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AGENCY FOR INTERNATIONAL DEVELOPMENT  
PROJECT PAPER FACESHEET

1. TRANSACTION CODE  
A ADD  
C CHANGE  
D DELETE

2. DOCUMENT CODE  
PP  
3

3. COUNTRY ENTITY  
S&T / RD

4. DOCUMENT REVISION NUMBER  
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5. PROJECT NUMBER (7 digits)  
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Ag. Marketing Improvement Strategies

8. ESTIMATED FY OF PROJECT COMPLETION  
FY 93

9. ESTIMATED DATE OF OBLIGATION  
A. INITIAL FY: 87  
B. QUARTER: 4  
C. FINAL FY: 92 (Enter 1, 2, 3, or 4)

10. ESTIMATED COSTS (\$000 OR EQUIVALENT \$) -

A. FUNDING SOURCE	FIRST FY			LIFE OF PROJECT		
	B. FX	C. L/C	D. TOTAL	E. FX	F. L/C	G. TOTAL
AID APPROPRIATED TOTAL	210		210	2,500		2,500
(GRANT)	210		210	(2,500)		(2,500)
(LOAN)						
OTHER U.S. Missions	550		550	7,500		7,500
MOST COUNTRY						
OTHER DONOR(S)						
TOTALS	760		760	10,000		10,000

11. PROPOSED BUDGET APPROPRIATED FUNDS (\$000)

A. APPROPRIATION	B. PRIMARY PURPOSE CODE	PRIMARY TECH. CODE		E. 1ST FY 87		H. 2ND FY 88		K. 3RD FY 89	
		C. GRANT	D. LOAN	F. GRANT	G. LOAN	I. GRANT	J. LOAN	L. GRANT	M. LOAN
(1) FN	130	140		210		250		550	
(2)									
(3)									
(4)									
TOTALS				210		250		550	

A. APPROPRIATION	N. 4TH FY 90		O. 5TH FY 91		LIFE OF PROJECT		12. IN-DEPTH EVALUATION SCHEDULE
	C. GRANT	P. LOAN	R. GRANT	S. LOAN	T. GRANT	U. LOAN	
(1) FN	525		525		2,500		MM YY 03 89
(2)							
(3)							
(4)							
TOTALS	525		525		2,500		

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.

2 1 = NO  
2 = YES

14. ORIGINATING OFFICE CLEARANCE

SIGNATURE: Eric Chetwynd, Jr. (S&T/RD Director)

TITLE: Eric Chetwynd, Jr. S&T/RD Director

DATE SIGNED: 04 28 97

15. DATE DOCUMENT RECEIVED IN AID/W OR FOR AID/W DOCUMENTS, DATE OF DISTRIBUTION

**AGRICULTURAL MARKETING IMPROVEMENT STRATEGIES**

**PROJECT PAPER FOLLOW-ON**

**FOR**

**SMALL FARMER MARKETING ACCESS PROJECT**

**S&T/RD/IDM**

**April, 1987**

PROJECT PAPER OUTLINE  
AGRICULTURAL MARKETING IMPROVEMENT STRATEGIES (AMIS)

- I. Introduction
- II. Background SFMA
  - A. SFMA Performance
    - 1. Problem Diagnosis
    - 2. Identification of Interventions
    - 3. Implementation of Change
  - B. SFMA Evaluation
- III. Rationale for Project Follow-on
  - A. Marketing Deficiencies
  - B. Need for Continuing Work
  - C. Demand for Marketing Assistance
- IV. Project Description
  - A. Goal
  - B. Purpose
  - C. Outputs
    - 1. Rapid Appraisal
    - 2. Applied Research
    - 3. Pilot Innovations
  - D. Inputs
- V. Technical Analysis
- VI. Implementation Arrangements
  - A. Project Operational Description -- AID/W and Mission Level Activities

**B. Selection Criteria -- Mission Level Activities**

**C. Implementation Plan**

**1. Staging of Activities**

**2. Timing of Planned Outputs**

**D. Implementation Guide -- Annual Work Plan**

**E. Evaluation**

**VII. Financial Plan**

**A. Budget by Inputs**

**B. Personnel Budget**

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**D. Budget for Rapid Appraisals**

**E. Budget for Applied Research**

**F. Budget for Pilot Innovations**

**G. Summary Budget**

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**II. Evaluation of SPMA**

**III. Cable to USAIDs and Responses**

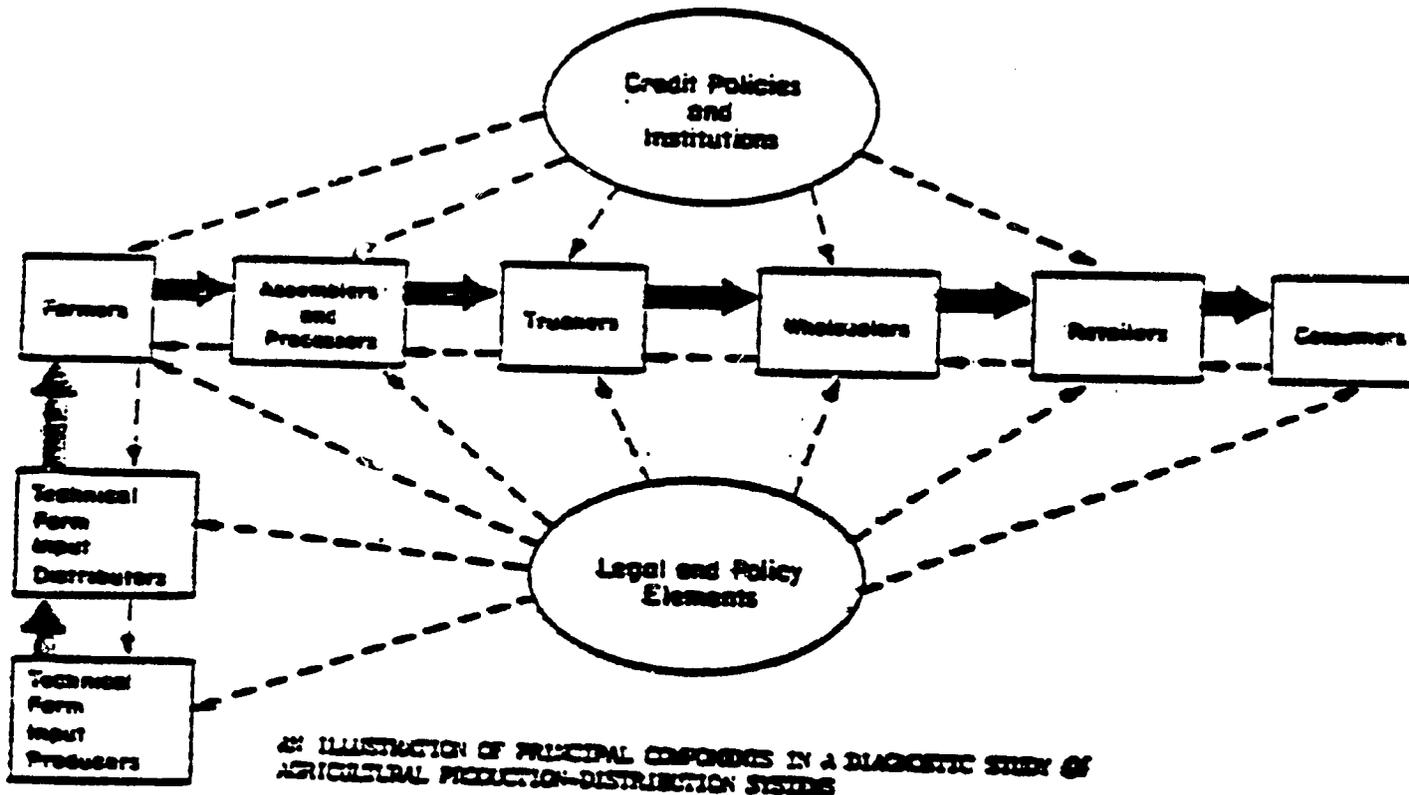
**IV. Marketing Systems Frame of Reference**

I. Introduction

Well functioning agricultural marketing systems are crucial for market-led strategies of agricultural development which A.I.D. and other donors are emphasizing. A number of developing countries are increasingly accepting the importance of letting market forces shape development and are becoming more aware of the need to support viable private sector marketing systems. Marketing in this paper refers to transformations in place (transport), time (storage) form (processing), and ownership (exchange arrangements) of agricultural commodities which farmers produce for consumers. The marketing system refers to all of the marketing activities which link producers and consumers. In this context, marketing consists of all the services of persons and materials used between the production of agricultural products and their consumption. These services may include harvesting, processing, transportation, storage, pricing, exchange, financing, grading, packaging, display, advertising, and similar service functions. These functions are performed by private and public agents to match demand and supply at different points in time and space.

An illustrative example is shown in figure (1) below.

FIGURE 1



For practitioners who want to see agricultural marketing systems perform a positive role in supporting and stimulating agricultural development, there are at least three basic concerns which have to be addressed. First, they need to be able to diagnose the system they are concerned with, to discern whether it is performing as it should, and identify where the constraints inhibiting progress might lie. It is important to understand how efficient the system is in a static sense. Models of perfect

competition provide a methodology and insight to help answer this question. But it is also important to understand whether the system is dynamically efficient. Here we are concerned with whether the marketing system is responsive to changes and in particular whether it is progressing in a cost-affective manner to forces driving the agricultural economy. There are not well developed methodologies for doing this. What would be called for is the identification of ways to facilitate the effective introduction of greater specialization, economies of scale and technological changes. Second, the practitioners need to have an idea how the system might be changed. The factors which shape better performance have to be known--including such factors as the organization, institutions, infrastructure and/or technology of the system. Solutions cannot be simply imported. The improvements have to be tailor made to fit the physical environment, customs, values and the stage of development of the agricultural marketing system. Third, they need to have an understanding of how to go about implementing the change. That is what needs to be done in order to introduce innovations to bring about change.

