

10-100-202

39694

AGENCY FOR INTERNATIONAL DEVELOPMENT PROJECT DATA SHEET	1. TRANSACTION CODE A A = Add C = Change D = Delete	Amendment Number _____	DOCUMENT CODE 3
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2. COUNTRY/ENTITY Worldwide	3. PROJECT NUMBER 936-5313
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4. BUREAU/OFFICE ST/AGR - ST/RAD	5. PROJECT TITLE (maximum 40 characters) Small Farmer Marketing Access
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6. PROJECT ASSISTANCE COMPLETION DATE (PACD) MM DD YY 09 30 87	7. ESTIMATED DATE OF OBLIGATION (Under 'B:' below, enter 1, 2, 3, or 4) A. Initial FY 81 B. Quarter 3 C. Final FY 86
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8. COSTS (\$000 OR EQUIVALENT \$1 =)						
A. FUNDING SOURCE	FIRST FY 82			LIFE OF PROJECT		
	B. FX	C. L/C	D. Total	E. FX	F. L/C	G. Total
AID Appropriated Total						
(Grant)	(670)	()	(670)	(240)	()	(240)
(Loan)	()	()	()	()	()	()
Other U.S.						
1.						
2.						
Host Country						
Other Donor(s)						
TOTALS						

9. SCHEDULE OF AID FUNDING (\$000)									
A. APPROPRIATION	B. PRIMARY PURPOSE CODE	C. PRIMARY TECH. CODE		D. OBLIGATIONS TO DATE		E. AMOUNT APPROVED THIS ACTION		F. LIFE OF PROJECT	
		1. Grant	2. Loan	1. Grant	2. Loan	1. Grant	2. Loan	1. Grant	2. Loan
(1) FN	130	251		40		240		240	
(2)									
(3)									
(4)									
TOTALS									

10. SECONDARY TECHNICAL CODES (maximum 6 codes of 3 positions each) 220 240 010	11. SECONDARY PURPOSE CODE 240
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12. SPECIAL CONCERNS CODES (maximum 7 codes of 4 positions each)					
A. Code	DEL	EQTY	PART	RDEY	
B. Amount					

13. PROJECT PURPOSE (maximum 480 characters)

-Develop better understanding of range of structure and problems commonly associated with each

-Test marketing interventions

-Technical assistance to USAIDs for elimination of marketing constraints in development projects

14. SCHEDULED EVALUATIONS Interim MM YY 06 84 Final MM YY 08 86	15. SOURCE/ORIGIN OF GOODS AND SERVICES <input checked="" type="checkbox"/> 000 <input type="checkbox"/> 941 <input type="checkbox"/> Local <input type="checkbox"/> Other (Specify) _____
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16. AMENDMENTS/NATURE OF CHANGE PROPOSED (This is page 1 of a _____ page PP Amendment)

17. APPROVED BY	Signature	18. DATE DOCUMENT RECEIVED IN AID/W, OR FOR AID/W DOCUMENTS, DATE OF DISTRIBUTION MM DD YY
	Title	

PDAA R-202

PROJECT AUTHORIZATION

NAME OF COUNTRY/ENTITY: Worldwide
NAME OF PROJECT: Small Farmer Market Access
NUMBER OF PROJECT: 936-5313

1. Pursuant to Section 103 of the Foreign Assistance Act of 1961, as amended, I hereby authorize the Small Farmer Marketing project involving planned obligations of not to exceed \$2,420,000 in grant funds over a five year period from date of authorization, subject to the availability of funds in accordance with the A.I.D. OYB/allotment process, to help finance foreign exchange costs for the project.

2. The purposes of the project are three: (1) through field assessments of marketing systems in various countries, to develop a better understanding of the range of market structures, and of the problems most commonly associated with each; (2) to test marketing interventions for effectiveness in order to ascertain the most appropriate interventions in each situation; and, (3) to provide continuing technical assistance to field missions in the elimination of marketing constraints in their development projects.

3. The work envisaged by this project is exempt from the provisions of A-76 because (1) it is for the provision of technical assistance and (2) the facilities and resources of the United States Department of Agriculture are particularly or uniquely suitable for the technical assistance being sought and are not competitive with private enterprise.

R. K. Zagorin (for R2)

R. K. Zagorin
Agency Director for Human
Resources
Bureau for Science and Technology

Date: 5/4/82

Clearance:

J. French ST/RAD Jr Date _____
B. Chapnick ST/PO Be Date 5/3/82

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ACTION MEMORANDUM FOR THE DIRECTOR OF HUMAN RESOURCES, BUREAU FOR
SCIENCE AND TECHNOLOGY

FROM: ST/RAD, Jerome T. French, Director *JT*
SUBJECT: Approval of ST/RAD-ST/AGR Project on Small Farmer
Marketing Access (936-5313)

Problem: The Project Paper was reviewed and endorsed by the Human Resources Sector Council on March 1, 1982. Formal Agency approval and an allocation of funds must be obtained before implementation can begin.

Discussion: The Project Paper has been extremely well received by an inter-bureau technical committee and by the Human Resources Sector Council. The attached Project Authorization and Request for Allocation of Funds constitutes formal Agency approval and allows ST/RAD-ST/AGR to establish a RSSA agreement for implementation.

Recommendation: That you sign the attached Project Authorization and Request for Allocation of Funds.

Approved: _____
Disapproved: _____
Date: _____
[Handwritten signature]

Clearances:

ST/RAD, L. Matt *LJM*
ST/AGR, R. Suttor *RES*
ST/PO, B. Chapnick *BC*

Drafted by: ST/RAD, D. Miller, 1d, 58915

AGENCY FOR INTERNATIONAL DEVELOPMENT PROJECT PAPER FACESHEET		1. TRANSACTION CODE A A ADD C CHANGE D DELETE		PP
3. COUNTRY/ENTITY S&T/AGR - S&T/RAD		4. DOCUMENT REVISION NUMBER Original		
5. PROJECT NUMBER (7 digits) [936-5313]	6. BUREAU/OFFICE A. SYMBOL S&T B. CODE [36]		7. PROJECT TITLE (Maximum 40 characters) [Small Farmer Marketing Access]	
8. ESTIMATED FY OF PROJECT COMPLETION FY [8 6]		9. ESTIMATED DATE OF OBLIGATION A. INITIAL FY [8 2] B. QUARTER [4] C. FINAL FY [8 6] (Enter 1, 2, 3, or 4)		

10. ESTIMATED COSTS (\$000 OR EQUIVALENT \$) -						
A. FUNDING SOURCE	FIRST FY			LIFE OF PROJECT		
	B. FY	C. L/C	D. TOTAL	E. FY	F. L/C	G. TOTAL
AID APPROPRIATED TOTAL	370		370	2460		2460
(GRANT)	370		370	2460		2460
(LOAN)						
OTHER U.S.						
1.						
2.						
HOST COUNTRY						
OTHER DONOR(S)						
TOTALS	370		370	2460		2460

11. PROPOSED BUDGET APPROPRIATED FUNDS (\$000)									
A. APPROPRIATION	B. PRIMARY PURPOSE CODE	PRIMARY TECH. CODE		E. 1ST FY <u>82</u>		H. 2ND FY <u>83</u>		K. 3RD FY <u>84</u>	
		C. GRANT	D. LOAN	F. GRANT	G. LOAN	I. GRANT	J. LOAN	L. GRANT	M. LOAN
(1) FN	130	140		370		550		550	
(2)									
(3)									
(4)									
TOTALS				370		550		550	

A. APPROPRIATION	N. 5TH FY <u>85</u>		O. 5TH FY <u>86</u>		LIFE OF PROJECT		12. IN-DEPTH EVALUATION SCHEDULED
	D. GRANT	P. LOAN	R. GRANT	S. LOAN	T. GRANT	U. LOAN	
(1) FN	550		400		2460		MM YY [0 9 8 6]
(2)							
(3)							
(4)							
TOTALS	550		400		2460		

13. DATA CHANGE INDICATOR. WERE CHANGES MADE IN THE PID FACESHEET DATA, BLOCKS 12, 13, 14, OR 15 OR IN PRP FACESHEET DATA, BLOCK 12? IF YES, ATTACH CHANGED PID FACESHEET.

[1] 1 = NO
2 = YES

14. ORIGINATING OFFICE CLEARANCE				15. DATE DOCUMENT RECEIVED IN AID/W. OR FOR AID/W DOCUMENTS. DATE OF DISTRIBUTION					
SIGNATURE				DATE SIGNED					
TITLE									
Jerome French ST/RAD, Director		Donald Fiester ST/AGR, Director		MM	DD	YY	MM	DD	YY

W

Small Farmer Marketing Access
Project Paper
(936-5313)

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Small Farmer Marketing Access
(936-5313)
Project Paper

Part I. Summary and Recommendations

A. Recommendations

1. Funding Authorization

Authorization of a grant in the amount of 2,460,000 over a five year period. This represents an expenditure of 40,000 in FY 81 for Project Paper development and obligations of 370,000 in FY 82, a second obligation of 550,000 in FY 83, and a third obligation of 550,000 in FY 84, a fourth obligation of 550,000 in FY 85 and a final obligation of 400,000 in FY 86.

2. Approach and Methodology

This project is designed to provide Agency science and technology (S&T) backstopping and service regional bureau and USAID mission needs in the area of small farmer output marketing access. It is a joint project between S&T/AGR and S&T/RAD.

The priority unit of observation, in terms of orientation, will be the farm family as producers/consumers/marketers and small, largely family trading enterprises as the originating private sector producer and distributor. Field assessments and technical assistance will devote priority attention to those marketing functions, market places, channels, and systems which are the fundamental source of staple and cash crop food output. The Project Paper refers to these as "indigenous" markets; they could also be called local, micro, historical, or post-farm gate. Both units of analyses are consistent with Agency policy guidance toward private-sector, small scale commercial agriculture.

Regional bureau and missions will be serviced by this project at all levels of a typical project life cycle from pre-project assessment through PID and PP design to TA for implementation and finally for evaluation and re-design/follow-up. In addition, central S&T activities in terms of rostering and networking of specialists, analytical report writing, regional R&D workshops, and sector policy guidance for Sector councils are integrated into project activities. (See Part II - Project Description and Background)

This PP advocates a novel, possibly radical, approach to the delivery of services under this project. The major funding under this project will be devoted to establishing a small in-house, core S&T Staff to provide the lead role in field assessments, TA, analytic reports, rostering, and workshop organization. As argued in Part IV, this approach should be more cost-effective and responsive to mission short term needs and provide continuity and internalization for Agency S&T activities in the area of small farmer commercial marketing.

B. Description of the Project

1. Introduction

Throughout the second development decade, increasing attention has been paid to the role of small producers in the process of national development. The rationale for this orientation is clear: small producers will not decline in number in the foreseeable future, and they control a sizeable proportion of each nation's arable land. At the same time, LDC governments must increase food supplies for their growing populations. To increase agricultural production while maintaining rural employment requires programs adapted to small-farm production. Stimulating small-farm production also provides a direct mechanism for the stimulation of private-sector economic growth.

Marketing is universally acknowledged as a key element in rural economic development, for marketing is the link between agricultural production and off-farm consumption. The term marketing denotes both universal processes and alternative institutional structures. Marketing processes include all activities for the distribution of inputs to farmers and for the wholesale bulking of farm commodities and their distribution to consumers. Marketing/distribution is specific to time, place (space), commodity form and composition; it involves both processes and institutions which are highly vulnerable to the vicissitudes of man and nature. More specifically, marketing activities range from the provision of credit and inputs, through the grading, packaging, and storage of produce, to its transportation and sale. The efficient performance of these functions contributes significantly to national development by increasing farm income and fostering agricultural production and by lowering urban food costs.

Marketing processes may be carried out within any of several institutional structures of varying size and orientation--indigenous rural marketing places, private trading and transport companies, producer cooperatives, and parastatals. To date, much attention and support has been directed toward marketing processes in centralized institutions, mostly parastatals and some marketing cooperatives. Nonetheless, other marketing institutions, particularly indigenous rural marketing systems, which now function in most LDCs, are at least as well suited as centralized institutions for the distribution of commodities in the context of small-farm production. Indigenous rural marketing systems move a significant proportion of rural produce and urban commodities, they provide numerous services to the majority of small farmers, and they provide employment to many rural and urban people. In short, these indigenous, private systems present an opportunity to develop equitable marketing programs that are based on existing viable institutions in order to further national development goals and stimulate economic growth.

AID clearly recognizes the needs of small farmers in marketing. Sector assessments, country development strategy statements, country project portfolios, and policy guidance statements repeatedly stress the importance of

a marketing program, in conjunction with production projects and independently. Moreover, the Office of Agriculture (ST/AGR) and the Office of Rural Development and Development Administration (ST/RAD) already manage several projects that have a marketing component. The Office of Agriculture, which sponsors agricultural research and the development of improved production technologies, is now funding a Food Grain Storage and Marketing project (931-0786) and an Agribusiness Development and Support project (931-1398). The Food Grain project trains LDC personnel in grain policy alternatives, including the feasibility of national grain security and reserve systems. The Agribusiness project sponsors collaborative programs for the establishment of new rural industries based on agriculture in several LDCs. ST/RAD also has allied programs, particularly its Alternative Rural Development Strategies project (931-1190), which considers market conditions and alternatives in proposing small farmer production strategies.

Though these projects in the ST portfolio treat one or another aspect of marketing, none deals with indigenous rural marketing systems or evaluates alternative distribution systems for their social and economic consequences among small farmers. The joint ST/AGR-ST/RAD Small Farmer Marketing Access (SFMA) project aims to fill this long-felt gap in the Agency's services to missions. Moreover, the proposed ST project is designed to complement existing projects without duplication by incorporating the successes of those projects into a program of market services for small producers. The project is jointly sponsored by ST/AGR and ST/RAD to take advantage of the complementary expertise available in those two offices.

