary fees in the importing country; and any other relevant marketing costs.

7. **Importers** (of products which compete with local produce)

a. From where is this product imported? Describe supplying countries, their market share in your country (if known), and the attributes of each supplier's product.

b. Do the individual suppliers tend to be the same small group of firms? Describe the nature of contractual relationships with these supplying firms. Specify all relevant terms and conditions.

c. Why is this product (or these related products) imported when an import-competing substitute is produced locally?

d. What is the end use for this product? How does it differ from end uses for locally produced import substitutes?

e. Is the imported product distributed and sold for household consumption? Sold to processors? Re-exported in its imported or further processed form?

f. Describe distribution channels and enumerate key marketing costs of domestic distribution, if known.

8. Transporters or Agribusinesses that Own Vehicles [5]

a. What kinds of transport services do you provide for the goods other traders (and/or you) buy or sell? Indicate major products shipped by distance category.

	For Purchases Made at the Distances of:		
	Locally	< 100 kms.	> 100 kms.
Small pick-ups (1-2 tons)			
Small trucks (3-10 tons)			
Medium-sized trucks (11-20 tons)			
Large trucks (21-40 tons)			

b. Do you own any vehicles that you use for non-local transport? If so, how many vehicles? For how long have you owned and operated each vehicle? What is each vehicle's current mileage or kilometrage? How much did you pay for your vehicles?

c. What are your fuel expenses? Give examples of trips hauling purchased products using your trucks:

Type of Truck	Origin	Destination	Distance/Time	Cargo	Fuel Consumed	Fuel Cost per Unit

d. Did you have to do any major repairs during the past year? How much did you spend on parts and repairs? What were your repair costs during the previous year?

e. How often do you buy tires? Do you purchase them new or used? How much do tires cost? What is their effective life under typical driving conditions that you face?

f. Describe your maintenance procedures. Who does the maintenance? What does it cost? If an outsider does the maintenance, how did you select this person or firm? At what mileage (or kilometrage) intervals is routine maintenance done?

g. How much do you pay your driver(s)? What are his responsibilities other than driving?

h. Why do you own and operate your own vehicles?

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[5] These questions apply to trucking firms. The questions need be adapted to railways, river/ocean shipping firms, and air-freight companies.

i. Do you usually rent out your entire truck, or do several traders buy space (for less than full truckloads) on your truck? What rates do you charge to rent out the entire truck and space on the truck for major itineraries? How do you set rates?

Type of Truck	Origin	Destination	Distance/Time	Cargo	Cost per Kg./Sack/Ton

General Questions on the Quality of Road Infrastructure

j. What kinds of roads do you use? Rural dirt roads? Paved? Both?

k. What do you think of the conditions of roads you use to ship your products?

l. Have road conditions improved/stayed the same/gotten worse in recent years, and why?

m. Are there times of the year when you do not have access to certain marketplaces or assembly zones? If so, explain.

n. Can you transport and deliver products you buy anywhere throughout the year? If not, elaborate.

o. Do you face problems in transporting your products due to roadblocks or police stops? If so, elaborate on locations of checkpoints and the cost of passing through these stops. Explain also how it effects the timing and cost of the shipment.