The intent of this paper is to provide the basis for a follow-on to the Small Farmer Marketing Access (SFMA) project. SFMA was generally making headway in the three areas identified above, and the intention of the revised SFMA or Agricultural Marketing Improvement Systems (AMIS) project would be to treat the same issues, but place more emphasis on coordination and utilization of experience of other S&T projects and focus on developing a framework for more systematic knowledge generation in these areas.

II. Background: The Small Farmer Marketing Access (SFMA) Project

A. Performance

The follow-on project, Agriculture Marketing Improvement Strategies, builds upon the foundation developed during the life of the SFMA project (1982 - 1985). While several significant differences have been incorporated to reflect advances and experiences gained with SFMA the primary purpose of SFMA--to assist USAIDs and developing countries in the design, implementation and evaluation of agricultural marketing systems by providing assistance in methodology, development of applied research, training and technical expertise--remains the same.

It is useful to review SFMA against the backdrop of the three concerns raised earlier which might be summarized as follows: problem diagnosis; identification of feasible interventions; and implementation of change.

1. Problem diagnosis - A strict interpretation in the SFMA PP suggests a narrow focus on issues which were related to marketing at the farm level. In actuality, a broader interpretation gradually took place as the project was being implemented. The revised project would also assume a wider view of marketing, closer to a systems concept in which food production, processing, distribution and consumption are seen as a set of interrelated activities (Fletcher and Abbott 1985). This broader scope is still consistent with a concern for small farmers, since there is a need for work which shows how the larger system must function to benefit small farmers and poor rural communities.

Much effort of the Small Farmer Marketing Access project was dedicated to developing a problem diagnosis or market assessment methodology. The approach adopted consisted of four sequential phases that can roughly be identified as (1) information gathering, (2) constraint diagnosis, (3) prescribing interventions, and (4) monitoring and evaluation of changes. Phases I and II required up to three months each, Phase III up to a year, and Phase IV depended upon the time horizons of the interventions implemented. Implementation of the market assessment methodology was attempted in Peru, Ecuador, Liberia, Zaire, Indonesia and the Philippines. In most cases, only the first two phases (which constituted a form of rapid appraisal) were really field tested in the limited life of the SFMA project. The results were sufficiently encouraging that interested countries insisted on following up.

Various reviewers have commented on the market assessment methodology and recommended appropriate improvements that could be incorporated. One important goal of the proposed Agricultural Marketing Improvement Strategies project is to enhance the methodology along the lines outlined below.

The most useful and tested of the market assessment component has been the "rapid reconnaissance" techniques developed to carry out the first phase of that approach. Guidelines are condensed in the Michigan State University publication "Rapid Reconnaissance Guidelines for Agricultural Marketing and Food Systems Research in Developing Countries" by John Holtzman (1986) and are considered a significant and valuable contribution to the agricultural marketing

literature (P. Farris, 1986, and Meissner, 1986).

Suggestions as to the nature and shape of a revised rapid appraisal guidelines were provided by all of the participants at the November 1986 S&T/RD sponsored workshop on Agricultural Marketing. These will be considered in framing a new set of guidelines. A particularly promising possibility lies in merging future efforts with the University of Idaho (Post Harvest Institute for Perishables). Under sponsorship of S&T/AGR, PIP is currently looking at ways to rapidly gauge post-harvest losses, is planning to move ahead with field testing and sees a potential for merging activities with AMIS (Schermerhorn, 1986). Work with PIP as well as the other S&T projects all of whom are engaged in some form of assessment activity would constitute an important part of the AMIS project.

2. Identification of Feasible Interventions - The SFMA project supported a program of case studies, special analyses to document why and how certain approaches to marketing problems were able to improve performance. The SFMA evaluation (Fletcher and Abbott 1985) endorsed this approach to knowledge generation as the most easily pursuable and potentially productive in identifying improvements related to particular marketing conditions. A number of useful case studies and analyses emerged from SFMA. However, the limited and restricted "targets of opportunity approach" employed by the SFMA project fell short of making a significant contribution to cumulative knowledge about the impacts of alternative interventions. The evaluation (Fletcher and Abbott

1985) indicated that a systematic approach to which interventions should be studied and where they were implemented would have to be employed. An objective of the AMIS project would be to develop a framework for more effective work in this area utilizing and drawing on the experience of the other S&T projects.

3. Implementation of Change - The SFMA project did not get involved directly with implementation of marketing innovations. However, the project provided TA to 30 countries on marketing design and evaluation issues. In-country workshops were conducted to help surface marketing concerns. Toward the end of the SFMA project studies were carried out on ways to improve urban retailing/wholesaling activities indicating the potential feasibility in some instances of introducing voluntary retail chains. The AMIS project would take a more active role, exploring and identifying possible ways to innovate. It would concentrate on organizational and institutional changes in marketing systems with particular attention to requirements for setting-up and sustaining these activities.

#### B. SFMA Evaluation

The SFMA Project was evaluated in March 1985 by a team of outside advisors consisting of Dr. Lehman Fletcher, Iowa State University, and Dr. John Abbott, former Director of Marketing, FAO. The evaluation report on SFMA is contained in Appendix B of this paper. The evaluation generally endorsed the

SFMA approach. A summary of the principal points of the evaluation are as follows:

First, more work was needed on the SFMA methodology and the Rapid Reconnaissance in order to provide a policy focus. Secondly, the evaluation team indicated a need for closer contacts with other S&T related projects in marketing. Third, the team suggested that work be done on developing an overall framework for applied research in marketing, and finally the evaluation team was concerned about loss of momentum and dispersal of personnel in the event that the arrangement with USDA's Graduate School should be lost, (in fact this did happen) and suggested that a site more capable of institutionalizing the marketing work be selected.

The proposed follow-on project would build on each of the principal recommendations of the April 1985 evaluation. The Agricultural Marketing Improvement Strategies (AMIS) project would concentrate on strengthening the rapid reconnaissance methodology. S&T/RD recently sponsored a workshop on Agricultural Marketing Applied Research, and a good deal of attention was focused on revamping and strengthening the rapid reconnaissance approach developed from the SFMA experience. The AMIS project would also establish close coordinating mechanisms with the other S&T projects concerned with marketing and would provide a forum for identifying and systematically reviewing key cross-cutting marketing issues. Finally, the intention of S&T/RD is to contract the AMIS project with an institution which will have a strong applied research support system so as to sustain and keep the momentum going.

### III. Rationale for Project Paper

#### A. Marketing Deficiencies

Marketing concerns arise in different kinds of settings. There are those countries which have taken a strong interventionist bent, introducing parastatals or state agencies to perform marketing activities. The results have generally been poor performance. Part of the problem in some of these countries are misconceptions about traders and the potential positive service role they can play. These countries need to open up access to the private sector.

Another group of countries exhibit a form of "benign neglect" for the marketing sector. Though there is no direct state control often there is generally a lack of appreciation for the appropriate economic policies, legal and institutional framework needed to facilitate market development. The result tends to be a lack of supporting actions to provide services such as grading and standards, market information, storage and other infrastructure, protection of contracts and sanctions against fraud, and programs to support marketing business enterprises. All are needed to advance agricultural marketing.

There are some countries which previously were highly interventionists and are now rethinking the merits of market-driven agricultural development. They are beginning to liberalize marketing and are attempting to animate private sector activity in this area. In some instances, however, the private

firms in marketing have atrophied with public sector control and dominance. These countries will need help in identifying ways to revive marketing systems which are competitive and dynamic.

In sum, a key deficiency in the agricultural marketing area is a good understanding in developing countries of the roles the public sector and private sector can and should play and for which they have a strong comparative advantage. If agricultural marketing systems are to perform well, practitioners will need to be able to determine more effective strategies, projects, and policies to exploit the merits of both the private and public sector involvements.

#### B. Need for Continuing Work

Riley and Staats (1981), in their paper based upon an ADC Seminar "Food System Organization Problems in Developing Countries", suggested that more conceptual work is needed. Until the present, studies have been members of one or the other of two groups--those that have emphasized perfectly competitive markets as a norm, or those which have used a broader food systems framework of analysis.

The studies using perfect competitive norms have emphasized market efficiency and have done so mainly by comparing price differentials: first, seasonal price differences are evaluated relative to storage costs; second, price differences across geographical areas are evaluated relative to transport costs; and, third, price differences across marketing functions through the chain from producer to consumer to evaluate returns at

each point in the system. The research utilizing perfect competition norms has made some significant contributions, including empirical descriptions of how food systems operate and challenging notions about widespread exploitative behavior of middlemen. Nonetheless, there are several shortcomings to the approach. Market performance is defined solely in terms of static efficiency and dynamic aspects of market development are not dealt with. Emphasis on analysis tends to exaggerate the importance of physical infrastructure relative to the importance of changing institutions, including activities affecting concentrations of firms and vertical coordination. Institutional changes might include operating procedures, market rules, and the role of government agencies as well as customs and practices of society.

The second area of diagnostic work has attempted to look at food production and distribution as a system. These researchers argue that all parts of the system must be attended to and that failure at any level could cause stagnation in the entire system. The concept that all of the marketing firms operate as a coordinated group has been emphasized. Major focus has been on ways to facilitate better coordination at different levels in the food system--particularly with a focus on changing operating methods, rules, and institutions. Stress in the systems approach is on dynamic issues, rather than on the static concept of efficiency as stressed in the perfect competition approach.

However, systems research still has a number of shortcomings. Performance norms have not been clearly defined compared to the perfectly competitive method. In addition,

despite emphasis on institutions, the approach lacks a well defined methodology for ex ante evaluation of alternative institutional arrangements. Also, the systems approach has tended to be unwieldy in terms of the time and effort required to do systems analysis.

What is needed is an approach which is broader than the competitive model and more operational than the past systems-oriented research which is too time consuming. Holtzman's work under the SPMA project provided an important first step in this direction. Further development is needed. The rapid appraisal activities envisioned under this project, along with the research and pilot innovations to be undertaken, are expected to advance the development of operationally useful analytical approaches for the study of marketing systems.