Recognition of the need to improve small farmer access to markets is widespread within the Agency. This project has been approved in the CBSS and the ABS of both offices as an integral part of the ST/AGR and ST/RAD portfolios and has received the support of the Rural Development Steering Committee, the regional bureaus, and PPC. Further, 87 percent of the field missions that responded to a circular cable about marketing* indicated the desire for assistance with small farmer marketing interventions in their respective countries. The support, as well as the acutely felt need for assistance among mission personnel, demonstrates the timeliness and importance of an independent rural marketing project that directly serves missions in carrying out their work with small farmers.

* A circular cable was sent to USAID field missions by ST/RAD in winter 1980. This cable explained the intent of the Small Farmer Marketing Access Project and asked for mission inputs and needs. Over half of the missions responded; the overwhelming majority (87%) favorably. (The original cable and a table of responses appear in Appendix A.)

2. Perceived Problem

Small farmer production poses special problems in marketing. Small farmers usually grow a variety of crops for their consumption and for sale. This production strategy limits the quantity of goods available in any one place, so that commodities must be handled in relatively small lots over a wide area. The scattered organization of production, in turn, lowers returns to these farmers, which constrains greater production. Consequently, information, supporting services, and transportation remain faulty or lacking.

In microeconomic theory, small farmer production and distribution are treated as separate activities. Most AID-supported marketing programs, for example, have treated distribution to and from the farm gate and have emphasized efficiency issues only. This approach typically leads to the suggestion that assumed technical inefficiencies in grading, packing, storage, transport, and the like should be overcome through centralized marketing agencies, often in combination with capital investment in infrastructure. These prescriptions rest on the assumption that centralized distribution of inputs and assembly of crops, along with improved infrastructure, will effect efficiencies to the advantage of small farmers.

The critical need is to design market interventions that increase both efficiency and equity in small-farm production and marketing systems. This need is doubly apparent: in the dearth of field research into existing LDC marketing institutions food supply systems and in the paucity of successful operational projects. These two deficiencies are of course interrelated. While a great deal of attention has been paid to cooperatives, particularly in developed countries, relatively little attention has been paid to other private sector marketing arrangements, in the LDCs. Indeed, so little is known about the range of indigenous rural marketing structures that it is impossible to determine in which situations a particular marketing arrangement or combination of arrangements optimizes not only the aggregate return to producers but also the distribution of that return among producers. As one consequence, projects are designed on the basis of untested assumptions, which later prove faulty. The SFMA project aims to fill this void so that missions LDC agencies will be better able to design operational programs that effect efficiencies at the same time that they foster greater employment, higher incomes, and better nutrition among small-farm families.

3. Project Goal and Purpose

The goal of the SFMA project is to enhance the design, implementation, and evaluation of marketing programs that increase the productivity, income, and quality of life among the rural poor.

The purposes of the project are three: (i) through field assessments of marketing systems in various countries, to develop a better understanding of the range of market structures, and of the problems most commonly associated with each, (ii) to test marketing interventions for effectiveness in order to ascertain the most appropriate interventions in each situation; and (iii) to provide continuing technical assistance to field missions in the elimination of marketing constraints in their development projects.

4. Expected Achievements and Accomplishments

Five interrelated activities are basic to the achievement of the purposes of this project. These are:

a. Multidisciplinary, analytic descriptions of rural marketing arrangements in delimited areas of at least six LDCs. These assessments, which will focus on the structure and operation of different marketing arrangements in each area, will provide the necessary systematic information for comparative evaluation of the efficiency and equity of marketing patterns. For the missions, these assessments will provide baseline profiles for marketing and other development projects in the area.

b. Short-term provision of consulting teams to assist missions in the development and design of project documents (PIDs and PPs), based, whenever possible, on direct field assessments. These short-term, multidisciplinary consulting teams can also be used to assess on-going projects in order to eliminate known or potential obstacles in marketing, so that missions can more readily achieve their stated project goals. Multiple visits to the same projects over the life of the SFMA project will facilitate the development of evaluation criteria for testing interventions while also serving as a check on the performance of consulting teams.

c. Clearer operational understanding of small-farmer marketing systems through the analytic synthesis of the project development and technical assistance work provided missions. The advances of this and allied projects will be assessed in five workshops, four regional workshops beginning at the end of the second year and one summary conference at the end of the fourth year.

d. Publication of relevant information and dissemination to all USAIDs and other professionals interested in LDC marketing programs. The Marketing Division of FAO has agreed to exchange information and documentation relating to small-farmer marketing systems. In addition to the direct dissemination of country assessment and analytical reports, regional workshops will be sponsored in collaboration with regional bureaus and USAIDs to provide direct communication with an expanded set of field S&T personnel and host country officials.

e. Compilation of a roster of qualified individuals who will be available to the Agency and missions for technical assistance and project development. This roster will be updated periodically and will crosslist consultants by country experience, language ability, and topical specialization. The consultant roster will include marketing specialists in agricultural economics, production science (cereals and grains, tubers, horticulture, livestock, poultry, and dairying), producer cooperatives (credit and physical inputs, assembly, grading and packing, transport) economic anthropology and rural sociology (indigenous production and marketing systems).

All groups that may be affected by marketing programs will contribute to the determination of proposed interventions. A basic premise of this project holds that marketing problems cannot be resolved from economic principles alone, that the design of rural marketing interventions must be grounded in an understanding of local conditions, regional marketing structures, and national agricultural policy. Such information can only be collected by working, even if briefly, among the groups of people concerned. These groups, whose memberships overlap, include: farmers, their wives, and dependents; cooperative members; private traders, itinerant marketers, and truckers; cooperative personnel and managers; ministerial personnel. The SFIIA project can also assist relevant ministries and other host country institutions develop the capacity to conduct small-farmer marketing projects. Authority for marketing matters (e.g., input and credit distribution, transport, pricing policy) is often vested in various ministries. Any program to strengthen existing rural marketing institutions so that they serve small farmers and others more efficiently and equitably will, therefore, necessarily involve a coordinated effort on the part of the donor and host government officials. To institutionalize this capacity requires the support and participation of personnel from those host country agencies. For this reason, each project will be a joint endeavor, involving ST and appropriate regional bureau office, the field mission, and the host country agencies.

Designing each project individually should raise the probability of success and no less importantly lower the risk of unintended consequences precisely because recommendations will be based on social and economic analyses that prescribe the optimum institutional arrangement for each area. Similarly, projects should sustain themselves because the original recommendations respond to actual needs and prospects. This does not, however, guarantee success; there is always need for constant vigilance, especially in those areas where previous experience is scant. Finally, although each project is necessarily site-specific, the lessons learned in each case should

generalize to other similar, if not identical, situations, thus enhancing the ability of the central bureaus to provide reasonable and relevant recommendations for interventions elsewhere.

5. Relevant Experience with Similar Projects

Although AID and other donor agencies have long experience with some types of marketing projects, a SI review of AID marketing projects indicated the need for a more general assessment of small farmer marketing studies and for a series of case studies in order to develop the present project.

The review of AID marketing project abstracts indicated that few projects treat marketing exclusively and that almost none deal with the private sector. Of the 152 projects, marketing was a component of a larger project in 104 cases (70%) and an independent project in only 48 cases (30%). Of these 48 projects, the marketing project dealt with capital investment in infrastructure (e.g., grain silos) in 23 cases (48%), with public sector agencies (e.g., cooperatives) in 20 cases (42%), and with private sector groups (e.g., rural markets) in only 5 cases (10%).

In other words, marketing projects are seldom designed independently, and even more rarely work with indigenous rural market structures. This distribution reflects the simple fact that many marketing problems arise during the course of production interventions--in area development projects, crop production projects, livestock projects, irrigation projects, and the like. Nevertheless, without an independent marketing project, the lessons from these projects are too often limited to the few involved directly in those projects, and marketing constraints in areas not targeted for production projects are apt to be overlooked.

To fill this gap in the Agency's approach to marketing interventions, ST/AGR and ST/RAD reviewed the literature on rural marketing. This work has led to (i) an overview of the state-of-the-art on small-farmer marketing systems; (ii) an assessment of the structure, conduct, and performance of markets in integrated rural development schemes; and (iii) a paper laying out the conceptual framework and tools of analysis for applied and evaluative marketing research. Also, three case studies were initiated out in late 1979 in order to develop a information base to complement these review findings. (Agricultural Marketing in the Northwest Province, United Republic of Cameroon, Agricultural Marketing in Khon Kaen Province, Northeast Thailand, and Vegetable Production and Marketing in Highland Guatemala) Each of the country case studies provided the relevant mission with information required in the design and evaluation of their rural development projects. These studies have also helped fill the gaps in the Agency's knowledge of LDC distribution systems, so that S&T could conceptualize small farmer marketing problems in a multidisciplinary perspective.

C. Summary Findings

1. Technical Analysis: This project will provide Missions assistance to enhance the design, implementation and evaluation of marketing interventions designed to increase the productivity, income and quality of life among LDC small farmers. Assistance will be provided through (a) field assessments of marketing systems in various countries, (b) field testing of marketing interventions, and (c) continuous technical assistance to field missions. Project assistance will develop a better understanding of the range of market structures and of the problems most commonly associated with each, will ascertain which are most appropriate interventions within each structure and will propose interventions to eliminate marketing constraints encountered in Mission funded development projects. Continued monitoring of Agency activities in this area should lead to improved future project designs.

The specific nature of field assessments, field testing of interventions or technical assistance to missions will most likely vary by country and according to in-country agricultural, socio-economic and institutional circumstances. Since project activities will occur in several countries in response to Mission requests, it is impossible at this time to specify technically correct responses. However, providers of assistance under this project will be expected to be sensitive both to the differences and commonalities encountered when analyzing various countries. Project staff will seek general solutions suitable for application elsewhere. The project will emphasize appropriate and effective wide-distribution techniques which will best use existing factor endowments.

Persons responsible for project implementation will use the most appropriate analysis techniques available to their disciplines to understand the small farmer marketing problems facing Missions and LDCs. In their advisory and in-country research work they will utilize techniques most suitable for replication under the conditions found in cooperating countries.

2. Financial

The total LOP funding for this project is modest compared to the Agency existing and projected portfolio of agricultural production and rural development projects which it is designed to support. The level of funding requested is slightly lower than S&T/RAD experience with cooperative agreements and, since overhead charges are to be minimized, the actual assistance per each \$10,000 will be almost double. Moreover, the project is designed to internalize many of the short term TA functions normally contracted out; therefore, Agency in-house staff will gain the knowledge and experience so generated. The benefit of such knowledge and experience to the Agency cannot be easily quantified.

3. Economic

Marketing relationships in the food production and consumption system are important determinants of whether a country does or does not meet

its food sector development goals. AID's attention to the marketing function attests to the Agency's concern that its rural development production investments be effective. In many instances, however, AID's program support is constrained by incomplete marketing analysis. Past marketing analyses have often been descriptive and static in nature. Even when research has been diagnostic, it many times has remained static.

Analysis has usually been based on the purely competitive model. There is growing recognition that more dynamic marketing analysis is required to adequately address the needs of small scale producers in developing countries. Marketing analysis must adequately assess farmer, assembler, processor, wholesaler and retailer operations and inter-relationships, including the economic, social, and policy environments in which all operate if marketing system interventions are to meet development goals in LDCs.

This centrally funded project proposes to improve the effectiveness of AID's contribution to rural development programming by offering to mission and host countries the assistance that will strengthen their design and implementation of dynamic marketing interventions. By organizing a group with LDC marketing expertise and by providing its services to mission and LDC program managers, this project presents a cost effective way to strengthen rural development efforts among LDC small farmers.

The success of the centrally-funded project depends on two factors. One is the ability of implementing agencies to adopt appropriate solutions and coordinate transmission of these solutions to practitioners (having obtained the solutions in part from input from practitioners). The second is the ability of Mission and LDC practitioners to translate the advise and analytical findings of the centrally funded sources into operational programs and then to implement them successfully. The probability of both factors operating is quite high but it should be recognized that both are difficult to quantify. Even if the project were completely successful, it would not be possible either to place a number, an IRR for instance, on this result or to decide the meaning of such a number were it obtained. Considering that funds requested for this project over a five year period constitute a small fraction of Agency funds being expended on rural development projects, even partial success should have a considerable potential multiplier effect.

4. Social and Beneficiary Participation

The social impact of the SFMA project will fall on several different levels of beneficiaries. The primary beneficiaries will be the small-farm family firm which is increasing the volume of produce it markets. These family firms contain a core of rural poor and, at the same time, constitute a body of small scale entrepreneurs turning the market to its advantage. Entrepreneurs serving small farmers at other levels of the marketing chain should also benefit from the SFMA project. Since they will handle increased volumes of produce and, to the extent improvements in marketing efficiency are achieved, receive higher economic returns per unit handled.

It is reasonable to estimate, given the spotty data available, that 1000 to 1500 small-farm family firms will benefit in each marketing area in which the SFMA project intervenes. At the same time, it seems reasonable to estimate an average of 25 to 30 small-scale full-time market entrepreneurs in the average market will benefit from handling larger volumes of produce than at present. Finally 2 to 3 wholesalers in the average market will benefit from this increased activity.

At the lowest levels of the marketing structure a major proportion of the beneficiaries will be, for the most part, women. This is because women are generally responsible for selling surplus produce for the family and provide inputs into subsistence agriculture. They are able to keep a share of the proceeds for their own use. Moreover, worldwide, well over half the small-scale, full-time market sellers in the rural retail markets are women. Only at higher levels of the market hierarchy do men begin to dominate.

The small farm family is the primary target group. Though the definition of small farmer may vary from area to area, the term essentially denotes farm-firm households where (i) the bulk of labor, management, and capital comes from the same household and (ii) production is both consumed by the household and traded in local markets. Further, it is commonly also the case among small farmers that (iii) marketing options are limited by access and political institutions and (iv) households do not live much above the "subsistence" level. Importantly, such small farm families are often directly involved in marketing and compose part of the indigenous petty marketer class.

5. Relationship to other S&T projects

Whereas the primary focus of this project is to complement and increase the impact of mission bilateral development projects, significant potentials exist in terms of linking activities within this project to other existing and proposed S&T project inputs. These project interrelationships can be classified according to three levels, namely, (1) projects dealing primarily with micro-economic development impact, (2) projects addressing developmental administration and implementation, and (3) projects striving to affect macro-economic policy formulation.

