

Draft

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LA/DR/RD POLICY ON TECHNICAL
ASSISTANCE TO AGRICULTURAL
MARKETING DEVELOPMENT IN
LATIN AMERICAIntroduction

Recognizing the critical importance of improvements in marketing to the agricultural development of Latin America, LA/DR/RD has developed a policy for utilization of the technical resources at its disposal in a manner designed to maximize their potential impact. This policy involves drawing upon the particular expertise of each of these technical resources and whenever possible structuring technical services in such a way as to permanently increase the capacity of Latin American institutions to conduct marketing research and marketing improvement activities. The focus of this policy is upon internal marketing improvements, although it should be recognized that A.I.D. may well become increasingly involved in assisting Latin American countries in strengthening their agricultural export programs.

Technical Resources

1. The Latin America Market Planning Center (LAMP) at Michigan State University, composed of a multi-disciplinary team, has studied the food marketing systems of Puerto Rico; Recife, Brazil; La Paz, Bolivia and Cali, Colombia. LAMP has developed a procedure for examining the marketing system from farm production through urban consumption and diagnosing the weaknesses and inefficiencies within the system. The end product of LAMP's research activities has been overall recommendations for improvements in the organization and operation of the agricultural marketing activities and identification of the policy

changes required for enhancing the efficiency of internal marketing systems. Most recently IAMP has been advising the Colombians on the design of marketing research and the implementation of marketing reforms. As a result of their activities IAMP has accumulated invaluable knowledge about marketing systems in Latin America and has developed a workable approach for diagnosing the weaknesses and inefficiencies within these systems. In addition IAMP has made a sizeable contribution to an understanding of the role of marketing in the development process. (A.I.D. contracts tcr-786 and la-364).

2. The Food and Feed Grain Institute of Kansas State University has been contracted by AID/TAB to provide developing countries with technical assistance in the specialized area of grain storage and handling. Kansas State's expertise in this particular area is to be extended to LDCs through advisory services, upon the participating countries' request, and dissemination of information and technology through printed materials and training sessions. They have provided short-term specialists to Guyana, Ecuador, Guatemala, Dominican Republic and several developing nations in other hemispheres. In June of 1970 the Food and Feed Grain Institute conducted a three-week Grain Storage and Marketing Short Course involving eighteen participants from six Latin American countries. This course emphasized the important technical and managerial aspects of grain handling and storage (A.I.D. contract csa-1588).

3. The USDA, through a PASA agreement with AID/TAB has been contracted to (1) provide a systematic review of marketing studies in the less developed countries (on a world-wide basis) resulting in an annotated bibliography, (2) develop an outline of the various approaches that have been followed in providing technical assistance in marketing, and (3) experiment with such approaches as seem most appropriate on the

basis of this review. It is hoped that this work will lead to a research and technical assistance "agenda" which will provide guidance to decision-makers within the countries and missions as to the importance of marketing improvements, the circumstances under which marketing assistance is appropriate, and the categories of assistance that are most likely to be tactically useful. Special emphasis is to be given countries where food grain production has been expanding rapidly. As the analysis proceeds and as approaches are defined, the USDA would be concerned with a general upgrading of understanding of marketing systems as they affect agriculture and general development. Some of this would be accomplished through workshops conducted on a regional basis.

Apart from the AID/TAB contract, USDA's experience in such specialized technical areas of agricultural marketing as grades and standards, market reporting, locational and transportation economics, marketing and processing facilities, marketing and price policies would seem to be of particular value to the Latin American countries. The USDA would thus appear to be uniquely capable of providing needed technical assistance and research advice in these specialized areas.

The Policy of IA/DR/RD on Technical
Assistance in Marketing Development

The need for technical assistance in agricultural marketing among the Latin American countries is sufficiently critical and pressing that a policy must be established which will provide for a division of labor between the resources available to A.I.D. and concentrate upon the unique capabilities possessed by each of these resources. Market research, problem identification and technical assistance in implementing the necessary changes

in the marketing operations require advisory services at both the marketing system and subsystem levels. Latin American countries will need assistance in discovering the weaknesses in their marketing systems and additional assistance in developing programs for improving marketing at the operational level. In order to provide the maximum benefit to the region from the available technical resources, A.I.D. will concentrate upon assisting the personnel within various participating countries in conducting needed marketing research and planning, and in implementing their marketing reform programs.