#### C. Demand for Marketing Assistance

A cable (STATE 068251) which is attached under Appendix C was sent to A.I.D. missions in each of the three geographic regions. The purpose was to ascertain from USAID's their needs and potential demand for services under AMIS. Full response from all of the missions is not yet available. However, based upon cables received by April 1987, a preliminary estimate of interest was tallied and is summarized in Table 1 (the cable responses are also included in Appendix C). As can be seen from the summaries, there is a considerable amount of support and endorsement by missions for the activities proposed under AMIS and described in the out-going cable. AMIS received broad support from both the Asia Near East (ANE) and Africa (AFR) regions. There was a show

of interest in nine of the ten missions in the ANE region and eight of the ten missions indicated positive interest in buying-in to the project. In the AFR region seventeen missions responded of which fifteen were supportive of the project. Of the fifteen positive responses, eight indicated a willingness to buy-in to project activities. On the other hand the Latin America region had only five responses -- none of which was positive.

In summary, based upon the initial responses the AMIS project would concentrate on Asia Near East and Africa regions where there is a demonstrated interest, but not to the exclusion of LAC should mission interest develop.

TABLE 1.1

Cable Responses of African Missions to AMIS World-Wide Cable

<u>AFRICAN COUNTRIES</u>	<u>Areas of Interest</u>			
	<u>INTEREST</u>	<u>RAPID APPRAISAL</u>	<u>APPLIED RESEARCH</u>	<u>PILOT TEST INNOVATIONS</u>
1) Botswana	N			
2) Burkina Faso	Y			X
3) Burundi	N			
4) Cameroon	Y	X		
5) Chad	Y		X	
6) The Gambia	Y	X		X
7) Ghana	Y			X
8) Guinea	N			
9) Ivory Coast (REDSO/W)	Y			
10) Kenya (REDSO/E)	Y			
11) Kenya	Y	X	X	X
12) Lesotho	N			
13) Senegal	Y			
14) Swaziland	Y	X	X	X
15) Zaire	Y	X	X	X
16) Zambia	Y	X	X	X
<b>Total</b>	<b>Y = 12, N = 4</b>	<b>6</b>	<b>5</b>	<b>7</b>

Note: Y = Yes, and N = No

TABLE 1.2  
 CABLE RESPONSES OF ASIAN AND NEAR EAST MISSIONS TO  
 AMIS WORLD-WIDE CABLE

<u>ASIAN/ NEAR EAST COUNTRIES</u>	<u>INTEREST</u>	<u>Areas of Interest</u>		
		<u>RAPID APPRAISAL</u>	<u>APPLIED RESEARCH</u>	<u>PILOT TEST INNOVATIONS</u>
<b>ASIA</b>				
1) Burma	N			
2) Fiji	Y		X	X
3) Indonesia	Y	X		
4) India	Y	X	X	
5) Nepal	Y	X	X	X
6) Pakistan	Y	X		
7) Sri Lanka	Y	X		X
8) Philippines	X	X	X	X
<b>NEAR EAST</b>				
1) Egypt	Y			
2) Morocco	Y	X	X	
3) Tunisia	Y		X	
4) Yeman Arab Republic	Y	X		X
5) Jordan	Y	X	X	
<b>Total</b>	<b>Y = 12, N = 1</b>	<b>9</b>	<b>7</b>	<b>5</b>

TABLE 1.3

CABLE RESPONSES OF LATIN AMERICA AND CARIBBEAN MISSIONS TO  
ANIS WORLD-WIDE CABLE

<u>LAC COUNTRIES</u>	<u>INTEREST</u>	<u>Areas of Interest</u>		
		<u>RAPID APPRAISAL</u>	<u>APPLIED RESEARCH</u>	<u>PILOT TEST INNOVATIONS</u>
1) ROCAP	N			
2) Costa Rica	N			
3) Dominican Republic	N			
4) Ecuador	N			
5) Jamaica	N			
<b>Total</b>	<b>N = 5</b>			

#### IV. Description of Project Paper

##### A. Project Goal

The goal of the follow-on project is to improve the efficiency and effectiveness of agricultural marketing systems. Improvement should be reflected in one or more of several performance indicators. Relevant performance indicators might include lower marketing margins for performing given marketing functions or the addition of marketing services without corresponding increases in costs. If increased efficiency and new technology help to bring about such results, either farm incomes would be improved, consumer prices reduced or there would be some sharing of the gains by farmers and consumers. Other measures of performance improvement would include market system investments to lower unit costs, more orderly marketing of products at times and places desired by consumers or the development of new or more desirable products preferred by consumers.

##### B. Project Purpose

The purpose of the project is to enhance USAIDs and host country institutions' ability to design, implement, and evaluate improvements for agricultural marketing systems.

##### C. Project Outputs

Three activities will be carried out by the project:

1) rapid appraisal; 2) applied research on cross-cutting marketing issues, including networking for systematic sharing of research results on marketing; and 3) pilot innovations in marketing. The expected outputs from these three activities will take place at

two levels -- at the AID/W level and also at the mission level. A description of the outputs follows:

1. Rapid Appraisal

The AMIS project is concerned with two types of outputs related to rapid appraisal. The first is methodological and it would be done at the AID/W level. AMIS would concentrate on synthesizing work undertaken previously by the SFMA project and the development of operational guidelines for the process of field application. This work would be funded principally from AMIS core funds. It builds upon the methodological advances initiated by the Small Farmer Marketing Access Project. Progress was made by SFMA in developing a set of Rapid Market Appraisal Guidelines to enable professionals to do market reconnaissance. This initial work on market assessments needs to be further strengthened in several regards, particularly to identify how markets are changing and what can be done to affect market improvement. What is needed is knowledge of the driving forces that affect both day to day operating patterns and longer term changes. A rapid appraisal approach needs to identify those driving forces and determine their effects. Some of these driving forces may come from outside the sector, such as developments in other sectors or in the general economy. Investments in infrastructure, even those made to develop the national economy, can generate pressures on the agriculture marketing system that bring about important adjustments. Government food price policy may have a major influence. Industry organization configurations may shape patterns of behavior and change in various ways. The aim is to

gain an understanding of "developing trends, how the system is changing, what are the causes of changes, and judgments of informed people about future prospects" (P. Farris, 1986). In addition to the need to address trends, a number of other points regarding the Rapid Appraisal Guidelines were raised in the November 1986 Workshop on Agricultural Marketing Systems. Criteria to measure market performance should be developed. Also, the Guidelines should more systematically treat institutional and non-market factors in food systems. These non-market influences affect market organization and behavior, and can provide either resistance or stimulus to both efficiency and progress (P. Farris, 1986). Finally, pragmatic goals have to be considered, such as, identifying "bankable" projects oriented to improving the performance of the system (Meissner, Harrison, 1986).

The second type of output would be the actual field application at the mission level. The synthesis and operational guidelines for rapid appraisal should be available early on after the project is underway so that field applications would be initiated in the first year. The rapid appraisal undertaken in the field would be funded largely with buy-ins from missions. The AMIS project will concentrate on identifying missions interested in the rapid appraisal based upon initial expressions of demand identified earlier. Over the life of the project AMIS will target the completion of ten rapid appraisals. All of the rapid appraisals will be written up and a final report based upon the findings will be a product of each of these efforts.

With a combination of synthesis of the previous work on rapid appraisal plus a program of field applications bringing out the empirical results, our approaches for assessing agricultural marketing systems should be enhanced. However, our ability to fine tune the identification of key variables and relationships, and to refine the methodology depends also upon our knowledge base of agricultural marketing systems. The rapid assessment is only one part of an overall effort needed to get a better handle on these systems--it needs to be complemented with a program of applied research and the results disseminated.

## 2. Applied Research

Two types of outputs related to applied research will be produced over the life of the project. The first will be principally core funded under AMIS and will consist of networking and dissemination activities at the AID/W level concerned with both establishing a process for identifying priority areas of applied research amongst the principal S&T marketing related projects and developing a network for sharing research plans and results. The other type of output will be at the mission level resulting from field work and studies. This will be funded largely through mission buy-ins.

Outputs from these two sets of activities are summarized below:

- a. Networking and Dissemination - The AMIS project will establish a system of exchange of information, "lessons learned" on ways to improve marketing in developing countries. In the first instance the target would be the

S&T projects with an important marketing component, and the focus would be on sharing insights and experiences. A series of working papers based upon applied research and project reports (i.e., rapid appraisal reports and other relevant information) will be disseminated through the network. Strict documentation requirements will be the norm on AMIS studies, since these will form the principal subject matter to convey the message and findings of the project.

- Field Research - The AMIS project will work closely with missions on priority applied research topics. Funding for these activities would be provided principally through mission buy-ins, and it is estimated that roughly five applied research activities would be completed over the life of the project. The focus of the AMIS research would be on improving marketing system performance, and its concentration would principally be on organizational and institutional issues. The type of applied research program which AMIS would be oriented would be toward knowledge generation. It would be country specific but it would also contribute to a general understanding of marketing systems across countries having similar problems and characteristics. The AMIS project would identify key areas of priority research with cross-cutting implications. These would be based upon reviews of missions' interests and demands. The following areas are expected to be candidates for priority work:

(i) Analyze the key factors in the Marketing System

- o determine the relative roles of public-private sectors within the country setting, including components and structure within both the public and private sectors, and identify guidelines for helping insure that their most effective roles are reinforced;
- o determine ways to motivate improved performance from marketing firms, including the analysis of such factors as the costs of information, the commercial code, contracting costs, and the availability of credit;
- o identify new market opportunities, including both geographic areas within the country and abroad, for goods and services, including input items, where expansion and efficiency gains could be promoted;
- o examine the role urban marketing systems can play in better coordinating and integrating assembly, processing, wholesaling and retailing to improve overall system effectiveness; and

(ii) Identify and Evaluate Marketing Alternatives

- o delineate institutional arrangements, capital investments and government interventions that might be considered to help solve identified problems;

- o evaluate the probable costs, benefits, and feasibility of alternative interventions that would promote system-wide marketing improvements and, through possible reorganization or specialization of agricultural marketing systems, enhance overall performance of the agricultural economy.
- o identify areas in which government parastatal interventions have become constraints to efficient and progressive agricultural marketing and recommend ways for improvement or for transforming these functions to the private sector.