In the first case, micro-economic impact, the Small Farmer Marketing Access project is in many respects a more directly targeted follow-on to an existing ST/RAD activity - Alternative Rural Development Strategies (931-1190). The "Strategies" project (under a cooperative agreement with Michigan State University) has explored aspects of small farmer marketing within rural development programs in a number of USAID-supported countries (especially Cameroon, Haiti, Jamaica, and Thailand). The Strategies project has also developed some of the basic conceptual and methodological foundations to be used in this project (notably, H. Riley and M. Weber, "Marketing in Developing Countries" MSU Rural Development Series, Working Paper No. 6, 1979). The Alternative Rural Development Strategies project has been extended to FY 84 and the major

activities will be in documenting and disseminating the knowledge generated under that project. Consequently, the Small Farmer Marketing Access project will gain valuable insights from the Strategies work in terms of both theoretical issues and practical approaches in actual USAID-financed field situations; however, even the Strategies project did not concentrate significantly on small scale commercial agriculture.

The Small Farmer Marketing Access project also has direct linkages to other on-going ST projects designed primarily to have a micro impact. Within ST/RAD, much of the field support work under the Rural Financial Markets (931-1169) and the proposed project on Rural Savings and Credit (936-5315) should provide substantive inputs as to the financial constraints for small farmer marketing. The ST/RAD and Small Enterprise and Employment Unit (SEEU) project on Rural Enterprise Development (936-5314) and Agribusiness Development and Support (931-1398) will contribute valuable case study materials for the analysis of LDC managerial development.

Other ST projects such as ST/RAD's Area Development (931-1135), ST/UD's Economy of Secondary Cities (931-1157) and ST/N's Consumption Effects of Agricultural Policies (931-1274) should contribute greater understanding about selected aspects of the demand side of small farmer marketing.

Two ST/RAD projects (Managing Decentralization (931-1053) and Local Revenue Administration (936-5303), may be able to provide useful guidance concerning the effects of potential changes in local government structure - both in terms of fiscal and administrative powers - upon the market system. Additional insights about the macro linkages within the national food system will be obtained from the ST/RAD project on Food Security Management (936-5316).

Part II. Project Description and Background

A. Project Background

During the last few years several major reports have been issued which analyze the global food situation and project trends into the future (the UN World Economic Model, FAO's AT 2000, Brandt Commission Report, U.S. Global 2000). Although each of these is different in perspective, they all posit that a much more accelerated effort must be undertaken to increase food production in LDCs if increased malnutrition - no less overt starvation - is to be avoided. For some parts of the world, notably Sub-Saharan Africa, the scenarios are on balance more pessimistic for some population groups (aged, women, children, and, broadly, the poor) the prospects for a lessened plight remain bleak during most of this millenium.

Increasing food production is a basic means to the end of increasing food consumption and nutrition; marketing is the range of activities which links the two physically, in time and space. Likewise, marketing is the critical link between most agricultural technology and inputs and the capacity to produce more output. Consequently, marketing must be an integral part of any effort to improve agricultural output and human well-being.

AID has been involved in marketing both in individual bilateral programs and regional activities such as support to the Latin America Market Planning Center and the Agricultural Development Council Research and Training Network. Other aid agencies and international organizations have also been active in this field, especially FAO and the German Foundation for International Development (DSE). The need for an active donor involvement in marketing has intensified rather than abated.

Output markets have not been adequately responsive to population pressures and secular income-generated demand. Constraints to improved food marketing and distribution include those of a technical (e.g., storage), economic (e.g., pricing policy), and socio-political (e.g., rigid social interactions, urban bias) nature; they remain at both micro and macro levels. In general, the poverty of small farmers and traders restricts donor and host country government efforts to achieve greater food security via domestic private sector agriculture.

At a policy level, AID has recognized the need for an improved strategy for small farmer marketing, especially efforts to increase their rate of commercial production. The latest AID Food and Agricultural Development policy paper (November 1981) states explicitly:

The strategy also includes a special concern for effectively increasing the productivity, incomes and market participation of small producers. These producers comprise the great majority of rural economic units in most countries and are thus important for both increased food production and consumption. Furthermore, the demand for goods and services by small, commercialized farmers and their families may constitute an important stimulus to off-farm rural enterprise and the generation of employment opportunities for landless laborers and for families engaged primarily in subsistence agriculture.

At a program or project level, however, the Agency has not responded sufficiently. According to an analysis of FY 82 CDSSs by S&T/PO, the S&T/AGR-S&T/RAD small farmer marketing project received the second highest rating of new projects vis-a-vis current programs (e.g., number of times subject was included in CDSSs). Likewise responses to the worldwide cable sent out at the PID stage (Appendix A) also indicate a significant demand: 87% of the 23 respondents indicated an interest for one or another proposed services of the project. There are, however, many more missions which do not have either a current or proposed agricultural marketing project. Based on Appendix A results, the percentage of missions with an agricultural marketing project ranges from a low of 19% in Africa to 57% in LAC. Of course some marketing is being done within other agricultural projects.

B. Project Description

1. Project Goal

The goal of this project is to enhance the design, implementation, and evaluation of marketing programs that increase the productivity, income, and quality of life among the rural poor.

The betterment of life among the rural poor via improved agricultural marketing is at the crux of the most recent AID Food and Agricultural Development policy. It is also consistent with current Agency policy foci upon (1) projects which directly generate economic growth, (2) a closer orientation to private sector development, and (3) increasing the capacity of institutions serving agriculture. In fact, one can argue that this project should be a model activity to demonstrate the practicality of the new Agency orientations.

Whereas the project goal is oriented to the rural sector of the economy improvements in agriculture will have positive, immediate and sustained benefits to the urban economy in terms of increased food security.

2. Project Purposes

There are three project purposes:

(1) Through field assessment of marketing systems in various countries, to develop a better understanding of the range of market structures, and of the problems most commonly associated with each.

(2) To test marketing interventions for effectiveness in order to ascertain the most appropriate interventions in each situation.

(3) To provide continuing technical assistance to field missions in the elimination of marketing constraints in their development projects.

These three purposes combine the basic S&T Bureau functions of research and development and technical backstopping for regional bureaus and missions. Much of the past central bureau AID activity in the field of marketing has been to develop a better understanding of the theoretical aspects of marketing. Earlier work was devoted largely to developing marketing standards and planning procedures in central ministries. This project attempts to address existing, actual local marketing situations and improve their functioning and cost effectiveness and increase the level of activity (input delivery or commercialized output) and returns to small farmers and traders.

3. Project Outputs

During the LOP four types of outputs will be produced: (1)

field assessments , (2) technical assistance, (3) S&T personel roster, and (4) workshops, exchange of experience, and sector policy guidance. Each of the four are fundamental to project goal achievement. Although present here separately, they are inter-related in purpose and will be phased during project implementation (see Part IV).

(1) Field Assessments

The field assessment component of this project aims to advance the understanding of marketing systems generally in order to enhance future projects. The six field assessments will focus on marketing structures, costs, and consequences. Each study will examine the movement of those commodities produced by small farmers (i.e., both for household consumption and for market sale), including staple crops (cereals, grains, and tubers), produce (vegetables), auxiliary products (eggs and cheeses), and livestock, as well as export crops. Each assessment will also cover those marketing structures in the area: rural marketing systems, private trading networks, producer cooperatives, and parastatals. These commodity flow studies will delineate the hierarchical organization of wholesale trade, but, more importantly, they will also determine the amount of produce handled in each structure, the cost of that handling, and the allocation of returns among farmers and traders.

These studies still must be placed in their wider context, if they are to be of use in planning. There are three levels of questions pertinent to the elimination of marketing constraints: the consequences of national policies which impact on agriculture; the level and probable increase in demand for particular commodities; and, at the local level, the nature of the production system and its integration with marketing. National policy is critical because it determines the incentives and disincentives to agriculture and directly effects resource utilization. The present and future levels of demand, respectively, influence the existing forms of market structures and set an upper economic limit on increased agricultural production. Finally, the organization of local production conditions farmers' reactions to innovative changes. It should perhaps be mentioned that while it is important to consider these three levels of concern in any marketing program, it is impossible to treat these concerns in the same detail as the topics that are more strictly construed as marketing matters.

Information on the types of marketing structures, the returns to producers, the spread effects in employment, and the levels of commercial activity is necessary in the design of projects that more accurately evaluate the social and economic characteristics of alternative distributive systems. For the missions, each study will provide a detailed assessment of the organization of marketing and its relation to other sectors, which can be the basis for multi-component agricultural marketing and rural development projects. (To cite just one use, estimates of the actual flows of commodities through rural marketplaces are often ignored in projections of commercial supplies, which leads to serious underestimates of total supply that can undermine pricing policies.) For S&T, each study will provide data on the efficiency and equity of each structure, the capacity of

each to handle greater or lesser quantities of goods, and the impact of different interventions in each structure on the small-farm family population. These are all matters of practical concern in rural development, in the area of economic sectoral planning.

To generalize the findings of any case requires comparative study of selected cases. After Missions are contacted to obtain their interest on the approved project, the actual field sites will be chosen by S&T in collaboration with the project committee (to be explained in Part II?). The field assessments should be done in countries on several continents; the actual distribution of projects may depend on different levels of need in each region. In each country, small farmers must dominate production in the area targetted for field study. There must function an indigenous rural marketing system, as well as private trading networks or public agencies, so that each structure can be compared under essentially similar conditions. And, the area must be large enough that the effect of transport costs on rural distribution systems may be assessed, yet not so large that the research team cannot cover the entire area in three or four months. Finally, the area should be a priority zone for mission assistance in development.

The marketing assessments require a multidisciplinary team, drawn from the project core staff. Outside consultants familiar with the socio-economic conditions in the area will assist in the work. Each team member will conduct studies in his or her area of expertise with the active collaboration of local personnel. To incorporate the particular concerns of each mission and host government, the policy development work will be reviewed with the appropriate personnel upon arrival and revised, as needed, during briefings scheduled periodically in the course of the one to three month field period. The written report, which will synthesize the multidisciplinary findings, can be used, in combination with technical assistance, to design operational projects for the mission that fully involve host country participation. In addition, the field assessment reports will be a basic input into (a) the analytic studies for discussion at the regional workshops and (b) the final EOP sector policy guidance document.

During the preparation of this project, three preliminary field assessments were conducted in order to investigate the feasibility of the proposed approach. The three assessments were:

1. Agricultural Marketing in the Northwest Province, United Republic of Cameroon.
2. Case Study of Vegetable Production and Marketing in Western Guatemala.
3. Agricultural Marketing in Khon Kaen Province, Northeast Thailand.

The three preliminary efforts verified the feasibility of using S&T core project staff and independent consultants, especially host

country professionals, in producing practical field assessments in a timely manner. They have also proved very useful to the USAID missions involved. In one case - Guatemala - the field preliminary assessment showed that market structures and trading margins were highly competitive and a proposed local project would be disruptive rather than developmental. In Thailand and Cameroon the field assessments were used as inputs into the design of mission projects for future funding. The Government of the Republic of Cameroon drew heavily on the report in a proposal for a new regional development authority for the Northwest Province in its Fifth Development Plan.

The experience with the preliminary field assessments is indicative of the utility such outputs can have for field missions. The six initial field assessments planned under the project should take from one to three months depending on the nature of the specific country situation.

(2) Technical Assistance

Two types of technical assistance will be offered under SFMA. The first is assistance in project design. The second is assistance to address problems that may emerge during the process of project implementation and evaluation. The technical assistance component deals with specific problems in distribution that arise in the course of agricultural development. The aim of this assistance is to reduce marketing constraints in a given institutional structure--particularly indigenous rural marketing systems, but also networks of shopkeepers and transporters, producer cooperatives, or parastatals. The types of problems that arise in these structures are various. They include:

- . incomplete or inaccurate price and quantity information about crops;
- . shortages of trained marketing and management personnel;
- . deterioration or loss of foodstuffs during the distribution process;
- . limited infrastructure and supporting services, such as standardized sales units and grades;
- . inappropriate or ineffective laws and regulatory statutes and procedures.

Each of these constraints may occur in different degree in each marketing structure and imply yet other deficiencies. For example, price information is often poor and market supervision nonexistent in many rural marketplaces. In such cases, it would be useful to establish a simple wholesale price information system, based on a uniform system of units and grades, perhaps in combination with short training courses for local market officials. As this example illustrates, the goal of the technical assistance is to work out the most feasible solution of assisting small farmers, given the existing institutional structure.

In operation, the core staff will assemble a team of consultants upon mission request for assistance with marketing problems.

The individual consultants will be selected for their geographic or topical expertise. The team will review the situation with the mission and local government before undertaking a one or two week reconnaissance of the local situation. This survey will focus on the causes, severity, and generality of the specific distributional constraint in order to propose interventions that accord with mission and host country goals and the local situation. The team will brief mission personnel concerning options available at the conclusion of the field reconnaissance and provide a written report shortly thereafter. Importantly, the consulting team will remain available to assist with project documents and to follow up or remain available to assist with project documents and to follow up or monitor periodically the implementation of the recommendations. In this way also, the core staff can assess the effectiveness of different interventions.

Because the range of problems and institutional structures is so wide, the S&T staff will be assisted in this work by outside consultants. Thus, the consulting team may include one or two consultants with complementary specializations, but it will always include at least one member of the core staff. This arrangement assures that the mission has available, for consultation within the Agency and for later follow-up, personnel who are familiar with the project.

As in the case of the preliminary field assessments, the only current estimate of the actual types of short term TA that this project can deliver may be drawn from TDYs completed during project development. The following brief descriptions should be considered as somewhat indicative since, without an approved project, they were performed in an ad hoc basis. Four such short term TDYs were accomplished: (1) Cameroon, (2) Entente Fund States (Benin, Ivory Coast, Niger, Togo, and Upper Volta), (3) Gambia, and (4) Indonesia and Thailand.