Objectives of Technical Assistance in Marketing

There are two basic objectives in providing technical assistance in agricultural marketing:

1. To meet the immediate technical assistance needs of Latin American nations in developing marketing research, planning marketing programs, and implementing such changes as required for improving the efficiency and performance of their internal marketing systems.
2. To increase the capacity of personnel within Latin America to deal with present and future problems in agricultural marketing.

These dual objectives require emphasis upon the consultive and advisory role of contractors and maximum involvement of Latin American professionals. The up-grading of the skills of personnel is of equal importance to the implementation of needed marketing reforms. This suggests private and public marketing institutions, national agencies responsible for agriculture and planning and university staffs should all be involved in the improvement of their agricultural marketing systems.

Division of Labor in Technical Assistance

Due to their several years of experience in analysis of Latin American marketing systems and their development of a workable research methodology, the LAMP Center of Michigan State University will be called upon to provide technical assistance in organizing and guiding research projects directed toward analyzing overall marketing systems and identification of problem areas within these systems. Upon request, LAMP will also be asked to provide assistance to institutions which have the responsibility for planning and implementing marketing reform programs. To the extent possible LAMP will conduct its assistance program in conjunction with CICOM (Centro Interamericano de Comercializacion) and perhaps other similarly oriented institutions, in order to develop the consultive and advisory capacity of a regional marketing institution. This procedure is designed to provide at least one institution within Latin America (to be supported by the Latin American countries) which will eventually be competent to respond to national requests for high-level assistance in the area of agricultural marketing. (CICOM is currently engaged in training participants from various Latin American institutions in the subject matter of marketing systems and market integration and has benefitted considerably from a past association with LAMP).

In terms of Latin America, the USDA will be assigned the responsibilities for advising countries on the conduct of marketing research at the operational level (locational and physical distribution studies, economic analyses of market facility and feasibility studies, consumer acceptance and market demand studies, economic analyses of alternative marketing and price policies, and market reporting feasibility studies) and technical assistance in specific problem areas such as the development of grades and standards, market reporting programs, marketing facilities and price

stabilization policies.

The specialized expertise of Kansas State University will be called upon in the planning, evaluation and development of programs of grain storage and handling. These operational level activities may be generated from specific needs discovered through analyses of marketing systems, problems in marketing system encountered in course of agricultural sector analyses, or specific requests received from participating countries.

Each of these resources may also be asked to provide a short-term technical input as personnel of the USAID Missions and IA/DR/RD assist various developing countries in conducting agricultural sector analyses. In addition they will be asked to assist CIGOM and similar institutions in providing training programs in agricultural and food marketing.

Marketing Workshops

Marketing Workshops, as provided for under the USDA PASA with AID/TAB, can contribute to an overall program of encouraging and assisting Latin American nations in their efforts to improve agricultural marketing. An initial workshop could be used to stimulate interest in improving agricultural marketing systems and provide decision-makers with some basic conceptual tools to assist them in pursuing an internal marketing improvement program. Later workshops could become a forum for exchange of ideas among the technical level personnel engaged in marketing research or planning and implementation of changes in their respective agricultural marketing systems.

An initial workshop should have the following objectives:

1. Apprise those individuals in Latin America who can effect the course of agricultural development on the role and importance of improvements in agricultural marketing (this would involve Ministry of Agriculture and Planning Agency personnel, private and public marketing institutions, faculty of agronomy personnel and field personnel of multi-lateral and bilateral assistance agencies).
2. Provide participants with a conceptualization of agricultural marketing as a system involving the interaction of marketing facilities, market participant behavior, marketing related policies, and the coordination of private and public sector activities.
3. Aid the participant in developing an understanding and recognition of common problems and bottlenecks within the marketing system.
4. Improve the participants' understanding of how such problems and bottlenecks may be identified.
5. Provide the participant with some background on possible approaches to solving marketing problems, the usefulness and limitations of these approaches.
6. Improve the participants' knowledge of how and where technical and material assistance can be obtained for improving agricultural marketing.

It will be the policy of LA/DR/RD to assist in the preparation of such workshops and provide support through LAMP and C/COM's participation in these activities. In addition, LA/DR/RD will provide modest material assistance to marketing workshops when there is adequate assurance that such an activity would contribute to ATD's overall marketing development effort in Latin America.

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