### 3. Pilot Innovations

There will be two sets of outputs related to pilot innovations. At the AID/W level the AMIS project would develop an inventory of innovative efforts in agricultural marketing. The focus here would be on changes in the institutional, organizational arrangements either in connection with or apart from technological changes which would contribute to improved performance of the marketing system. As part of the inventory, AMIS would include an analysis of the particular conditions and factors which need to be considered to effectively introduce the innovations and also the identification of groups or individuals with capability to consult in the implementation of the innovations. The types of innovative changes envisaged include:

- a. the establishment of a central market or a commodity exchange;

- b. the organization of a voluntary chain of retailers;
- c. introduction of farmer collaborative arrangements to improve crop assembly and marketing;
- d. establishment of a commodity grading system;
- e. establishment of information systems and/or other mechanisms to improve communication of market knowledge and reduce risk;
- f. integration of assembly, processing, warehousing and/or retailing; and
- g. introduction of new contracting procedures;
- h. introducing new ideas on managerial expertise and technology adoption to host country businesses and/or public agencies as learned from other countries or organizations.

The funding for the inventory activity would be covered under the AMIS core budget.

A second level of output actual implementation of pilot activities at the field level is also envisaged under this activity. This would require mission buy-ins to fund the principal costs involved. Demand for pilot innovations could stem from or be undertaken concurrently as an important part of AMIS's field work in conjunction with applied research or rapid appraisal recommendations. Request for pilot efforts might develop separately, identified by missions as an area which needs exploring. AMIS would be in a position to assist missions by helping in the design and implementation of pilot efforts, and/or simply monitoring the progress of the activity once it was

initiated, recording the lessons learned from the experience. It is envisaged that AMIS would assist approximately five pilot activities during the life of the project.

D. Inputs

AMIS project inputs will be made both at AID/W and the USAIDs. These inputs are described below.

1. AID/W -- There are four inputs to the implementation of the project. These are discussed individually.

a. Project Manager -- S&T/RD will provide a direct hire project manager from S&T/RD/IDM who will be responsible for the conduct of the project within A.I.D. and will also serve as chairman of the agriculture marketing committee which will have oversight and review functions for AMIS. Close collaboration with S&T/AGR will be critical to the success of the project, given that a major objective of AMIS is to develop research collaboration and networking among all of the marketing related projects. It is expected S&T/AGR will name a representative to the agriculture marketing committee and that person will serve as deputy chairman of the committee and the contact point for the project in S&T/AGR.

b. Agricultural Marketing Committee -- Representatives from the Regional Bureaus and S&T project officers will constitute the Agricultural Marketing Committee and provide overall guidance and planning inputs. The committee will serve as a forum for enhancing coordination and identifying priority concerns within A.I.D. A

principal input to the project will be made in conjunction with annual workplan reviews and planning evaluations. The project committee will meet to review annual workplans and periodically thereafter as required to review project implementation. The annual workplan will be developed before the beginning of each operational fiscal year. It is expected that the project committee will review and make substantive comments on the workplan. Also, individual members would be involved in reviewing studies or applied research which concerned their areas of interest.

Another function of the committee will be to participate in the networking activities of the project. It is envisaged that AMIS would hold a planning workshop, which along with the annual workplan, will be an important forum for project committee representatives -- their inputs will be critical in helping to identify research areas and planning the dissemination of results.

1. AMIS Contractor -- The project will be contracted to a consulting firm/university type arrangement, which will provide the combination of operational and knowledge generation skills required. The contractor will contribute substantively in each of the three principal areas: synthesizing and developing a rapid appraisal methodology and carrying out rapid appraisals; establishing a network for coordination and planning of applied research activities and implementing applied

research; and identifying and inventorying pilot innovations and assisting in their implementation.

The strengths of two major types of contractors (consulting firm and university) are needed to implement the Agricultural Marketing Improvement Strategies Project (AMIS). Rapid response to mission requests and access to a wide range of practical experiences in implementing marketing innovations, especially in the private sector, are "action" characteristics commonly attributed to consulting firms and to some research institutions. An environment conducive to reflective and creative research, a longer institutional memory, readily available library resources, and a staff with many years of in-depth research experiences are academic "research" characteristics often associated with universities and some research institutions.

- d. The S&T Marketing Related Projects -- There are five projects from S&T/AGR and two S&T/RD which address some form of marketing concern. These are:

Agriculture (AGR)

931-0054	INTERNATIONAL FERTILIZER DEVELOPMENT CENTER
936-4134	R&D IMPROVED SEED PRODUCTION AND UTILIZATION
936-4144	POST HARVEST GRAIN SYSTEMS R&D
931-1323	STORAGE & PROCESSING OF FRUITS & VEGETABLES
936-4084	AGRICULTURAL PLANNING AND POLICY ANALYSIS

Rural Development (RD)

931-1190 FOOD SECURITY IN AFRICA

931-1135 HUMAN SETTLEMENTS & NATURAL RESOURCE SYSTEMS  
ANALYSIS

All of these projects address some aspect of agricultural marketing. What the AMIS project will add is a facility for more systematically planning, assimilating lessons learned, sharing results and advancing the state-of-the-art of agricultural marketing in developing countries.

It is envisaged that there will be close cooperation between AMIS and the other S&T projects, particularly with regard to field related activities. The responses outlined in Table 1.1, 1.2 and 1.3 indicated that there is considerable interest in two regions, ANE and AFR. In the case of AFR, AMIS will take special care to coordinate its activities closely with the AFR Bureau representative on the Agriculture Marketing Committee and also the Food Security Project. The Food Security Project is currently doing a considerable amount of applied research on marketing issues of a systems nature -- through Michigan State University. AMIS's role in Africa, therefore, would be to: (1) in terms of rapid appraisal and applied research work, respond to missions where the Food Security Project is not currently or planning to be involved; and (2) explore with the Food Security Project the possibility of initiating complementary pilot efforts in areas where applied research is well underway.

It should be noted that the eight cable responses to date, from the African missions indicating interest in buy-ins, have not

come from any of the countries where the Food Security Project is involved in applied research.

2. Mission/Host Country Inputs -- Input at the mission and host country level include sponsoring of rapid appraisals and follow-up activities such as pilot innovations and applied research. A key component of AMIS will be collaboration with host country institutions. All activities in-country would be done in conjunction with missions and host country institutions.

Mission inputs will be needed to help plan and fund in-country activities. Initial efforts in agricultural marketing would include planning workshops which would require some help in general logistics, including identifying key participants. Follow-on activities would require support from existing mission programs and/or projects.

## V. Technical Analysis

The AMIS project will support efforts in three areas: developing rapid appraisal guidelines; designing and implementing pilot marketing innovations; and establishing an applied research framework and a network for sharing information across marketing projects in developing countries. The technical feasibility of each of those activities is discussed below:

A. Rapid Appraisal Guidelines - the SPMA team itself generally felt that the rapid appraisal methodology had developed further than other components of the project. Nonetheless, there was realization that more work was needed to improve its effectiveness. With this in mind, S&T/RD sponsored a workshop in

which one concern was rapid appraisal and a review of the principal work stemming from SPMA (Holtzman 1986). It was generally agreed that guidelines for rapid review of marketing systems were useful. For further work the stress was on more completely identifying the elements of the process. Farris (1986) indicated that the process should focus on: (1) procedures for establishing objectives; (2) a method for employment of an interactive process; (3) more emphasis on identifying the critical driving forces of the marketing system; (4) more attention to identifying important conditioning influences, such as, values, customs and institutions; and (5) concentration on arriving at recommendations regarding specific interventions--such as changes in policy and/or organizational, institutional, technological, infrastructural arrangements.

With the type of modifications which Farris indicates, S&T/AD believes that an already useful instrument--as demonstrated by SPMA--can be made even more effective and useful.

B. Pilot Testing of Innovations the SPMA experience suggests that this area is feasible but needs further work. SPMA's approach included a program of case studies of successful marketing efforts and several specific field studies on urban wholesaling and the potential formation of voluntary chains of urban retailers in Latin America. The experience indicated that there are lessons to be learned from endeavors to change and improve marketing and these need to be more thoroughly captured than was the case with SPMA. The AMIS project will carry out a more systematic and active review of current experiences in

marketing to identify marketing innovations and the particular settings in which they proved successful. AMIS would be concentrating principally on institutional and organizational changes, with or without changes in technology, which have impacted on marketing systems. This calls for a more active culling of the literature plus review of private sector sources. The AMIS contractor would be charged with this activity early on. The purpose of this exercise would be to position the AMIS project to respond effectively to either mission requests or results of rapid appraisals and/or applied research. Whether the individual pilot activities are successful, or not, depends upon how well AMIS is able to track conditions required for suitable intervention and how the project can locate potential implementors. Experience indicates that there has been considerable amount of institutional and organizational adaptation and change for improving marketing systems. What has wide applicability and what does not is the point of this activity, namely, to discern what is reasonable through pilot efforts.

C. Applied Research one of the objectives of the AMIS project is to establish closer collaboration among the marketing projects so that the potential significant advantages associated with sharing lessons learned can be captured. The S&T/RD November 1986 Workshop on Agricultural Marketing Systems made a first step in this direction. The workshop examined trends and issues associated with grains, livestock, fruits and vegetables and urban marketing systems. The workshop reinforced the ideas that there

are important country projects that also have significant cross-cutting issues.

AMIS's role in follow-up to the initial workshop is to help develop mechanisms to insure that collaboration can be developed and forged in an effective and productive manner. Collaboration often can be costly, hence AMIS must have adequate incentives to insure that participants from the S&T marketing related projects will want to collaborate. AMIS plans to do this in four basic ways: (1) sharing information through networking research plans and results; (2) supporting special studies on marketing problems; (3) facilitating the identification and referral of buy-ins to other S&T projects; and (4) helping to organize joint marketing assistance teams to respond to mission requests.