Following up on the field assessment in Northwest Cameroon, one core staff member investigated possible USAID projects within the context of the Fifth Five Year Plan. After consultations with the mission ARD staff, the Ministry of Economy and Plan, and representatives of the EEC, a draft PID was developed for an AID project in the Momo District of the Northwest Province. The proposed project would complement a large on-going World Bank - IFAD - EEC area development program for the Province; AID activities would be concentrated in limited market access roads and TA for regional food crop marketing (especially cassava and yams). The specific AID inputs would be coordinated with a Dutch Government TA project in the area of palm oil extraction in the same area. Consequently, the proposed project would take an integrated approach to both food and cash crop (the palm oil and soap by product are clearly also locally consumed) marketing.

At the request of the Mission Director, the core staff member also prepared a scope of work for a field assessment of food provisioning in the emerging industrial belt of Edea-Kribo (South Cameroon). This agro-industrial zone (petroleum, aluminum, rubber, forest products) has great potential but is already reliant on outside regions for 70% of food

supplies. As in the case of the Momo District project, this activity has been proposed for future funding.

A short-term consultant, who was hired to assist in PP development, explored potential follow-up assistance to the Thailand preliminary assessment and mission support in Indonesia. The Thai mission has several agricultural development projects (Lam Nam Don, Mae Chaam, Northeast Small-Scale Irrigation, and Northeast Rainfed Agricultural Development) and the respective project officers expressed interest in TA to re-examine marketing constraints.

In Indonesia, larger mission projects in Provincial Area Development, Luvu Area and Transmigration Development, and a new project on Secondary Food Crops are facing marketing problems. Mission personnel discussed four types of TA from S&T: (1) Short term marketing training for GOI project officers, (2) analysis of transportation and food processing and storage constraints, (3) farm level organization alternatives to inefficient large cooperatives, and (4) rural credit limitations. (The latter is already under investigation by a S&T/RAD TDY team funded by the mission).

One core staff member and the project consultant worked with REDSO/WA in an evaluation and follow-on PID design for livestock and food production projects funded by AID within the framework of the Entente Fund. Marketing constraints especially credit, input delivery, limited private sector repair facilities, cultural practices for animal care and feeding constituted a major part of the analysis. Proposed future projects were designed to address those constraints and improve the exchange of information concerning practical field experiences within the region. One core team member also visited Gambia to develop a scope of work for a field assessment of agricultural marketing as part of the Mission's CDSS formulation.

As stated earlier, these are examples of the types of services the project can deliver. Once approved, TA for Agency marketing problems can be addressed in a much more multidisciplinary and systematic manner. Up to eight annual new short term TDYs could be programmed by the project. Expressed mission interests have already been given for approximately one-half of such a total (Appendix A).

(3) S&T Personnel Roster

The objective of the roster is to support Agency central, regional bureau, and Mission TA needs in general and those to be delivered under this project in particular. As a central bureau, S&T offices are in the best position to provide worldwide backstopping; in fact, S&T/RAD and S&T/AGR have been assisting regional bureaus and USAIDs in the recruitment of short-term consultants (and long-term implementation assistance and applied research). Approval of this project will allow this type of assistance to be more systematic and formal.

The roster will be organized to file and process information about individuals and the following types of data will be

stored: (a) name, (b) address/telephone/telex/, (c) institutional affiliation, (d) discipline/education, (e) expertise in aspect(s) of marketing - distribution, (f) language proficiency, and (g) relevant field experience. The whole range of marketing-distribution functions will be covered: transportation, storage, supply logistics, food processing, information analysis - especially pricing and taxation - will be obtained from S&T/AGR/EPP, - nutrition from S&T/N, savings and credit from the S&T/RAD project on Rural Savings and Credit.

Individuals to be included in the roster will include U.S. Government personnel, university professors and associates and private sector individuals. Qualified principals of approved IQC firms will be duly noted. As the roster grows, non-U.S. specialists will also be added, especially as the project gains field experience in collaboration with host country professionals.

The decision to build and operate the roster within S&T/RAD - rather than contract it out - is based on four basic factors: (a) access will be assured and use internalized within S&T, (b) the roster can be linked to other specialists rosters developed under S&T/RAD cooperative agreements, and (c) expanding and up-dating the roster will be consistent with project use both in time and priority areas, and (d) most important, the roster - once developed and functioning for Agency use - can be maintained by S&T/RAD and S&T/AGR after the LOP without the need for major financial inputs.

(4) Workshops and Publications

The outputs described above will be produced in a time sequencing (see Part IV - Implementation Plan) such that by project year three a significant effort can be made to disseminate preliminary findings and recommendations at regional workshops. Four workshops are planned: two in Africa (one for Anglophone and one for Francophone countries), one in Asia, and one for Latin America and the Caribbean. Besides serving as a forum to disseminate project outputs, relevant literature, and other recent applied field research (such as FAO/DSE), and USAID project experiences will be reviewed in an effort to set regional guidelines for a future action agenda in the area of small farmer marketing.

Analytical reports summarizing each of the field assessments and short-term TA will be presented and discussed at the regional workshops. A final report incorporating the analytical reports and workshop proceedings will be published soon after each regional workshop.

In the final year of the project, FY 86, three outputs are programmed: a final workshop, an in-depth evaluation, and a guidance paper for Agency sector policy. The sector policy paper will be drafted in advance of the final workshop and will constitute the major agenda of that meeting; participants at the final workshop will be drawn from the earlier regional workshops to facilitate continuity and representativeness of regional needs and perspectives. The final evaluation will examine, as its primary point of investigation, the viability of the project core staff

approach and impact of field assessments and TA on USAID mission CDSSs and assistance programs.

4. Project Inputs

Given the nature of this project, the inputs are predominately support to the core staff and consultants. As the budget in Part IV substantiates, slightly over one-half of LOP project inputs will be core staff and consultants support; one-third will go for travel and per diem in support of the field assessments and TA; the remainder (12%) will go for in-country field expenses and publications. Of the total person months for the project, the proportional breakdown between core staff (outside of direct-hire) and consultants will be 60-40 respectively.

The two core staff members to be supported by project funds should be a marketing/transportation economist and an economic anthropologist. Both must have extensive field experience and a language proficiency of S3/R3 in either French or Spanish. They will be recruited and funded under a RSSA type agreement. The consultants will be recruited from the S&T roster and will be contracted directly. Whereas this increases the project administrative load, it also preserves flexibility. The core staff is described in further detail in Part IV below.

Part III. Project Analyses

A. Technical Analysis

Assistance provided to mission and LDCs through this project will be based on pre project activities. These are:

- a) The multidisciplinary, analytic descriptions of rural marketing arrangements in delimited areas of six LDCs,
- b) Technical assistance in the development and design of projects,
- c) The analytic synthesis of project development and technical assistance work to obtain clearer operational understanding of small farmer marketing systems,
- d) The publication and exchange of small farmer marketing information and
- e) The compilation of a roster of qualified resource persons who can provide technical assistance and do small farmer marketing and comparative project analyses.

Past experience with structurally similar central bureau projects indicates that all activities proposed for this project can be done. While project implementors will be challenged to match resource availabilities to mission and LDCs needs and priorities, it is anticipated that this

scheduling challenge will not hinder the delivery of support proposed by this project. Descriptive analysis, technical assistance, the analytic synthesis technical assistance provided to missions, information exchange and rostering activities can all be accomplished as proposed during the life of project. Human resources can be identified and mobilized to perform project tasks, workshops can be undertaken, and systems for both rostering and information exchange can be developed.

The description of rural marketing arrangements, technical assistance and analytic synthesis of technical assistance provided to missions are project activities which must be defined in response to specific field needs and circumstances. It is, therefore, impossible here to specify technically correct responses. It is assumed, however, those undertaking analysis and technical assistance activities will be sensitive to both the differences and commonalities in varying circumstances so that the transfer of lessons learned will be enhanced.

While it is risky to generalize, marketing analyses prepared under the currently active S&T/RAD sponsored Alternative Rural Development Strategies project (No. 931-1190) (see Riley and Weber "Marketing in Developing Countries," Working Paper No. 6, 1979) and as background for this Small Farmer Marketing Access project (Agricultural Marketing in Khan Kaen Province, Northeast Thailand; Agricultural Marketing in the Northwest Province, United Republic of Cameroon; and, a Case Study of Vegetable Production and Marketing in Western Guatemala) attest to the excellent technical qualifications and perceptions of experts in analyzing LDC small farmer marketing systems in different parts of the world. We feel comfortable assuming that human resources with equally excellent qualifications can be found to carry out similar tasks under this project.

Teams undertaking project activities must be created in a timely manner. S&T/RAD and S&T/AGR management of this project is proposed in part to overcome team composition and field placement difficulties. There does exist at the present time a sufficient number of qualified experts who will be available as short term consultants to supplement S&T/RAD and S&T/AGR staff in initiating these project activities. It is anticipated that rostering and the distribution of project assignments among experts will strengthen the human resource pool. While most project activities discussed here will terminate with the end of the project, the advancement of understanding derived from these activities during project life will meet mission and LDC needs and justify them.

Information publication and exchange activities proposed by this project have been undertaken by numerous other projects. While technical difficulties are not envisioned in undertaking these activities, the continuation of these activities after the project ends is of concern. Workshops, conferences and information publication activities will fulfill their information objectives during the life of the project. Project managers will take the necessary precautions to insure that post-project information exchange activities will exist. The Marketing Division of FAO will collaborate and will provide long term access to information. Project generated publications will be deposited with S&T/DIU and will be available

to missions and LDC subscribers to the S&T/DIU information retrieval and supply system.

Sufficient human resources with expert knowledge of LDC small farmer marketing systems do exist to respond to expressed mission and LDC needs.

Qualified S&T/RAD and S&T/AGR staff are available as key project staff to initiate project implementation. There is no technical reason for delaying project approval and implementation.

B. Economic Analysis

1. Economic Benefits and Costs

A strict economic analysis of this project is difficult for two reasons. First, as an Agency R&D and mission support activity, it is impossible to appraise specific costs and benefits without data on the actual field projects which will be assisted. Second, marketing is often a component of multi-objective agricultural and rural development projects; therefore, the economic justification for such projects do not rest on improved marketing only. There is, however, adequate experience, both in the published literature and from Agency projects, to demonstrate that improved technical and economic marketing efficiency generates significant direct and indirect economic net returns.

Some illustrative types of benefits and costs are itemized below:

Benefits	Costs
Direct	
1. Reduction in transport costs	1. Cost of construction and maintenance
2. Reduction in produce spoilage	2. Cost of construction and equipping market facilities
3. Reduction in cost due to decreased spoilage	3. Maintenance of facilities and increased operating costs of new facilities
4. Reduction in unloading and loading time	
Indirect	
1. Reductions in risks and increased competition	1. Increased recurrent costs due to increased activity

2. Stimulation of farm production due to increased opportunity for direct marketing (indirect income effect)
3. Economies in wholesale and retail purchases due to larger volume traded
4. Improved public health due to improved hygiene (market places) and more stable food supply
5. Increased net demand for labor due to construction and volume of trade

Some illustrative examples of analyses of these costs and benefits indicate the orders of magnitude of potential economic returns. An AID evaluation of road construction in Colombia (Colombia: Small Farmer Market Access - AID Project Impact Evaluation Report No. 1, 1979) reports that farmers' transportation costs fell from 80% of market produce prices to only 10%. Although data on incremental production due to better roads could not be collected, the following levels of increased production were reported: peas - 50%, wheat - 200%, potatoes - 300%.

More sophisticated analyses have been done to estimate the benefits of improved market places. A USDA study of improved market places in two Brazilian villages estimates an internal rate of return of 23% without additional transport/feeder road construction. (USDA, Improving Market Systems in Developing Countries: An Approach to Identifying Problems and Strengthening Technical Assistance, Foreign Agricultural Report No. 93, 1972).

A recent AID Project Paper (Agricultural Marketing Development - 532-0060) estimates an internal rate of return of 72% and a benefit/cost ratio of 6.0 for a 29 million dollar project to improve wholesale distribution in Jamaica.

Besides supporting viable mission field projects, the S&T small farmer marketing access project is designed to (1) disseminate relevant field experiences to missions and host country professionals and (2) internalize the knowledge gained directly into Agency policy and programming. Neither of these benefits can be quantified.

2. Small Farmer Target Group

In the majority of LDCs, small scale farmers are the principal source of domestically consumed foodstuffs. In many countries they are the only source of what is consumed by populations outside capital cities and

other urban areas. The vast majority of small farmers run either subsistence or very small scale commercial farm operations. The farmers and their families consume most of what they produce and locally dispose of what surplus they may have. Farm families producing in this setting usually rely on off-farm (their farm) labor income to supplement their farm production in meeting total family consumption needs.

In the past it was assumed that the farm production system described above would respond to various stimuli from the outside and increase its food and cash crop production. Price policy, technological advances, input availability, and agricultural extension were expected to elicit responses that would increase production, productivity and marketable surpluses. We also assumed that infrastructural support (roads, warehouses, distribution centers) would meet needs of assumed competitive marketing systems.

We know that small scale LDC farmers, whether subsistence or very small scale commercial, are rational managers of their farming operations. While experience has taught us that it is necessary to create favorable policy and infrastructure for small scale LDC farmers to produce, we have learned that the existence of such conditions alone is not sufficient to insure increased farm production. We now know that agricultural policy and technology development and dissemination actions must be tailored to small scale farm conditions.

Important socio-cultural and behavioral variables determine small farmer behavior. Both risk and the socio-cultural dynamics in the farmer's community are as important as farm economics in determining what he/she does or does not do with the farm.

This S&T Bureau project will support mission and LDC attempts to understand and adjust LDC marketing environments to assure that they encourage the farm level changes that will allow small scale farmers to realize more fully their production potential and, thereby, to participate more effectively and equitably in the development of their countries.

Although the recent Agency draft Food and Agricultural Development policy paper (see Part II) advocates a small farmer strategy, it does not prescribe a singular approach to implement such a strategy.

Three basic approaches are possible to implement a small farmer strategy. One, initiate activities at central government institutions in the food chain such as Ministries of Agriculture or parastatal marketing boards and seek linkages to the rural economy. Two, begin directly within indigenous or peasant marketing systems, seek alternative solutions to improve marketing at that level, and trace linkages to regional and urban markets. Finally, farmer cooperatives could be pre-selected as an intermediary level and linkages within marketing could be

explored to small farmers, on the one hand, and to the urban economy, on the other.

The second approach is advocated in this project for the following reasons: (1) marketing interventions conceptualized a priori to assist parastatals or cooperatives would not necessarily service the needs of small farmers, (2) solutions to improving the marketing access for small farmers does not preclude larger farmers to reap economic advantages; however, experience indicates that the opposite is - not true (e.g., maximizing economies of scale would preclude small farmer participation), and (3) improving the efficiency of indigenous market systems facilitates Agency assistance to flow to whichever host country institutions actually support small farmer marketing access.

3. Analysis of Alternatives

Theoretically AID could attempt to provide the field services under this project in three basic modes. First, USAID missions could undertake the field assessment and technical assistance activities on their own or request ad hoc assistance from a REDSO or AID/W Regional Bureau. This is how the Agency operates at present. Mission and regional bureaus do not have adequate direct hire technical staff to design and implement agricultural marketing projects (or marketing aspects of multi-component projects) and there are no realistic prospects that direct-hire staff will be recruited in adequate numbers to service Mission needs. Contractors, RSSAs and PASAs are therefore being used increasingly to fill the staff gap.

Whereas this approach is feasible to meet individual mission needs where adequate program funds are available, it does not allow for regional bureau or Agency-wide knowledge building about the most appropriate and efficient market interventions. Equally important, a more active Agency S&T thrust in food and agriculture necessitates some mechanism to investigate alternative solutions in different situations and to capture field experiences.

Global R&D in the context of Mission support is the rational for centrally-funded activities. Past long-term Development Support Bureau (DS/R&D and DS/AGR) projects have most often been implemented in a cooperative agreement mode. This second alternative is a very flexible instrument to commission state of the art reviews and to organize and implement mission add-ons for long-term applied research and technical assistance. Establishing a project management and support unit outside of AID is not necessarily a cost effective way to organize short term technical assistance. In addition, cooperative agreements have not demonstrated any comparative advantage in disseminating research findings and, more important, affecting Agency policy and programs. An S&T managed, central contract might be a more cost effective approach for short term assistance but it offers no advantages in dissemination or internalization.

A third alternative exists, namely, to create a small in-house S&T core group and draw upon individual marketing specialists as required. Some of the technical disciplines required to perform small

farmer marketing analyses correspond directly to job descriptions of the ST/AGR and ST/RAD direct hire staffs. This is most evident in the cases of agricultural economics, development administration, regional economics, and financial economics. Supplementing these technicians with a transport/marketing economist and an economic anthropologist would create an in-house core staff of adequate size and range to meet most Agency S&T needs in small farmer marketing access.

The core staff would take the lead role in organizing project activities. Where specific country situations require additional resources or talents beyond those of the core group, specialists could be recruited from a roster of individual experts in various aspects of marketing. This approach has the following benefits for implementing proposed project activities: (1) it minimizes the cost of short term assistance especially management and overhead costs, (2) it provides for flexibility to meet specific country situations, and (3) it incorporates a more active Agency S&T role and internalization of lessons learned into Agency S&T offices. In addition, programming of project activities within S&T offices should provide continuity of Agency regional bureau and mission backstopping. This should be possible at an office level even though it is likely that some of the core staff, especially the direct hire foreign service, will leave the project during the five year LOP.

In cases where long-term Mission projects are generated by the services of this project, the core staff would assist regional bureaus and missions to develop appropriate project mechanisms (contract, cooperative agreements) and to stand ready to assist in monitoring such activities. This would certainly be the case where missions desire projects requiring long-term technical assistance, training, or applied research. A central S&T cooperative agreement could even be developed during the life of this project should regional bureau and mission interests and financing so warrant.

This third alternative is proposed as the mode of implementation. Specific functions and duties of the core staff are presented in the Implementation Plan (Part IV).

C. Environmental Impact

The activities of this project conform with those described in paragraph 216.2 (c) of the environmental procedural regulations, "Analyses, studies, academic or investigative research, workshops, and meetings." These classes of activities do not normally require the filing of an Environmental Impact Statement or the preparation of an Environmental Assessment; however, since this project will support mission field projects, an attempt is made to indicate that these will have no negative impact.

Overall a marketing project should have only minor impact on the environment partially because the interventions it proposes tend more toward service and organizational activities and partially because even production and infrastructural development activities will be dispersed in space. Nonetheless, each individual mission field project intervened under the present project will require its own environmental impact analysis. Each of

these projects will be unique and contain a unique mix of development activities. The environment will be more sensitive to some than to others.

A preliminary assessment of the environmental impact of the project can be made in the following areas:

1) Market sanitation - Sanitation and hygiene have not in the past been important considerations in the development of market sites. Increased traffic and market activity at the sites can only aggravate present problems. Therefore, specific projects intervention under the present project will have to make provision for lavatory facilities, refuse disposal, sanitary storage and dispensing facilities and general maintenance of the site.

2) Food crop production - An increase in small farmer use of the market will have a positive impact on food crop production. On the other hand to increase their production farmers may have to distort their normal allocation of labor time. This may mean a negative impact.

3) Chemical pollution - Increases in food crop production will quite likely be a product of increased use of fertilizers, pesticides and insecticides. Use of these inputs will have to be monitored and managed to minimize possible pollution effects.

4) Soil depletion and erosion - Similarly increases in food crop production may lead to cultivation practices which create soil depletion and erosion problems. Specific projects may require an extension component to keep small producers abreast of the most well-adapted practices under local conditions.

5) Road construction - Road construction is a marketing intervention that may have major environmental impact. Positive impact can be in terms of short-term employment, easier access to health, marketing and administrative facilities. Negative impact can be in terms erosion, loss of agricultural land and increasing population density in the right-of-way corridor. Road construction as a market intervention will require particularly detailed study of its environmental impact before it can be implemented.

6) Increased population density - As market activity swells, numbers of people will settle in proximity to the market site to benefit from the positive economic fall-out of the developing market. To some degree this may be viewed as a positive impact. People will be in closer contact with health, educational, administrative and economic services than if they were more dispersed. There are, however, a number of negative aspects of concentration of population. A number of social and sanitation problems are likely to arise in such a case. A monitoring component will have to be designed into specific projects where population concentration is a likely outcome in order to make recommendations for mitigating the negative impact of the project in this area if appropriate.

7) Shifting crop production pattern - The impact of growing opportunities to market food staples may surpass the question of intensification of the present system of production by use of such inputs as fertilizers. It may lead to a reorientation of on farm activity to production for the market as opposed to production for subsistence with the surplus sold in the market. Production for market would mean specialization of food crop production in a narrow range of crops in which the particular production unit feels it has a comparative advantage. However, such specialization may also put the family production unit in question at greater risk than under pre-project conditions. This risk will be minimized only by dependable functioning of the market system.

D. Institutional Arrangements

The question of institutional affiliation and arrangements for interventions in the marketing sector must be dealt with on two levels. On one level is the question of under what ministerial sponsorship the intervention will be promoted. On another level is the question of the form local administration of project developments will take. In both cases specific institutional arrangements must await the judgement of the intervention team for specific projects. Only the most general statements can be made at this point.

At level of the recipient government a specific project will have to coordinate its goals and activities with those of a sponsoring ministry or ministerial coalition. The specific ministry or specific composition of the coalition will depend on the goals and activities of the project in question, the structure through which the recipient government allocates administrative responsibilities and AID mission and project team assessments of strengths and weaknesses of the recipient government's administrative structure.

In order to participate in an FAO sponsored marketing project, ten Asian governments, Bangladesh, India, Indonesia, Republic of Korea, Malaysia, Nepal, Pakistan, Philippines, Sri Lanka and Thailand, have already organized ministerial level committees, composed of representatives from a number of ministries, to sponsor projects in the marketing sector. In Asia the institutional groundwork has been done. Projects designed under the present project should be able to fit into this pre-existing structure. Elsewhere, such as in Kenya or in the Caribbean, steps have been taken to generate a high level administrative structure to oversee intervention in the market sector. These efforts will provide valuable instruction for project design personnel to apply in those areas where such a structure does not exist.

At the local level the project will focus on generating institutions based on heavy participation of the local population. Intervention in the area of improvement of the physical infrastructure of the market site will have to be preceded by the organization of an effective local market committee which will have responsibility for and jurisdiction over market operations there. These committees will be responsible for collecting and managing market fees, for the maintenance of the stalls,

grounds and sanitary facilities at the site, for adjudicating disputes, for managing storage facilities, for supervising weights and measures, etc. In addition in certain instances, it will be appropriate to promote cooperatives at the local level to strengthen the hand of farmers in marketing their produce. Cooperatives may also be used as a medium for channeling credit to producers and/or marketers. The form of local institutions will vary from specific project to specific project. Local organization of one sort or another will, however, be a basic building block in project implementation.

E. Description of Beneficiaries

A market does not meet in isolation. The relationship of markets in a given system is hierarchical. At the lowest level are the local or present markets. It is at this level that the small farmer generally sells food staples and at which he/she also buys consumer goods. Private wholesalers, cooperatives, or government organizations buy the food staples directly at the farm gate or from the small farm representative at the local market and transport them to a larger, more central market for bulking. Food staples may change hands several times before they arrive at a major urban marketing center where they are broken down again for retail sale.

Stress on the hierarchical nature of the market system is important to a discussion of the beneficiaries of the project since there are beneficiaries at every level from increased small farmer access to the system.

At the local level the immediate beneficiary is the family firm that has produced the food in the market and more particularly the representative of the family firm who is responsible for selling the produce in question at a price advantageous to the family. This representative is often able to keep a portion of the sale price for him or herself to deploy as he or she sees fit. Moreover, improvements in the efficiency of the market system will reduce the costs of marketing and, thereby, increase not only the volume of produce brought to market but also the economic return per unit to the producer family.

Each level in the marketing chain will experience the same phenomenon. Dealers at each level will, thanks to improvements in the technical efficiency of the market system, handle increased volumes of produce and increase their economic return per unit handled. Dealers at all levels of the market system, therefore, will be beneficiaries of the project.

At the end of the market chain consumers will be beneficiaries of the project. They will see a drop in the real cost to them of food staples acquired through a more efficient market system.

The primary beneficiaries of the project, therefore, are small scale farmers and entrepreneurs in the rural areas who will increase their engagement in the market place to the degree that the project is able to remove obstacles to its efficient operation. The vast majority of these small scale entrepreneurs will be managing family firms whose primary

economic activity is staple food production. These beneficiaries represent simultaneously two important groups. On the one hand they are the rural poor of their respective countries. At the same time they are entrepreneurs poised to take advantage of the free market if free market opportunities are made accessible to them.

Second-order beneficiaries are the small scale entrepreneurs who act as intermediaries in the market chain linking the rural producer with the urban consumer and linking the consumer goods distribution system with the rural consumer. These intermediaries, as opposed to the primary beneficiaries, are already generally committed full-time to economic activity within the marketing system. Improvements in the technical efficiency of the marketing system will increase their volume of business to some degree, permit new entrants in the field to some degree and increase the amount of capital available for investment in activities these entrepreneurs feel appropriate.

Third order beneficiaries of the project are the urban consumers.

It is difficult to quantify the number of beneficiaries expected from this project. The conclusion of a recent FAO conference on marketing in Asia (1980) concluded 2000 to 3000 farm households are served by one rural market in the ten countries participating. Skinner, however, estimates "the average (mean) population of the standard marketing community (in rural China) is somewhat over 7000," (1964:33). Smith (1977) gives data suggesting an average population of 7200 people served by the average rural market in Western Guatemala.

Remembering that individual markets are hierarchically related in systems it becomes impossible to estimate the population concerned by a given intervention without knowing the pattern of those hierarchical relations.

Another recent study (Regional Planning & Area Development Project, 1979) estimates that the average rural market in Kenya contains 40 to 60 stalls. These 40 to 60 stalls provide business for 1 to 3 wholesalers. About 80% of the commercial activity at this level involves the marketing of food stuffs.

A final variable is suggested by Davis's work in the Philippines (1973). He found about 2/3 of the sellers in the market he studied were full-time marketers. The other third came occasionally only to sell their own produce.

The conclusion then is that, assuming the spotty data available are representative of the worldwide situation, the majority of the family firms in the area served by a given market, will benefit from improved technical efficiency of the market. Not every family firm will be in a position to increase its production to take advantage of greater marketing opportunities. An estimate of 1000 to 1500 beneficiary family firms per market area seems reasonable.

At the same time it seems reasonable to estimate an average of 25 to 30 small-scale, full-time entrepreneurs and about 15 small-scale part-time entrepreneurs in the average market who would benefit from handling an increased volume of marketing activity on food staples. Similarly two or three wholesalers supplied by these market sellers will benefit from increased market activity.

This estimate is an approximation of the primary beneficiaries in any given market of increased marketing of food staples. Second order beneficiaries and higher are far more difficult to estimate without specific knowledge of structure of the market system in question.

F. Role of Women

Women play a critically important if not absolutely dominant role in rural marketing worldwide. They play a central role in output/produce markets where they are often primary decision-makers and in subsistence input markets where they are rarely influential. In Kenya, for example, in 1971, women were estimated to comprise 79% of market traders (Regional Planning and Area Development Project, 1979:32). Davis estimates 70% of the market sellers in the Philippine market he studied are women (1973:97). In a 1960 study in Ghana Lawson notes 83% of traders were found to be women, (1969:380). A study in Thailand done by AID/ST/RAD in 1980 notes that generally women do the marketing. It appears that worldwide about 2/3 of market personnel are women.

At the producer level women stand to benefit more than men because women tend to devote more of their labor time to food staple production than to cash crop production. Cash crop production, if it is possible in a given zone, is more often the domain of men. Often, in fact, the only source of cash income open to a women is the production and marketing of food staples on a small plot of land on which she and her children provide all the labor.

While many women market food staples they have worked to produce on their own, other women come to market as agents of the family firm delegated by the manager of the firm, generally their husbands, to market a relatively small share of the firm's production to help meet some specific need for cash. The normal arrangement, at least in West Africa, is for the man to confer the produce on his wife on credit. When she returns from market she must repay the credit. The difference between the selling price in the market and the amount she repays her husband is hers to do with as she pleases.