## VI. Implementation Arrangements

### Project Operational Description -- AID/W and Mission Level Activities

It should be clear that the AMIS project will concentrate on developing and improving the capacity of A.I.D. and host countries to carry out a sequence of three important activities required to develop effective 'marketing improvement strategies', namely, to: (1) diagnose marketing systems; (2) understand how the systems might be changed; and (3) orchestrate effective implementation of change. Hence, a basic tenet of the project is that the contractor has to have capability in all three of these areas. By the same token it is not expected that the AMIS contractor will be involved fully in all three activities in each country -- rather

that the contractor be knowledgeable whether the critical analysis needed has been covered in the setting which the project is working in.

In order for the AMIS project to have an impact on the capacity of A.I.D. to do marketing more effectively it has to be able to provide input at two levels -- at the AID/W level and also at the mission level. The AMIS input at the AID/W will focus on strengthening the conceptual and operational underpinnings for each of the three critical activities outlined above and improve coordination and collaboration amongst S&T projects. The associated costs will be largely core costs of the project. They will be preparatory, as well, in the sense that they will enhance the AID/W capacity to more effectively service the field missions.

Ultimately, if progress is to be made in marketing, it will have to, of course, be done in the field. A number of missions have indicated interest (see Tables 1.1, 1.2, and 1.3 cable responses from missions) and it is expected that the AMIS project will work directly with these missions and host country institutions in carrying out the activities required to develop marketing improvement strategies. These activities would in large measure be covered from mission buy-ins.

In order to understand how the project will address each of the principal activities, the specific tasks have been outlined below for each activity both at the AID/W and the mission level.

1. Diagnosis - The AMIS project seeks to enhance capacity in this area by strengthening both the agency's and host country's capability to carry out rapid appraisals.

a. AID/W Level - The AMIS project will, as a first order of business, seek to operationalize guidelines for the process of carrying out rapid appraisals. AMIS will set out to work closely with other S&T cooperators such as Idaho University (PIP), Kansas State University (FFGI), Mississippi State (Seed Technology), IFDC and Michigan State University to synthesize guidelines which would be useful to all parties and will be charged with getting their inputs to the process. PIP has already moved ahead in this area -- and has expressed interest in collaborating with AMIS on future work. One of the objectives of AMIS would be to have in place guidelines early-on so that they could be of use to the other S&T projects. A more systematic process for rapid appraisals would provide a basis for comparisons across commodities and serve as a learning tool on cross-cutting concerns in marketing. It could also be used as a planning instrument to indicate potential areas for the most fruitful collaboration between S&T cooperators. The AMIS contractor will be expected to, within the first few months of the project, develop guidelines synthesizing inputs from the other projects.

b. Mission Level - The AMIS contractor will develop responses to the missions which have already cabled interest. A first step would be a preliminary visit. In order to ascertain further interest, one device AMIS would utilize would be to conduct an in-country seminar/workshop which would concentrate on getting key participants of the marketing system together to review issues. Once there is an agreement on the need for diagnostic work, such as the rapid appraisal, the mission would have to provide funding

support. An illustrative budget for a rapid appraisal is contained in Section VII.D. It is expected that the AMIS project would work closely with local institutions and researchers -- a training component would ensue which would consist of AMIS's transferring the relevant rapid appraisal methodology.

2. Determining How the Marketing System Might be Changed -

The AMIS project will make a contribution in this area by both helping to establish mechanisms to better coordinate and plan applied research by S&T and by also actually carrying out applied research in the field with missions.

a. AID/W Level - A principal activity of AMIS will be the establishment of a network for collaboration and exchange of information among S&T projects with agricultural marketing concerns. Members for the network have been identified from S&T/AGR and S&T/RD projects which have: a) stated objective of addressing output and input marketing issues; b) field experience and capability for dealing with these problems; and c) a willingness to participate.

The Network would have two roles, i.e., to serve as a mechanism for research collaboration and to provide a forum for exchanging information with a larger audience. Collaboration will be the principal emphasis for the full five years of the AMIS project. It is expected that the forum, which would attempt to expand information sources beyond the marketing related S&T projects, would be developed more slowly, with emphasis on the last two years of AMIS.

The Network membership would consist of two groups; formal members including the Agricultural Marketing Committee, S&T/AGR and S&T/RD projects under the criteria established above and informal members which would include other institutions and organizations active in agricultural marketing research efforts such as the FAO, World Bank, IFPRI and regional and host country institutions.

The AMIS contractor will undertake the following actions to initiate the activity:

- o draft guidelines to cover network communications including planning, exchange of information, and collaboration activities;
- o develop a frame of reference for the topic material to be exchanged which identifies marketing function, participant, type of analysis and the kinds of change being addressed (See Appendix IV as an illustration of what is needed);
- o become fully apprised of the marketing related activities of all member projects within the network so as to ascertain how the network might best assist each project's particular interests;
- o establish mechanisms for collaboration that would include planning workshops, commissioning of papers important to network members and brokerage of mission requests for assistance.

h. Mission Level - It is expected that AMIS will be carrying out applied research in the areas outlined in the earlier output

section IV.C.2. The applied research could arise either as a result of rapid appraisal activity or directly in response to the outgoing cable (State 068251) describing the areas of applied research interest. A good deal of the potential applied research which will initially be directed toward AMIS, may eventually be undertaken by one of the other S&T projects. AMIS would concentrate on marketing systems concerns, and those which are focused on institutional and organizational issues. In each instance of a potential particular buy-in, the S&T/RD project officer will review the proposed work and consult when necessary with the agriculture marketing committee to determine whether it could more appropriately be carried out by AMIS or another S&T project or some combination of the two. Principal funding for the applied research activity would have to be provided by the mission involved. An illustrative estimate of an applied research budget is contained below in Section VII.D. of this paper. Again, it is expected that AMIS would work closely with local institutions and researchers in implementing the applied research.

3. How to Orchestrate Effective Implementation of Change -

The AMIS project will concentrate on this area by both developing an inventory of pilot innovations and case studies and also by actually carrying out pilot innovations in the field with missions.

a. AID/W Level - The AMIS project contractor will begin early on in the project to identify potential candidates for pilot innovations. The contractor will be expected to review the agricultural marketing literature for examples of potential

innovations. The purpose of this activity will be to begin to develop an inventory or collection of successful interventions. AMIS would also concentrate on characterizing the settings within which the interventions are most likely to succeed and why. Finally, AMIS will concentrate also on identifying sources of expertise and consultants who would be useful in actual implementation of activities.

b. Mission Level - The AMIS contractor will need to identify missions where demand for pilot innovations exists. There was some general indication in the response cables -- this needs to be further developed through on-site visits. Also some demand is expected to be generated on the basis of rapid appraisals and other field work. A particularly interesting approach for using pilot innovations might be in connection with applied research programs to specifically test out a given hypothesis about an organizational or institutional arrangement. The funding for pilot innovations would be principally from mission buy-ins -- an illustrative budget is contained under the Section VI.F. of this paper entitled Financial Plan, Illustrative Budget for Pilot Innovation. Implementation would be done in connection with a host country institution and the AMIS would be expected to provide a training component for the local researchers or implementors involved.

B. Selection Criteria-- Mission Level Activities

A key concern of the AMIS project will be country selection for the three key field activities to be undertaken by the project. The present levels of demand as signified by the response cables more than subscribe the level of activity

envisaged in the project as outlined in the financial plan. It is assumed that the AMIS contractor will visit interested missions, and they will have demonstrated willingness to participate in the project. Where should the AMIS project activities be located? The following criteria are set forth to provide a guide for the project manager and the agriculture marketing committee who will determine the final selection. The criteria are organized by type of activity.

For Rapid Appraisal:

- 1) Interest and ability of the country mission to buy-into longer term collaboration with AMIS,
- 2) Degree that the country's interests/problems correspond to AMIS's priorities for applied research and pilot testing of innovation,
- 3) That country's relative importance to and support from the AID regional bureau, and
- 4) That country and target commodity system's similarity to others being considered. Similarity of such country characteristics as: stage of development, size (area and population), and political economy, and such commodity system characteristics as: relative degree of commercialization, dominance of domestic demand, and type of crop (grains, fruits and vegetables, and the like) will facilitate cross-country comparisons.

For Applied Research (in addition to the four points mentioned above):

1) Seriousness of the problem as indicated in initial problem diagnosis,

2) Existence of planned or on-going mission-based project with an agricultural marketing research and development component,

3) Capability and interest of host country institutions to participate, and

4) Feasibility (political, economic, and technical aspects) of actually implementing solutions to the priority problems addressed.

For Pilot Testing of Innovations (in addition to the eight points mentioned above):

1) General magnitude of the costs involved in implementing such a change,

2) Length of time required to complete and evaluate that type of innovation,

3) Extent that institutional, organizational, and managerial sets of questions are central to this type of innovation,

4) Degree of acceptability of this type of change to both the private and public sectors, and

5) The innovation's compatibility with the culture and socio-political environment as well as its potential for making a significant impact.

#### C. Implementation Plan

The scheduling of the implementation of the outputs under the project is given below.

Timing of Planned Project Outputs

<u>Outputs</u>	<u>Yr. 1</u>	<u>Yr. 2</u>	<u>Yr. 3</u>	<u>Yr. 4</u>	<u>Yr. 5</u>	<u>Total</u>
<u>AID/W Level</u>						
<u>Rapid Appraisal</u>						
Guidelines/Manual	1				1	2
Report on Lessons Learned					1	1
Workshop					1	1
<u>Applied Research</u>						
Network;						
- Frame of Reference for research exchange	1					1
- Guidelines for Operations	1					1
- Research Agenda	1	1	1	1	1	5
- Workshops	1	1	1	1	1	5
- Special Studies/Case Studies	3	4	5	4	4	20
Report on Lessons Learned					1	1
<u>Pilot Testing</u>						
<u>Innovations:</u>						
Inventory/Literature Review	1					1
Guidelines			1		1	2
Report on Lessons Learned					1	1
Workshop					1	1
<u>Mission Level</u>						
<u>Rapid Appraisals:</u>						
Planning Workshops	1	3	3	2	1	10
Final Reports	1	3	3	2	1	10
<u>Applied Research:</u>						
Progress Reports	1	2	4	4		11
Final Reports		1	2	2		5
Regional Workshops				1	1	2
<u>Pilot Testing</u>						
<u>Innovations:</u>						
Progress Reports	1	2	4	4		11
Final Reports		1	2	2		5
Regional Workshops				1	1	2

#### D. Implementation Guide

The AMIS contractor will present an annual workplan which will constitute the basis between A.I.D. and the contractor for work activities and expenditures to be undertaken in a given operational year. The workplan will identify the levels of effort to be undertaken for each of the output areas identified in the project and provide targets for completion of the specific activities.