The woman as primary producer and the woman as agent for the family firm are examples of part-time market entrepreneurs. It must be remembered, however, that part-time marketers make up less than half of market personnel. Most of the full-time market personnel are women especially at the markets at the lower levels of the market hierarchy. Moreover, women's domination of marketing personnel is especially pronounced in the handling of staple foodstuffs. Men play more and more important roles only in the upper level bulking and wholesaling levels of the market structure where large capital investment is a prerequisite for activity in the market.

Full time women marketers are often the sole means of support for their families. On other occasions their earnings as marketers complement their husband's earnings in an unrelated activity. Some full-time women marketers, vending such items as fish or craft specialities, work in collaboration with their husbands. The husbands supply the primary goods. The wives vend them. In all these cases improving the access of small farmers to the market place will strengthen the position of women in a pursuit in which they are already engaged.

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Part IV. Implementation Arrangements

A. Implementation and Project Operations

1. Project Management Guidance

Although responsibility for funding the Small Farmer Marketing Access Project lies with ST/RAD, implementation of the project activities will be managed collaboratively between ST/AGR and ST/RAD. A framework for joint project programming has already been established by the Directors of the two offices (see Appendix B). In the case of this project, ST/RAD will assign a Project Officer to perform the prescribed project management functions. Official project files and action authority (inquiries, cables) will rest with ST/RAD. The ST/RAD project officer will maintain close liaison with the assigned ST/AGR project backstop officer and ST/AGR will have clearance on the implementation of all project activities. The ST/AGR and ST/RAD Office Directors will be called upon to resolve any conflicts or disputes.

Regional bureau participation will be maintained by the creation of a project committee. Representation will include one member from each of the geographic bureaus and PPC. The project committee will meet at least once every three months, or more often as required, to review project implementation and provide general guidance. An annual project work plan will be developed before the beginning of each fiscal year. The project committee members should make substantive inputs into the formulation of the annual plan for their respective region and the committee as a whole will review and comment on the plan. Individual committee members will also act as the primary regional bureau contact for clearance on any project implementation activities in their respective region. When appropriate representatives from other bureaus, especially PRE and FVA, will be called upon to assist the project committee.

Since the Small Farmer Marketing Access project is a joint activity of ST/AGR and ST/RAD, PID approval was obtained separately from both the TPCA and RDSC, the respective guiding bodies for the two offices. Creation of the S&T Sector Councils should facilitate the creation of a joint sub-committee (or sub-Council) which should establish the project committee described above. Similarly, as further experience is gained in the formulation of an Agency small farmer marketing strategy (Part II-B-3), the sub-committee will be the primary forum for policy discussion.

2. Core Staff

a. Justification

One of the novel features of the Small Farmer Marketing Access project is the creation of an in-house core professional staff. Although modest in terms of financing, the proposal warrants detailed justification. The idea for creating a small in-house TA capacity for small farmer marketing arose out of three interrelated problems of current Agency programming. First, given the range of social and agricultural science expertise needed to analyze the array of issues within small farmer marketing

access, contracting short-term TA work is quite expensive, especially in terms of overhead costs. Second, the existing AID annual budget cycle, on the one hand, and teaching load of university faculty, on the other, are not highly amenable to mission needs for a rapid response and continuity of personnel over life of project(s). Private consulting firms, though often purported to be more flexible, are not generally perceived to be able to provide continuity. Finally, as in many other areas of TA, AID has been criticized frequently (and the ST Bureau has been constantly attacked) for not internalizing the knowledge gained from Agency funding for marketing projects.

The in-house core staff is designed to alleviate some of these constraints at least partially. Clearly each country situation is site specific; however, certain disciplines are common to most marketing functions. The core staff is designed to cover these requirements. Thus the core staff will include at least one direct hire agricultural economist from ST/AGR and the following from ST/RAD: a regional analyst, an economic anthropologist or rural sociologist, a transportation/marketing economist, and a rural enterprise or cooperative specialist. At least two of the four ST/RAD staff will be direct-hire and one will be the project officer. The Budget in Section D indicates the funding requested.

In summary, the creation of a small core staff is justified on three grounds: It can be more cost effective than other current programming methods to meet short-term mission demands; it can be more responsive yet provide continuity in mission life of project TA backstopping; finally, it can facilitate greater internalization of S&T functions within the Agency. Long-term mission requirements for project implementation will, as usual, be contracted directly or via some form of a cooperative agreement.

b. Core Staff Functions

The primary duties of the core staff will be twofold: First, as a team the core staff will undertake the responsibility for organizing and implementing the field assessments and short-term TA assignments. Recruitment of additional personnel depending on the specific mission need(s) will draw upon the roster of existing Agency manpower (especially from S&T/AGR), PASAs and RSSAs, from USDA and elsewhere, and outside consultants. As required, follow-up assistance, including the design and organization of a long-term field TA or implementation capacity and maintaining close contact with regional bureau professionals will be provided by the core staff. In other words, these core staff will provide direct short-term assistance to regional bureaus and missions at various points during the life of a project. Although the core staff cannot undertake long term implementation (say beyond four months), it can assist in the design, organization, monitoring, and evaluation of such activities.

Second, the core staff will perform the key central bureau service functions in small farmer marketing for the Agency. A roster of specialists in small farmer marketing access will be assembled and maintained by the core staff. As described in Part II, the roster will include direct-hire USG personnel and outside candidates with relevant field experience and language competence. USAIDs and other foreign assistance

agencies, especially FAO, will be notified when the roster is functioning. Once operational, the level of use of the roster will be determined by mission needs/demands; however, the core staff and project committee may be able to anticipate demand when they review mission CDSSs, ABSs, and relevant Project Papers.

Under the leadership of the project officer and guidance of the project committee, the core staff will take the lead in preparing analytical papers after each of the field assessments and TA assignments. These analytical papers will include contributions by the consultants involved in the field work and references from already published literature. Besides contributing to the body of practical knowledge about small farmer marketing, these papers will constitute the major inputs into the regional workshops to be initiated in year three of the project (see implementation plan below).

B. Implementation Plan

The scheduling of major inputs and outputs is presented schematically in the attached chart. The LOP activities can be grouped into three phases. These phases are not sequential in the sense that one is completely terminated before another begins. Rather they indicate the flow of major activities. First, during FYs 82 and 83, the core staff will be recruited under a RSSA with the Graduate School of the U.S. Department of Agriculture. Once on-board, core members will begin to review the Agency portfolio in agricultural factor and output marketing and contact those missions which seem best candidates for central project support. A worldwide cable will also be sent to announce approval of the project.

The roster of marketing specialists will be designed and installed using word processing equipment available at S&T/RAD. This central service will be fully operational by the end of October FY 83. Simultaneously, the core staff and project committee will identify a priority list of missions requesting assistance in field assessments and TA in project design and implementation. As tentatively planned, two field assessments should be completed by early FY 83 and an additional four during FY 83. If necessary, this part of the project could be extended into early FY 84 without delays of the second phase.

During the second phase of the project (late FY 83 through FY 85), the project core staff and consultants will produce a series of analytic papers documenting the field assessments and TA performed. The analytic papers will constitute a major input into the regional workshops to be held during FY 84 and 85. The analytic papers, commissioned reports, and workshop findings and recommendations will be published after each workshop is held.

A mid-term evaluation by the project committee will be undertaken in June 84. This review will provide guidance as to project staffing, including the roster, the nature and scope of the field assessments and TA, the analytic papers and workshops. This review will be conducted after at least one of the regional workshops is convened.

The thrust of the final phase is designed to provide the Agency two fundamental products which can be utilized by regional bureaus and USAID missions without further project financing. The analytic papers and workshop proceedings will be used to produce sector policy guidance for small farmer marketing. Given the food production and distribution problems in third world countries, especially in Africa, this policy and programming guidance should be relevant for at least two or three subsequent decades. Second, the operational rostering system will be maintained as a S&T central function for regional bureau and mission use.

The review of project findings, guidance for future Agency operations, and achievement of end of project status will be the focus of a final workshop and evaluation in FY 86.

C. Evaluation Plan

The SFMA project will be evaluated twice during project life. It will be evaluated in mid-fiscal 1984 and at the end of the project.

The first evaluation will be conducted by the project management team itself. This will be an implementation evaluation. It will address the question of what progress has been made on the indicators on the logical framework. The evaluation team will examine the organization and usefulness of the roster of qualified individuals available to the Agency and the Missions. One important question here will be to what degree the roster is being used by those for whom it was intended. The evaluation team will examine the design and execution of the in-depth studies. How has the analysis of these studies contributed to understanding of the small farmer marketing problem worldwide and to conceptualization, design and implementation of specific projects? Have the understandings gained through the SFMA project experience been effectively circulated to all interested parties within the Agency, within host governments and within the community of international agencies? In order to evaluate how effectively the project is circulating the information, analyses and conceptualization from its experience, the evaluation team will have to examine the organization, proceedings and conclusions of the regional workshops that have taken place by then.

The final evaluation of the SFMA project will be carried out by people not on the project management team. Theirs will be a general evaluation of the way the SFMA project was conceptualized and of its impact on AID project design.

In terms of conceptualization the most important question will be an analysis of the SFMA project management system. ST/RAD and ST/AGR have, for previous projects, relied on cooperative agreements with educational institutions. The management system of the SFMA project is experimental in terms of ST/RAD's and ST/AGR's experience and should, therefore, undergo close examination during the final evaluation. The analysis should focus on the impact on project effectiveness of forming an implementation team within the ST/RAD and ST/AGR staffs. Is this alternative cost effective as compared with the more traditional management structure? Was the S&T staff and project committee able to achieve the flexibility and continuity foreseen?

Final evaluation will in part be based on the record of SFMA project activity in the different AID missions. How many interventions were made under project auspices? What was the nature of those interventions? What is the assessment of the pertinent missions on the effectiveness of those interventions? What is the record of implementation effectiveness of the projects designed and/or supported under SFMA project auspices? How do these responses compare with the record of projects implemented under the more traditional management structures used for SFMA project implementation?

Part IV

D. Budget

The attached summary and itemized budget tables described the amounts and timing of project outputs and inputs. The distribution of funding by FY is as follows: FY 81 expenditures plus FY 82 start-up - 16.7%, FY 83 - 22.3%, FY 84 - 22.3%, FY 85 - 22.3, and FY 86 - 16.4%.

The distribution of outputs are classified into three groups: Field assessments and TA - 76.6%, Workshops and publications - 18.5%, rostering - 4.9%. Inputs can be distributed as: Personnel (core staff and consultants) - 54.8%, travel, per diem and in-country costs - 26.7%, workshops and publications - 18.5%. Project funding is phased to place an early emphasis on field assessments and TA and then, in years 3 through 5, toward dissemination and internalizing into future Agency programming.

Budget tables:

Table 1 - Summary Budget - Outputs

2 - Summary Budget - Inputs

3. Core Staff Personnel

4. Workshops

INFO OCT-80 /835 R

DRAFTED BY DS/RAD: VNARENDRAH: SAY

APPROVED BY DS/RAD: MITCHELSON

DS/RAD: PFRITZ (DRAFT)

DS/RAD: JLEWIS (DRAFT)

DS/AGR: RKRICH (DRAFT)

AFR/DR: JACENRING (DRAFT)

ASIA/TA: JROBERTS (DRAFT)

NE/TECH: GLAWLEY (DRAFT)

LAC/DR: THCKEE (DRAFT)

AFR/CA: KJONSSON (DRAFT)

DESIRED DISTRIBUTION:

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ACSP ACBI ASPH AOSP AALA LADR LASE LASA LAOR AANE KEDNETC HEEI

NEHA NEJL PPEA PPCE PDPR PPPB ASPD ASTR AADS USAG SBR

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TO AID FRH POSTSV

USMISSION GENEVA

AMEMBASSY LAGOS

AMEMBASSY PARIS

AMEMBASSY ROME

UNCLAS STATE 066713

ADM AID BEHALF-FOR SDPT LARRY DASH - GUATEMALA FOR USAID

E.O. 11652: N/A

AND ROCAF, KARACHI FOR RAG AND IIC, HAIRGDI FOR USAID AND

FROB/TA, PARIS FOR INFRA AND USRFOR, ROM 2100 FOR AID

SUBJECT: PROPOSED PROJECT ON RURAL MARKETING SYSTEMS IN

DEVELOPING COUNTRIES

OFFICE FRUII

1. IN RESPONSE TO PERC IVEN DEMAND FROM FIELD MISSIONS, DS/RAD AND DS/AGR ARE PREPARING A CENTRALLY FUNDED PROJECT DESIGNED TO ASSIST THEM WITH THE IDENTIFICATION AND DEVELOPMENT OF PROGRAMS WHICH ADDRESS THE PROBLEMS OF SMALL FARMERS ACCESS TO MARKETS. SMALL FARMERS GENERALLY LACK ACCESS TO A CONTINUOUS, EFFICIENT, AND VIABLE OUTLET FOR THEIR SURPLUS PRODUCTION AND TO A RELIABLE, ECONOMIC SOURCE OF FARM INPUTS. IN TOO MANY INSTANCES THE LOW VOLUME OF PRODUCTION PER FARM UNIT IS RELATED TO AN INADEQUATE MARKETING SYSTEM CHARACTERIZED BY HIGH UNIT COSTS OF MARKETING FUNCTIONS. WHILE MARKETING IS REGARDED AS A CRITICAL BOTTLENECK TO THE SUSTAINED GROWTH OF SMALL FARMERS IN DEVELOPING COUNTRIES, LITTLE IS KNOWN OF THE SPECIFIC PARAMETERS OF THE PROBLEM AREA. AT THE SAME TIME, ALTERNATIVE SOLUTIONS TO THESE MARKETING CONSTRAINTS ARE POORLY UNDERSTOOD. IN PARTICULAR LITTLE IS KNOWN REGARDING THE EXISTING RURAL MARKET STRUCTURES THAT SERVE THE SMALL FARMERS AND THEREFORE TOO MANY INTERVENTIONS HAVE TENDED TO DESTROY RATHER THAN TO BUILD UPON THE BENEFICIAL ASPECTS OF THESE SYSTEMS. THE PROJECT IS SCHEDULED FOR FY81 IMPLEMENTATION AND THIS COMMUNICATION IS AN EFFORT TO SOLICIT FIELD MISSION VIEWS ON THE NEED FOR SUCH A PROJECT.

2. PROJECT DEVELOPMENT ACTIVITIES THUS FAR INCLUDE: (A) REVIEWING AID AND OTHER DONOR GENCY PROJECT DOCUMENTS, ASSESSMENTS AND STUDIES RELEVANT TO RURAL MARKETS, (B) FORMULATING AND UNDERSTANDING THE ROLE OF MARKETS IN INTEGRATED RURAL DEVELOPMENT SCHEMES AND EXPLORING THE TOOLS AND CONCEPTS THAT ARE APPLICABLE TO THE STUDY OF MARKETING PROBLEMS, (C) THREE IN-DEPTH CASE STUDIES DONE TO EXPLORE THE MANIFOLD SOCIO-ECONOMIC DIMENSIONS OF THE MARKET ACCESS PROBLEM AND TO SERVE USAID PROJECT REQUIREMENTS IN

GUATEMALA, THAILAND AND CAMEROON. THE CASE STUDIES WERE COMPLETED USING DIFFERENT RESEARCH METHODOLOGIES. ALL, HOWEVER, EMPHASIZED THE EXAMINATION OF THE SOCIO-ECONOMIC CHARACTERISTICS OF FARMERS AND MARKETERS. THESE THREE STUDIES INDICATE THAT MARKET RELATED RURAL DEVELOPMENT OBJECTIVES SHOULD STRESS ACCESS, EQUITY AND EMPLOYMENT. THE DATA FROM THE CASE STUDIES: (A) DEFINE THE STRUCTURE OF RURAL MARKETS WITHIN THE CONTEXT OF SMALL-PRODUCER ACCESS TO MARKET SERVICES, (B) UNDERSCORE THE NEED FOR MICRO-LEVEL DATA BEFORE APPROPRIATE MARKETING INTERVENTIONS CAN BE IDENTIFIED AND (C) IDENTIFY ADDITIONAL QUESTIONS RELATING TO RURAL MARKETING SYSTEMS. AMONG THESE ARE THE FOLLOWING: (A) THE TRADE-OFF BETWEEN UNIT MARKETING COSTS AND THE INCREASED NUMBER OF MARKET OUTLETS FOR SMALL FARMERS, (B) THE ECONOMIC VIABILITY OF PRODUCER COOPERATIVES COMPARED TO THE PRIVATE NETWORK, (C) APPROPRIATE TARGETS FOR INTERVENTION, I.E. PUBLIC SECTOR INTERVENTION VS. ASSISTANCE TO THE PRIVATE SECTOR. OTHER QUESTIONS INCLUDE PRICE STABILIZATION VS. PRODUCER INCENTIVES, RETURNS TO IMPROVED MARKET INFORMATION SYSTEMS, AND LONG-TERM CONSEQUENCES OF STIMULATING GROWTH OF THE SMALL FARM SECTOR THROUGH MARKET INTERVENTION.

3. DS/RAD AND DS/AGR ARE SPONSORING A WORKSHOP ON APRIL 14 AND 15 TO REVIEW THE CASE STUDIES AND TO INCORPORATE MISSION RESPONSES INTO THE PROJECT DESIGN. THIS WILL ASSIST DS/RAD AND DS/AGR IN CONCEPTUALIZING THE SMALL-FARMER MARKETING PROBLEM IN ITS MULTIFACETED DIMENSIONS. THE WORKSHOP WILL (A) EXAMINE HOW RURAL DEVELOPMENT OBJECTIVES CAN BE PROMOTED THROUGH MARKETING PROJECTS, (B) FORMULATE A METHODOLOGICAL FRAMEWORK FOR THE DS/RAD AND DS/AGR MARKETING PROJECT.

4. THE PURPOSE OF THE PFAI PROPOSAL IS TO ASSIST MISSIONS IN THE IDENTIFICATION OF MARKETING PROBLEMS AND THE DESIGN OF PROJECT INTERVENTIONS. THE RANGE OF INTERVENTIONS IS EXPECTED TO BE WIDER THAN TRADITIONAL FARMER ORGANIZATIONS AND PUBLICLY MANAGED INFRASTRUCTURE IMPROVEMENT PROJECTS. A PROJECT CONTRACTOR WILL HAVE TO BE CONVERSANT WITH THE FUNDAMENTAL CHARACTERISTICS OF PEASANT ECONOMICS AS WELL AS THE STATE OF THE ART ON THE MARKETING BENEFITS EXPECTED FROM EACH TYPE OF INTERVENTION.

5. ACTION REQUESTED: DS/RAD AND DS/AGR WOULD APPRECIATE MISSION REACTION TO THE PROJECT PROPOSAL SKETCHED ABOVE. IS MARKETING OF SMALLHOLDER'S OUTPUT OF CONCERN FOR THE MISSION AND HOST GOVERNMENTS? RE MARKETING INTERVENTIONS DESIGNED TO ASSIST SMALLHOLDER PART OF CURRENT OR PROPOSED ACTIVITIES OF THE MISSION? BEFORE MOVING TO CONTRACT STAGE, DS/RAD AND DS/AGR ARE ESPECIALLY INTERESTED IN IDENTIFYING SPECIFIC MISSION ACTIVITIES THAT COULD USE THE TYPE OF DIAGNOSTIC AND DESIGN SERVICES DESCRIBED ABOVE. THESE COULD BE INCORPORATED IN THE SPECIFICATION FOR TECHNICAL SERVICES AS THE PROJECT MOVES TO THE CONTRACT STAGE.

6. THE PID FOR THIS "SMALL FARMER MARKETING SYSTEMS" PROJECT WILL BE SENT TO ALL THOSE MISSIONS REQUESTING THE DOCUMENT IN THEIR COMMUNICATION TO DS/RAD AND DS/AGR COMMENTING ON FIELD DESIGN ELEMENTS DESIRED FOR THE SUBJECT PROJECT.

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Table 1
Summary Budgets
Output*

	FY 02		FY 03		FY 04		FY 05		FY 06		Total	
	pm	\$000	pm	\$000								
Roasting	7	40	2	10	2	10	2	10	2	10	15	80
Field Assessments	14	150	26	325	14	200	13	200	9	100	76	850
Technical Assistance	16	180	16	200	14	200	13	200	10	130	69	1035
Workshops	-	-	-	-	-	120	-	109	-	93	-	324
Publications	-	-	-	15	-	20	-	31	-	65	-	171
Totals	37	370	44	550	30	550	26	550	21	400	160	2460*

* Includes 40 FY 01 expenditures for PP design; costs after the initial year are calculated with an annual inflation factor of 10 percent.

Table 2
Summary Budget:
Inputs

	FY 82 \$ 000	FY 83 \$ 000	FY 84 \$ 000	FY 85 \$ 000	FY 86 \$ 000	Total \$ 000
Personnel	221	312	294	306	176	1309
Staff	156	204	224	246	136	966
Consultants	65	108	70	60	40	343
Travel	111	178	206	103	137	815
Airfare						
International-	46	72	110	95	82	405
Staff	22	26	26	28	12	114
Consultants	24	46	10	18	12	118
Workshop Participants	-	-	66	49	58	173
Airfare Domestic - (Staff & Consultants)	<u>3</u>	<u>6</u>	<u>4</u>	<u>4</u>	<u>2</u>	<u>19</u>
Per Diem	62	100	92	84	53	397
Staff	30	38	32	29	20	149
Consultants	32	62	30	20	18	162
Workshop Participants	-	-	30	35	15	80
In-country Field Expenses & Evaluation	38	45	30	30	22	165
Publications	-	15	20	31	65	131
Totals	370	550	550	550	400	2460*

* Indicates 40 FY 81 expenditures for PP design.

Table 3
Core Staff Personnel

	FY 82		FY 83		FY 84		FY 85		FY 86		Tot Mos.
	Mos.	\$000									
Economic Anthropologist	7	40	12	66	12	66	12	66	6	33	49
Marketing Transport Economist	7	40	12	66	12	66	12	66	6	33	49
Rostering	7	40	2	10	2	10	2	10	1.1	6	14
Subtotal	21	120	26	142	26	142	26	142	13.1	72	112.
Overhead (30%)		36		43		43		43		22	
Subtotal		156		185		185		185		94	
Inflation (10%/year)				19		39		61		42	
Grand total	21	156	26	204	26	224	26	246	13.1	136	112.

Table 4

Workshops
FY 84

	# participants	\$000
Francophone Africa (Based on travel to and from Dakar, Senegal)		
Travel		
African Nationals	19	28
Non-African participants	3	6
Per Diem (12/81=\$87)	23	17
Subtotal		
Workshop Logistics and Support (25%)		13
Workshop total		64
Anglophone Workshop (Based on travel to and from Salisbury, Zimbabwe)		
Travel		
African Nationals	16	23
Non-African participants	3	9
Per Diem (12/81=73)	20	13
Subtotal		45
Workshop Logistics and Support (25%)		11
Workshop total		56
Total FY 84 expenditures on Workshops		120

Table 4
Continued

Workshops
FY 85

# participants		\$000
Asia and Pacific (Based on travel to and from Bangkok, Thailand)		
Travel		
Asian and Pacific Nationals	15	14
Non-Asian and Pacific Participants	5	13
Per Diem (12/81=\$87)	21	17
Subtotal		44
Workshop Logistics and Support (30%)		13
Workshop total		57
Latin America and Caribbean (Based on travel to and from Quito, Ecuador)		
Travel		
Latin American and Caribbean Nationals	20	16
Non-Latin American and Caribbean Participants	4	6
Per Diem (12/81=\$79)	25	18
Subtotal		40
Workshop Logistics and Support (30%)		12
Workshop total		52
Total FY 85 expenditures on Workshops		109

Table 4
Continued

Workshop
FY 86

Summary Workshop

# Participants		\$000
(Based on travel to and from Washington, D.C., USA)		
Travel		
Francophone African Participants	4	16
Anglophone African Participants	4	17
Asian and Pacific Participants	4	16
Latin American and Caribbean Participants	4	65
US - based, Participants	4	25
Per Diem (12/81=\$75)	20	15
Subtotal		73
Workshop Logistics and Support (30%)		22
Total FY 86 expenditures on Workshops		95

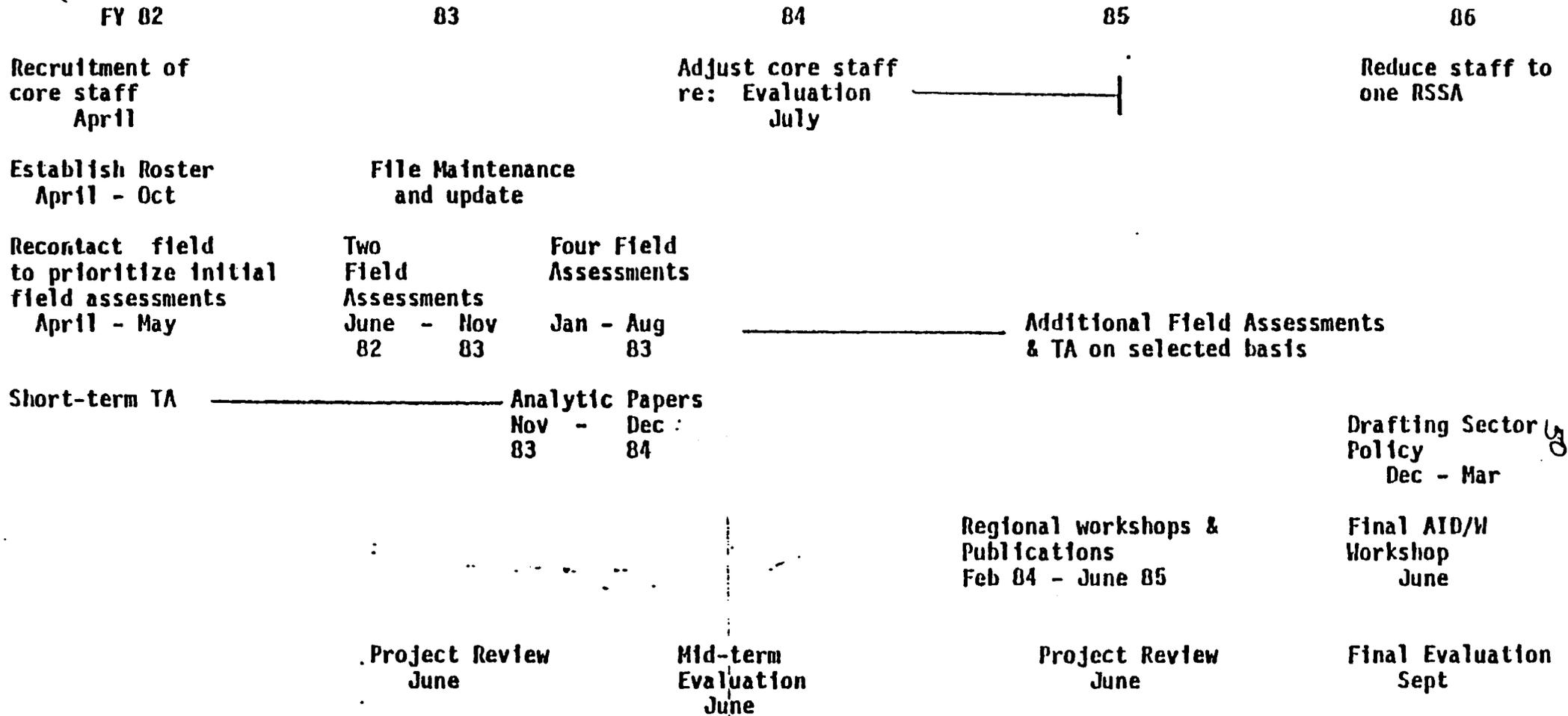
PROJECT DESIGN SUMMARY
LOGICAL FRAMEWORK