The AMIS workplan will be utilized as a device for enhancing coordination among the S&T projects as well. It is expected that AMIS will chart within the workplan activities for collaborative action -- such as visits to missions in response to requests, following up or reviewing potential buy-ins, or engaging in implementation of field activities -- with a view to aiding other S&T projects allocate their support and/or coordination with these efforts.

The workplan will also contain specific agenda for each of the field activities to be initiated -- including objectives, proposed procedures, methodologies, and results expected.

#### E. Evaluation

Evaluation of AMIS will consist of monitoring of project outputs by the project committee and the S&T/RD project manager. In addition, the project will be evaluated in mid-term of its operation by an outside team of experts. S&T/RD is currently planning to use S&T/RUR's evaluation contract with the National Academy of Sciences.

The final evaluation will be carried out in the last year of the project by the project team of experts.

VII. Financial Plan

The total cost of the AMIS project is estimated at \$10.0 million, of which approximately 25% is expected from core-funding and 75% from mission and host country in-kind contributions. The financial plan for the AMIS project is included in the following seven sections which include illustrative budgets for: INPUTS in Section (A); PERSONNEL in Section (B); OUTPUTS in Section (C); RAPID APPRAISAL in Section (D); APPLIED RESEARCH in Section (E); PILOT TESTING OF INNOVATIONS in Section (F); and SUMMARY BUDGET in Section (G).

Core Funding -- an analysis of the core-funding of \$2.5 is contained in Sections (A), (B) and (C). In Section (A) the total core cost is broken out by operating year and cost category -- personnel, travel, other direct costs and overhead. Section (B) provides added detail and breakout on the personnel costs which were summarized in Section (A). And finally, Section (C) outlines the distribution of core costs by the three principal output categories -- Rapid Appraisal, Applied Research and Pilot Testing of Innovations. Section (C) also includes estimates of buy-ins for each of these categories.

Buy-ins -- illustrative budgets for the types of activities for which missions will be buying-in, i.e., Rapid Appraisal, Applied Research and Pilot Testing of Innovation have been estimated and are included under Section D, E, and F respectively.

In order to estimate total buy-in amounts, the potential demand included in Tables 1.1, 1.2, and 1.3 for each of the activities (Rapid Appraisal, Applied Research and Pilot Testing) has been

reviewed and levels of effort consistent with these estimates have been projected. The level of effort which provides the basis for buy-in projections is as follows: (10) Rapid Appraisals; (5) Applied Research Activities; and (5) Pilot Testing of Innovations. The calculation of total buy-ins is summarized in the table below:

<u>Activity</u>	<u>Number</u>	<u>Cost (\$000)</u>	<u>Buy-in Estimate (\$000)</u>
Rapid Appraisal	10	150	1,500
Applied Research	5	750	3,750
Pilot Innovations	5	450	<u>2,250</u>
TOTAL			\$7,500

The final Section (G) summarizes that core funding and buy-ins for AMIS by operational year and cost categories.

A. Illustrative Budget by Inputs (\$000)

<u>Items</u>	Yr. 1	Yr. 2	Yr. 3	Yr. 4	Yr. 5	Total
Personnel <u>1/</u>	190	229	228	229	198	1,074
Travel: <u>1/</u>						
- Airfare;						
International	27	37	37	36	13	150
Domestic	3	5	4	4	2	18
- Per Diem	10	20	10	12	7	59
Other Direct Costs <u>2/</u>	65	60	47	45	47	264
Overhead & Fringe	165	199	199	199	173	935
<b>TOTALS</b>	<b>460</b>	<b>550</b>	<b>525</b>	<b>525</b>	<b>440</b>	<b>2,500</b>

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1/ Includes staff and consultant time.

2/ Other direct costs include: equipment, publications, workshops, training, evaluations, etc.

B. Illustrative Budget for Personnel (\$000)

<u>Items</u>	<u>Yr. 1</u>		<u>Yr. 2</u>		<u>Yr. 3</u>		<u>Yr. 4</u>		<u>Yr. 5</u>		<u>Total</u>	
	PM	\$										
Agricultural Marketing Specialist	12	45	12	47	12	49	12	51	12	53	60	245
Marketing Analysts (2)	24	82	24	86	24	90	24	94	24	98	120	450
Administrative Assistant	12	23	12	24	12	25	12	26	12	27	60	125
Consultants <u>2/</u>	15	40	26	72	20	64	17	58	9	20	87	254
Subtotal	<hr/>											
	63	190	74	229	68	228	65	229	57	198	327	1,074
Overhead & Fringe <u>1/</u>	165		199		199		199		173		935	
Grand Total	<hr/>											
	63	355	74	428	68	427	65	428	57	371	327	2,009

Note: "pm" = person months; "\$" = \$1,000 units.

1/ Inflation rate of 5%/yr. included.

2/ Assumed to be university marketing advisors subcontracted with AMIS.

C. Illustrative Budget by Outputs (\$000)

<u>Items</u>	<u>Yr. 1</u> pm \$	<u>Yr. 2</u> pm \$	<u>Yr. 3</u> pm \$	<u>Yr. 4</u> pm \$	<u>Yr. 5</u> pm \$	<u>Total</u> pm \$
Rapid Appraisal	25 250 (200)	24 150 (400)	17 60 (400)	15 60 (400)	10 90 (100)	91 610 (1,500)
Applied Research	26 125 (200)	30 200 (850)	23 215 (950)	25 225 (1,375)	21 150 (375)	125 915 (3,750)
Pilot Test Innovations	12 85 (150)	20 200 (500)	28 250 (650)	25 240 (675)	26 200 (275)	111 975 (2,250)
Core Total =	63 460	74 550	68 525	65 525	57 440	327 2,500
(Buy-ins) =	(550)	(1,750)	(2,000)	(2,450)	(750)	(7,500)
TOTAL =	1,010	2,300	2,525	2,975	1,190	10,000

Note: "pm" means person months and "\$" is \$1,000 units.

D. Illustrative Budget -- Rapid Appraisal

<u>Item</u>		<u>Amount</u> <u>(\$000)</u>
1) SALARIES:		
3 Consultants; <u>1/</u> (10 wks) 60 days @ \$260/day	-	47
3 Local Counterparts; (10 wks) 60 days @ \$100/day	-	18
2) OVERHEAD AND FRINGE (70%)	-	33
3) DBA 2.25% of salaries abroad	-	1
4) TRAVEL:		
For consultants; (International) 3 RT @ \$2,500	-	8
Per Diem 70 days @ \$60/day	-	13
Misc., i.e., taxi, rentals, etc.	-	2
For counterparts:		
Per Diem 70 days @ \$30/day	-	6
Fuel, driver, or rental	-	4
5) MISCELLANEOUS - supplies, typing, reproductions, inflation, etc.	-	5
6) CONTINGENCY (10%)	-	<u>14</u>
TOTAL		151

1/ Assumed to be university marketing advisors subcontracted with AMIS.

E. Illustrative Budget -- Applied Research

<u>Item</u>	<u>Amount</u> <u>(\$000)</u>
1) SALARIES:	
Consultants; <u>1</u> /	
- Long Term	150
- Short Term	65
Counterparts;	
- Long Term	90
- Short Term	45
Support Personnel (Interviewers, Clerical, etc.)	45
2) OVERHEAD AND FRINGE (70%):	150
3) DBA 2.25% of salaries abroad:	5
4) TRAVEL AND PER DIEM:	
- International	45
- Local	30
5) MISCELLANEOUS	
- Office Facilities and Equipment	25
- Supplies, Photocopying, etc.	15
- Local Workshops	17
6) CONTINGENCY (10%)	<u>68</u>
TOTAL	750

1/ Assumed to be university marketing advisors subcontracted with AMIS.

F. Illustrative Budget -- Pilot Testing Innovations

<u>Item</u>	<u>Amount</u> <u>(\$000)</u>
1) SALARIES:	
Consultants; <u>1/</u>	
- Long Term	95
- Short Term	40
Counterparts;	
- Long Term	30
- Short Term	25
Support Personnel (Interviewers, Clerical, etc.)	15
2) OVERHEAD AND FRINGE (70%):	94
3) DBA 2.25% of salaries abroad:	3
4) TRAVEL AND PER DIEM:	
- International	45
- Local	20
5) MISCELLANEOUS	
- Office Facilities and Equipment	20
- Supplies, Photocopying, etc.	7
- Local Workshops	15
6) CONTINGENCY (10%)	<u>41</u>
TOTAL	450

1/ Assumed to be university marketing advisors subcontracted with AMIS.

G. Illustrative Budget Summary (\$000)

<u>Source and Item</u>	Yr. 1	Yr. 2	Yr. 3	Yr. 4	Yr. 5	Total
<b>CORE FUNDING</b>						
Coordinator	45	47	49	51	53	245
Mrktg. Analysts	82	86	90	94	98	450
Consultants <u>1/</u>	40	72	64	58	20	254
Support Staff	<u>23</u>	<u>24</u>	<u>25</u>	<u>26</u>	<u>27</u>	<u>125</u>
Salary Subtotal	190	229	228	229	198	1,074
Fringe (10%)	19	23	23	23	20	108
Travel	40	62	51	52	22	227
Other Direct Costs	35	38	29	30	35	167
Equipment	<u>30</u>	<u>22</u>	<u>18</u>	<u>15</u>	<u>12</u>	<u>97</u>
SUBTOTAL	314	374	349	349	287	1,673
Overhead (70%)	<u>146</u>	<u>176</u>	<u>176</u>	<u>176</u>	<u>153</u>	<u>827</u>
TOTAL:	460	550	525	525	440	2,500
<b>IN-COUNTRY MISSION STAFF</b>						
AMIS Personnel	130	350	370	435	145	1,430
AMIS In-country Support	40	175	180	245	80	720
AMIS Travel	50	160	200	215	75	700
Research Personnel (National)	48	225	275	350	70	968
Research Expenses	86	200	240	280	108	914
Travel & Per Diem (National)	<u>65</u>	<u>190</u>	<u>240</u>	<u>307</u>	<u>95</u>	<u>897</u>
SUBTOTAL	419	1,300	1,505	1,832	573	5,629
Overhead (60%)	<u>131</u>	<u>450</u>	<u>495</u>	<u>618</u>	<u>177</u>	<u>1,871</u>
TOTAL Mission Funding	550	1,750	2,000	2,450	750	7,500
						10,000

1/ Assumed to be university marketing advisors subcontracted with AMIS.

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**PROJECT DESIGN SUMMARY  
LOGICAL FRAMEWORK**

Project Title & Number: **Agricultural Marketing Improvement Strategies 936-5447**

INSTRUCTIONS: THIS IS AN OPTIONAL FORM WHICH CAN BE USED AS AN ADD TO THE MAIN REPORT. IT NEED NOT BE RETAINED OR SUBMITTED.

L. No. of Project: \_\_\_\_\_  
From FY: \_\_\_\_\_  
Total U.S. Funding: **16** Million  
Total Topical: \_\_\_\_\_

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><b>To increase the efficiency and effectiveness of developing country Ag Marketing Systems</b></p>	<p>Measures of Goal Achievement:</p> <ol style="list-style-type: none"> <li>1) Either farm incomes improved or consumer prices reduced or some sharing of gains</li> <li>2) Increase in the amount of investment in marketing, i.e. (storage, transport, and processing)</li> <li>3) Lower marketing margins for performing given marketing functions or the addition of services without corresponding increases in costs</li> <li>4) Improve reliability of supply of commodities and/or inputs</li> <li>5) Initiation of market channel innovations to improve performance</li> </ol>	<p>Collection of Baseline Data at the beginning of each of the in-country involvement which would include data on:</p> <ul style="list-style-type: none"> <li>-- Participant incomes</li> <li>-- Investments</li> <li>-- Marketing Margins</li> <li>-- Changes in supply of commodity, production time, place, available to consumers</li> <li>-- New organizational a/o institutional arrangements</li> </ul>	<p>Assumptions for achieving goal targets:</p> <ol style="list-style-type: none"> <li>1) Engagement of Mission and LDC governments in dialog on importance of marketing improvement</li> <li>2) Appropriate budget allocation pre-available to support reform</li> <li>3) Credit mechanisms and sources can be developed to support private marketing initiatives</li> <li>4) Available local researchers and acceptance and interest by marketing participants in improving performance</li> </ol>

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**PROJECT DESIGN SUMMARY  
LOGICAL FRAMEWORK**

Project Title & Number: Agricultural Marketing Improvement Strategies 936-5447

Life of Project: \_\_\_\_\_  
 From FY: \_\_\_\_\_ to FY: 92  
 Total U.S. Funding: 10 Million  
 Date Proposed: \_\_\_\_\_

NARRATIVE SUMMARY	OBJECTIVELY VERIFIABLE INDICATORS	MEANS OF VERIFICATION	IMPORTANT ASSUMPTIONS
<p>Project Purpose:</p> <p>To enhance USAID's and host country institutions' ability to design, implement, and evaluate improvements in agricultural marketing systems</p>	<p>Conditions that will indicate purpose has been achieved: End of project status.</p> <ol style="list-style-type: none"> <li>1) Missions and LDCs are utilizing Rapid Reconnaissance (RR) methodology to assess marketing systems</li> <li>2) SAT projects are sharing results of marketing activities and coordinating applied research activities</li> <li>3) Applied research results are providing guidance on the design of new marketing systems for missions and LDCs</li> <li>4) Missions are supporting pilot project designs and incorporating them into their portfolio</li> </ol>	<ol style="list-style-type: none"> <li>1) Project records which would identify mission requests for assistance and teams that were sent in response to carry out (RR)</li> <li>2) Project annual workplan would include workshops for identify and coordinating possible future research areas as well as review and sharing of past results</li> <li>3) Project would support publication of (RR) results; applied research papers on field work which represented work for missions; and case studies of marketing activities all would be disseminated to missions</li> <li>4) Project would record buy-ins from missions</li> </ol>	<p>Assumptions for achieving purpose:</p> <ol style="list-style-type: none"> <li>1) Missions and regional bureaus see marketing as a problem area and will be requesting assistance</li> <li>2) SAT project cooperators can agree upon a set of cross-cutting marketing issues which they feel worthwhile in making the effort to work on conceptual framework and coordinate results</li> <li>3) Funding will be available for publishing and disseminating studies and reports</li> <li>4) Opportunities for marketing innovation can and will be identified through (RR) and applied research and sources of technical expertise can be located and are available</li> </ol>

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**PROJECT DESIGN SUMMARY  
 LOGICAL FRAMEWORK**

Project Title & Number: **Agricultural Marketing Improvement Strategies 936-5447**

Title of Project:  
 From FY 87 to FY 92  
 Total U.S. Funding 10 Million  
 Date Prepared:

NARRATIVE SUMMARY	OBJECTIVELY VERIFIABLE INDICATORS	MEANS OF VERIFICATION	IMPORTANT ASSUMPTIONS
<p>Outputs:</p> <ol style="list-style-type: none"> <li>1) Rapid Appraisal - development and application; manual/guidelines and reports documenting field applications.</li> <li>2) Applied Research - framework on cross-cutting issues; reports on field research; and guidelines for developing a marketing network</li> <li>3) Pilot Testing of Innovations - support for the design, implementation, and monitoring-evaluation of innovative marketing interventions</li> </ol>	<p>Measures of Outputs:</p> <ol style="list-style-type: none"> <li>1.1) A manual or guidelines for conducting rapid appraisals adaptable to both input and output agricultural marketing systems.</li> <li>1.2) Reports on the 10 rapid appraisals undertaken.</li> <li>2.1) Listing of key issues/problem areas in agricultural marketing and a proposed plan to address them.</li> <li>2.2) Reports on the 8 applied research activities undertaken.</li> <li>2.3) A guideline for establishing and operating a marketing network.</li> <li>3.1) Ten or more case studies and a report summarizing the inventory of innovative marketing interventions.</li> <li>3.2) Reports on the 8 pilot tests of innovations undertaken.</li> </ol>	<p>Annual Review by Project Committee</p>	<p>Assumptions for achieving outputs:</p> <ol style="list-style-type: none"> <li>1) Cost/effective (RR) methodologies can be developed</li> <li>2) Key cross-cutting concerns can be addressed in the context of on-going mission activities</li> <li>3) Key participants will be available and interested</li> <li>4) Generalizable analytical methods and research approaches can be developed for wide ranging applicability</li> <li>5) There are a wide range of marketing innovations which can be adapted to LDC situations</li> </ol>

**PROJECT DESIGN SUMMARY  
 LOGICAL FRAMEWORK**

Project Title & Number: **Agricultural Marketing Improvement Strategies 936-5447**

No. of Projects: \_\_\_\_\_  
 From FY 87 to FY 92  
 Total U.S. Funding: **10 Million**  
 Date Prepared: \_\_\_\_\_

NARRATIVE SUMMARY	OBJECTIVELY VERIFIABLE INDICATORS	MEANS OF VERIFICATION	IMPORTANT ASSUMPTIONS												
<p>Inputs</p> <ul style="list-style-type: none"> <li>-- Joint University/private contract to provide core staff to: improve rapid reconnaissance design; develop applied research framework in connection with other S&amp;T project cooperators; develop innovative pilot projects and training activities</li> <li>-- USAID Mission through buy-in support in country activities</li> <li>-- Collaboration of other S&amp;T projects</li> </ul>	<p>Implementation Target (Type and Quantity)</p> <ul style="list-style-type: none"> <li>-- Budget by source (\$ million)               <ul style="list-style-type: none"> <li>12.8 Core Funding</li> <li>17.8 Buy-ins</li> <li>30.6 Total</li> </ul> </li> <li>-- Over Five Years (\$000)               <table border="1" style="margin-left: 20px;"> <tr> <td>Core</td> <td>100</td> <td>850</td> <td>825</td> <td>825</td> <td>810</td> </tr> <tr> <td>Buy-in</td> <td>850</td> <td>1,750</td> <td>2,000</td> <td>2,450</td> <td>750</td> </tr> </table> </li> </ul>	Core	100	850	825	825	810	Buy-in	850	1,750	2,000	2,450	750	<p>Regular AID Reporting</p>	<p>Assumptions for providing inputs</p> <ol style="list-style-type: none"> <li>1) Proper mix of action oriented and applied research personnel are available and would respond</li> <li>2) That universities capable of continuing marketing work and sustaining knowledge generation will be interested</li> <li>3) Buy-in mechanism for mission participation will be developed</li> </ol>
Core	100	850	825	825	810										
Buy-in	850	1,750	2,000	2,450	750										

XD-AAU-243-A

ISN 51908

(corrected)

April, 1985

Mid-Term Evaluation  
of the  
SMALL FARMER MARKETING ACCESS PROJECT

A Report Submitted to  
S&I/ED  
Agency for International Development

003647  
3

Lehman B. Fletcher  
John Abbott

936-5313

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Mid-term Evaluation  
of the  
Small Farmer Marketing Access (SFMA) Project

Lehman B. Fletcher  
John Abbott

I. Introduction to the Evaluation

The evaluation took place in Washington, D.C. during February 18-26. Background documents were provided to the evaluators prior to the evaluation. A full set of project materials were made available during the evaluation period. Informal reviews were held with project staff and management at the end of the evaluation period. The report was prepared in final form following the discussion meetings.

Extensive meetings were held with the project staff, management of the Rural Development office and the Science and Technology Bureau, and other AID personnel. All meetings were conducted in a spirit of full and frank discussion and constructive exchange of views among peers. We express our appreciation to the project manager, the project leader, the project staff, and all others who contributed to the positive atmosphere for our work. In the time available we attempted to appraise the objectives and accomplishments of the project as well as appreciate its role in the broader perspective of AID's research and technical assistance programs.