Life of Project: 5 years
 From FY 82 to FY 86
 Total U.S. Funding 2,460
 Date Prepared: Feb 2, 1982

Project Title & Number: Small Farmer Marketing Access 936-5313

NARRATIVE SUMMARY	OBJECTIVELY VERIFIABLE INDICATORS	MEANS OF VERIFICATION	IMPORTANT ASSUMPTIONS												
<p>Program or Sector Goal: The broader objective to which this project contributes:</p> <p>To enhance the ability of AID missions and host country institutions to design and implement programs that increase the productivity, income and quality of life of the rural poor.</p>	<p>Measures of Goal Achievement:</p> <p>Larger number of AID supported projects with tighter conceptualization and stronger empirical basis. Reduced implementation problems due to inadequate conceptualization and monitoring information. Better impact evaluation information flowing from projects and which aids in policy formulation.</p>	<ul style="list-style-type: none"> - Content of CDSS, PID, PP, evaluation reports - Agriculture and Human Resources Sector councils endorse policy guidance describing alternative marketing interventions and incorporate them into CDSS sector strategies 	<p>Assumptions for achieving goal targets:</p> <p>Data gathering and analysis exercises are initiated by Missions/LDCs and carried through to completion. Information generated by these data gathering and analysis exercises is used for project design and policy formulation.</p>												
<p>Project Purpose:</p> <p>To increase the effectiveness of indigenous marketing institutions that serve small farms by:</p> <p>(i) developing a better understanding of the range of market structures and of the problems most commonly associated with each;</p> <p>(ii) testing marketing interventions for effectiveness in order to ascertain the most appropriate in each situation;</p> <p>(iii) Provide technical assistance in eliminating marketing constraints in Agency programs.</p> <p>Outputs:</p> <ol style="list-style-type: none"> 1. Field assessments of existing rural marketing systems 2. Technical assistance in project design, implementation and evaluation 3. Roster of marketing specialists 4. Regional workshops and dissemination of findings/recommendations 	<p>Conditions that will indicate purpose has been achieved: End of project status.</p> <ol style="list-style-type: none"> 1. Approved Agency guidance paper for small farmer marketing. 2. Relevant data generated through in-depth studies and the analytic synthesis of such studies. 3. Documentation that Missions used information in project design and implementation. 4. Evaluations of agricultural and rural development projects include specific analysis of marketing constraints/potentials 	<ol style="list-style-type: none"> 1. Verify approval by Agriculture and Human Resources Sector Councils 2. Final evaluation by outside consultants 3. Mission PIDs, PPs and evaluations by project committee and outside consultants 4. Mission project evaluation reports analyzed in final evaluation of ST project <ul style="list-style-type: none"> - Regular annual review by project committee - Final evaluation by outside consultants 	<p>Assumptions for achieving purpose:</p> <ol style="list-style-type: none"> 1. AID and LDC practitioners recognize the need for increased knowledge and information on small farmer marketing interventions. 2. U.S. and L.D.C. professionals will be able to collaboratively design and carry-out studies and prepare strategies. 3. Consultants, USAID Missions and LDC researchers see the need and are willing to work together to integrate more fully their own separate activities. <p>ST/AGR-ST/RAD core staff is able to mobilize and manage the range of relevant skills required for the project - ranging from theoretical development to actual operational and implementation problems.</p>												
<p>Inputs:</p> <ul style="list-style-type: none"> - ST/AGR-ST/RAD multidisciplinary core staff which will provide field missions with staff for design, monitoring and evaluation of specific problems and interventions - mission and host government financial and staff commitment which also simultaneously serve their own planning needs - Guidance by project committee and Sector Councils for Agriculture and Human Resources 	<p>Implementation Target (Type and Quantity)</p> <p>Budget \$2,460,000 over 5 years</p> <table border="1" data-bbox="661 1263 1164 1346"> <thead> <tr> <th></th> <th>1982</th> <th>1983</th> <th>1984</th> <th>1985</th> <th>1986</th> </tr> </thead> <tbody> <tr> <td></td> <td>\$370</td> <td>\$550</td> <td>\$550</td> <td>\$550</td> <td>\$400</td> </tr> </tbody> </table>		1982	1983	1984	1985	1986		\$370	\$550	\$550	\$550	\$400	<p>Regular AID reporting procedures</p>	<p>Assumptions for providing inputs:</p> <ol style="list-style-type: none"> 1. Project is approved. 2. Sufficient funds are allocated to project. 3. ST/AGR-ST/RAD staff successfully negotiates field assessments and technical assistance assignments with USAID missions.
	1982	1983	1984	1985	1986										
	\$370	\$550	\$550	\$550	\$400										

PROJECT IMPLEMENTATION SCHEME



100-

1/10

REGION: Africa

COUNTRY

Reaction to
concept of
marketing
project --

1 or

Request for
PID?

Yes or No

Does mission
have current
or proposed
marketing
projects?

Yes, No, or
Unknown

Is mission
interested
in services
for project
design?

Other ser-
vices?

Yes or No

If stated, what services?

When?

Is there any indication
of priority ranking
given to marketing? If
no, rank.

High Med. Low

Summary of 198

rated by whom?

COUNTRY	1 or	Request for PID?	Does mission have current or proposed marketing projects?	Is mission interested in services for project design? Other ser- vices?	If stated, what services? When?	Is there any indication of priority ranking given to marketing? If no, rank.	Summary of 198 rated by whom?
		Yes or No	Yes, No, or Unknown	Yes or No		High Med. Low	
Burundi	1	Yes	'82 Proposed	Yes	To assist in project paper design for '82 project (Food Storage and Marketing)	High	
Cameroon	1	Yes	Yes	Yes		No indication	Needs clarification of project for DSB. Suggest inclusion of commercial and/or agribusiness expertise.
China	1	Yes	Yes	Yes	If and when necessary for follow-up studies or other inputs identified during implementation.	No indication	
Kenya	1	Yes	Unknown	Yes	Unspecified, but needed for a project in FY 81.	No indication	
Lesotho	1	Yes	Yes	Yes	Short-term consultants for ongoing project, Farming Systems Research (632-0065)	No indication	Should include analysis of problems of leaving marketing function to small private often or indigenous traders vs. government takeover.
Liberia	1	Yes	Yes	Not stated		High	

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REGION	Reaction to concept of marketing project - + or -	Request for PDD? Yes or No	Does mission have current or proposed marketing projects?	In mission interested in services for project design? Other services?	'81 stated, what services? When?	Is there any indication of priority ranking given to marketing? If so, rank.	Summary of findings related by other sources
			Yes, No, or Unknown	Yes or No	High Med. Low		
COUNTRY							
Malawi	+	Yes	Unknown	Unknown	request for case study	No indication	Would support and see a project that address the micro-level in the village and open city markets function
Mal	-/+	No	Unknown				
Mauritania	+	Yes	Not marketing specifically but several projects have significant marketing components.	Yes, but unspecified what type.		No indication	
Nigeria	+	Yes	A residual program	No		Production in of highest priority and therefore interested in marketing.	
Niger	+	+	Unknown				
Sierra Leone	+	Yes	Yes	Yes (C)	Assessment identifies possible activities in rural marketing	No indication	
Somalia	+	Yes	No	Yes	Help in designing '81 project (if funds allow). Request for case study	High to Medium.	
Tanzania	+	Yes	No	Unknown			

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REGION: Asia	Reaction to concept of marketing project - + or -	Request for PDM? Yes or No	Does mission have current or proposed marketing projects? Yes, No, or Unknown	Is mission interested in services for project design? Other services? Yes or No	If stated, what services? When?	Is there any indication of priority ranking given to marketing? If so, rank.			Summary of factors valued by client
						High	Med.	Low	
Bangladesh	+	Yes	No	Not at this stage				Low	Allocates funding to research on role of private sector in food-grain marketing, centrally funded project may be best approach.
India	+	Yes	Yes	Yes	Not now but possibly in the future			Low	
Indonesia	+	Yes	No, not specifically in small farmer access to markets but more are projects in closely related areas.	Yes	TA in area of marketing and cooperatives - none.				
Korea	+	No	No, but several from port are listed.	No				High	Since mission is close no need for future assistance. Full verbal support for this type effort.
Pakistan	+	Yes	No	Not stated				High	One was planned for FY 80-81 but due to current circumstances has been postponed.
Philippines	+	Yes	Yes	Yes	To design the mission project.			Currently shifting from medium to high	Currently not as much involvement in marketing as actually needed. Mission anticipates much more interest in the future.

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REGION	Reaction to concept of marketing project -- 1 or --	Request for FID? Yes or No	Does mission have current or proposed marketing projects? Yes, No, or Unknown	Is mission interested in services for project design? Other services? Yes or No	If stated, what services? When?	Is there any indication of priority ranking given to marketing? If so, rank. High Med. Low	Summary of Reasoning valued by mission
South Pacific	1	Yes	No	Yes		High	Beginning to consider marketing problems with particular interest in the problems of marketing among island countries.
Thailand	1	Yes	Yes	Yes	Diagnostic Services	High	

RS

Procedures for ST/AGR and ST/RAD
Collaboration in the Design and Implementation
of Joint Projects

It has become increasingly obvious over time that our two offices have many common developmental objectives, common responsibilities, and common program interests. It is also clear that the appropriate mix of professional talents needed to address adequately those shared concerns is available in-house if and only if there is inter-office collaboration.

The sponsorship of collaboration in the design and implementation of complementary agricultural and rural development programs gained sharper focus in the FY 82 planning cycle. Joint project committees were formed and a joint funding mechanism was established for two major project efforts:

1. Farming Systems for Small Farmers (936-4099) and
2. Small Farmer Marketing Access (936-5313)

The PID for the Small Farmer Marketing Access has been approved by technical committees for both offices and by both the RDSC and the TPCA. A draft PID for the Farming Systems for Small Farmers project has been circulated to the technical committee members for comment.

Given the encouraging results of collaboration thus far and a positive staff attitude to continue such efforts, we have decided to establish the following procedures concerning inter-office project collaboration. If these two projects prove to be successful, additional opportunities for joint activities will be explored.

1. For purposes of clarity in programming of collaborative projects, we have agreed that one office will assume full funding responsibility. Consequently, each collaboratively developed and jointly approved Project Paper will identify the unique funding office.

Reaction to
concept of
marketing
project -

Request for
FID?
Yes or No

Does mission
have current
or proposed
marketing
projects?
Yes, No, or
Unknown

Is mission
interested
in services
for project
design?
Other ser-
vices?
Yes or No

If stated, what services?
When?

Is there any indication
of priority ranking
given to marketing? If
no, rank.

Summary of
ranked by

REGION : Near East

COUNTRY

COUNTRY	Reaction to concept of marketing project -	Request for FID? Yes or No	Does mission have current or proposed marketing projects? Yes, No, or Unknown	Is mission interested in services for project design? Other services? Yes or No	If stated, what services? When?	Is there any indication of priority ranking given to marketing? If no, rank.	Summary of ranked by
						High Med. Low	
Egypt	+	No	Yes - Just starting	Yes		Unspecified	Confused as to focus of project; on agricultural output market only or also include agricultural market input?
Tunisia	-	No	Yes	No		High	Central project should not be developed in isolation of mission projects (ie the U. Wisconsin project); more effective to address problem through the mission program.
Yemen	+	No	Yes	Unknown			

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REGION: Latin America

COUNTRY

reaction to concept of marketing project -

Request for P107
Yes or No

Does mission have current or proposed marketing projects?
Yes, No, or Unknown

Is mission interested in services for project design?
Other services?
Yes or No

If stated, what services? When?

Is there any indication of priority ranking given to marketing? If so, rank.

Summary of lessons learned by mission

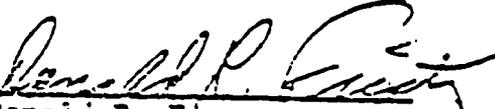
High Med. Low

COUNTRY	Request for P107	Does mission have current or proposed marketing projects?	Is mission interested in services for project design? Other services?	If stated, what services? When?	Is there any indication of priority ranking given to marketing? If so, rank.	Summary of lessons learned by mission	
Bolivia	-	No	Yes, proposed FY 02	Yes	TDY consultant services in design of market town project.	No indication	
Caribbean	-	No	No	Not unless (See Issues)		High	Not supported unless marketing personnel are Caribbean area specialists. Another approach is to put a permanent small farmer marketing specialist in the Caribbean mission.
Costa Rica	+	Yes	Yes	Yes	Not specified	No indication	
Guyana	-	No	No	No		No indication	Marketing is vertically integrated in government marketing board. Mission urges that centrally-funded project be designed so that contractor provides hands on experience to mission.
Guatemala	+	Yes	Yes	Yes	Diagnostic Services	High	
Haiti	-	Yes	Yes	No		High	
Honduras	-	Yes	Yes	Yes	Some current projects complement proposed project and therefore the DSB project could be useful as an orientation to GOH and contractor.	High	Questions raised as to need for clarification of DS/RAD - DS/AGR project proposal. Recommend some Regional Organizations become involved in project.

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2. Whereas collaborative projects will be designed and implemented jointly by ST/AGR and ST/RAD staff, one office will assume the mandate for project management accountability (official project file maintenance, cable traffic action, etc.).
3. In order to maintain as close collaboration as possible, we will have bi-monthly meetings of relevant staff to review progress and resolve implementation problems. To the extent possible these inter-office meetings will be chaired alternately by the two Office Directors.
4. In light of the above, we have decided that ST/RAD will assume funding and management accountability for Small Farmer Marketing Access and ST/AGR will assume funding and management accountability for Farming Systems for Small Farmers.

Since the two Offices have separate project approval committees (the TPCA and RDSC) and procedures, a unified system of PID and PP approval for joint projects must be created. We will propose to the TPCA and RDSC that a single joint committee of either TPCA/RDSC members or appointed representatives to a sub-committee be delegated responsibility for such approval.


Donald R. Flester

Director
Office of Agriculture

FEB 20 1957

Date


Jerome French

Director
Office of Rural Development
and Development Administration

2-18-57

Date