II. Project Background and Status

The SFMA project is a five-year project implemented by the International Programs Division of the USDA Graduate School. Although the actual agreement to implement the project was not signed with the Graduate School until August

1982, work began earlier during FY 1982. Several field assignments were undertaken to provide country technical service on marketing projects and problems. USAID missions were contacted to determine their interest in receiving technical assistance from the SPMA project. Twenty-two USAID's indicated positive interest in receiving such technical assistance.

The project leader, formally assigned in August 1982, had previously participated as a member of the project design team and also had undertaken several pre-project field assignments on work related to the project. Table 1 shows the staffing history of the project over time. A new project leader is being recruited to replace the existing leader who is moving to a new project within S&T/RD. The project is expected to continue through FY 86 with funding currently provided through September 1986.

A. Project Goal and Purposes

1. Project Goal

To enhance the design, implementation and evaluation of marketing programs that increase the productivity, income and quality of life among the rural poor.

2. Project Purposes

- a) To develop a better understanding of the range of market structures and the problems most commonly associated with each.
- b) To test marketing interventions for effectiveness in order to ascertain the most appropriate interventions in each situation.
- c) To provide continuing technical assistance to field missions in the elimination of marketing constraints in their

Table 1

Small Farmer Marketing Access Project  
Staffing Pattern Over Time

Contract Employees	1981	1982	1983	1984	1985
Abe Waldstein	5				present
Melissa Collins	10		8		
John Holzman		11			present
Merle Menegay		10	2		present
Cheri Rasses			10		present
Jerry Martin				1	present
Dandria Parker				10	present
Edgar Ariza-Nino					1 present
Ruth Chersonson					2 present
<u>AID Direct Hire/IPA</u>					
Gordon Appleby			12		
Dick Suttor				6	
Wendell Morse			12		
Joe Beausoleil			8		
Duncan Miller			6		
Donald E. Anderson			6		present
Ken Swanberg		9			present
Thomas Mahan				10	present
<u>Other</u>					
Marshall Godwin*			8		
Cliff Barton*		6			

\*OIDS employee - not on project budget.

development projects.

**B. Specific Outputs Expected from the Project**

- a) Multi-disciplinary, analytic descriptions of rural marketing arrangements in delimited areas of at least six LDCs. These arrangements, 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 USAID missions, these assessments will provide baseline profiles for marketing and other development projects in these areas.
- b) Assistance to missions in the development and design of project documents (PIDs and PPs) to be made available to missions on a short-term basis as a result of these direct assessments. The resources will 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 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 those project activities.
- c) Clearer operational understanding of small-farmer marketing systems through the analytic syntheses of the project development and technical assistance work provided to missions. The advances in this and allied projects will be assessed in seven workshops. Six workshops are planned beginning at the end of

the third year. These include two in Africa, one in Asia and three in Latin America and the Caribbean (one each in Central America, Caribbean, and South America). Besides serving as a forum to disseminate project outputs, relevant literature, and other recent applied field research, 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.

- d) Publication of relevant information and dissemination to all USAIDs and other professionals interested in LDC marketing programs. These will include analytical reports and workshop proceedings which will be published soon after each regional workshop. In addition to the direct dissemination of country assessment and analytical reports, regional workshops will be sponsored through close collaboration with the regional bureaus and USAIDs in order 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 specialities 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).

### III. Evaluation Results

#### A. Importance of the SFMA Project

The need for this project is clear. If farmers in the developing countries are to take advantage of the new technologies that have become available and of the investments that have gone into the provision of water and other infrastructural improvements there must be adequate incentives. Production incentives must come through the marketing systems and their capacity to effectively handle additional output. There must also be in place input delivery systems that are responsive to farmers' needs. In the absence of such output and input marketing systems technological advances and investments in irrigation, etc., are likely to remain unused, or used to a degree far below the optimum. The marketing requirements of the small farmers that constitute the bulk of the agricultural production units in the developing countries are complex. Widely ranging conditions and varying mixes of resources, attitudes and tradition preclude the simple transfer of marketing systems developed elsewhere. The objective of this project is to extend and consolidate knowledge of the marketing packages that do work under particular sets of conditions, and of ways of removing constraints on marketing efficiency and strengthening the performance of marketing systems. The approach adopted is:

- 1) To carry out assessments in depth of marketing systems in a selection of countries representative of varying sets of conditions in the developing regions.
- 2) Assemble information on cases where a particular approach to marketing improvement has proved effective.
- 3) Incorporate into this applied research program knowledge and experience gained by direct provision of technical assistance in response to AID field mission requests where it seems likely to complement that gained from the research activities per se. This approach calls for considerable skill in management, but it seems well adapted to the nature and purposes of the project, its administrative location, and the financial resources directly and indirectly available to it.

Supported by a central pool of research, information and analysis of experience, the field missions of AID are likely to perform much more efficiently in this often delicate and controversial area of technical assistance in marketing. The financial outlays of the Agency will be better guided and afford greater returns. Without access to such technical support a succession of consultants are likely to propose actions reflecting their own particular experience and without awareness of the outcome of other such recommendations in the past.

The Small Farmer Marketing Access project has been slow in gathering momentum. There has been some in-fighting on methodology; this is not untypical of a research project in its early stages. There have been differences of view on its scope. One interpretation was that it should concentrate on rural marketing limiting its focus to small farmers and

the market outlets within their immediate reach. This would have been erroneous. Sound planning of production for the market begins with evaluation of the demand of domestic consumers or export outlets. The ability of the marketing system to pass back such signals to farmers is critical. So the project must be concerned with marketing channels as a whole!

In this context the Evaluation Team welcomes the work on the diversification of export markets and the building of food retailer/wholesale supply systems that has been initiated since the project was originally formulated. These work areas constitute a logical complement to the original SFMA orientation. At present, the main thrust of these activities is in technical assistance. They should be broadened and built up through applied research into a technical support unit parallel to the SFMA project and working in close collaboration with it.

Together, these programs must be maintained in operation for a further five years as a minimum. Without such continuity the returns on the outlays already made on the project will be lost and the Agency funds will be dissipated on short-term approaches that do not result in the organizational and institutional changes needed in developing countries.

#### B. Project Scope and Feasibility of Attaining Objectives

According to the project paper, the purposes of the project are three:

- 1) To undertake field assessments of marketing systems in various countries to develop a better understanding of the range of market structure and 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.

Obviously, these objectives are broad and ambitious. With limited time, human, and financial resources, tradeoffs in achieving the various objectives are inevitable. Project management faces a continual challenge to balance mission requests for technical support with the broader research and knowledge generation activities required to accomplish the other objectives of the project. It is clear that the project has established a demand for its technical services. We suggest that more emphasis is now needed in selecting those mission requests that are most complementary with the other purposes of the project.

### C. Appraisal of Specific Project Components

#### 1. Marketing Assessment Methodology

Developing a methodology for applied research on agricultural marketing has been a major focus of the project especially during the last year. This methodology needs to be viewed from the perspective of the changing orientation of the project.

The project paper was directed to the study of local marketing structures within given geographic districts containing large numbers of smallholder producers. The emphasis on small farmers reflected the growing recognition of the importance of small scale producers

both as contributors to, and recipients of, agricultural and economic development in the low income countries. An anthropological approach to studying the organization and operation of these local markets was advocated.

At the present time, the project has shifted to a concern with the marketing system that links producers to the utilization of what they sell. This shift is well illustrated by the recent inclusion in the project of work on urban food retailing and wholesaling and the promotion of export of non-traditional products in Central American and Caribbean countries.

The project staff has moved much closer to the "food system" view in which food production, processing, and distribution activities are seen as a set of interrelated activities. This system includes production, rural assembling, processing, and both rural and urban distribution activities. This move to a broader concept of marketing is in no way inconsistent with the focus on small farmers since there is serious need for research that shows what marketing policies and programs will benefit small farmers and rural communities in which the majority of the population is poor.

It is somewhat curious that the shifting view of marketing in the project has not been broadened to include more than output marketing. The local availability of reasonably priced agricultural inputs and consumer goods are also important in the linkage of smallholder producers to the larger economy, both through activities that take place within rural towns and communities as well as those in larger urban centers.

The methodological approach adopted by the project consists of four phases:

Phase I - Gathering of necessary background information on the basic characteristics of the crops/commodities targeted for research, macroeconomic indicators and basic features of the regional economy, and key institutions affecting agricultural marketing.

Phase II - Overview of the marketing system with the principal objective of identifying and analyzing key system constraints. Criteria of feasibility and payoff apply in selecting problems for further research.

Phase III - Diagnosis of key constraints to improving marketing system efficiency, which will enable analysts to prescribe interventions for alleviating those constraints. Presentation of prescriptions to policy-makers. Prediction of likely consequences of implementing prescriptions on system performance.

Phase IV - Monitoring and evaluation of any implemented prescriptions in order to assess their impact on marketing system performance.

Time requirements are 1 month for Phase I; up to 3 months for Phase II; one to two months to design Phase III; up to a year to implement Phase III and present findings and policy recommendations; and an unspecified period for the completion of Phase IV.

It is important to stress that an "assessment" as defined in the project documents includes all of these phases. (Obviously, Phase IV, involving the monitoring and evaluation of interventions implemented in response to recommendations from Phase III, cannot be

completed within the existing time limits of the present project.)

The methodology proposed is an adaptation of the structure, conduct, and performance approach that originated in the economics industrial organization. Briefly, this approach characterizes market types in terms of their economic structure and draws inferences about resulting firm behavior and industry performance in each market type.

As applied in this project, the methodology begins by selecting 1) economic efficiency, 2) marketing system progressiveness, and 3) distributional equity as the focus of the SFMA assessments. These performance criteria are described in general terms but not in specific operational terms.

Although some discussion of allocative accuracy and operational efficiency is given, it is not adequate to show how efficiency will be evaluated in practice. The other two criteria are left even less operational. While the most recent project documents do attempt to develop the performance criteria more explicitly, the criteria are still left more conceptual than operational. In addition, there is some lack of rigor in the definition and discussion of the operational and allocative efficiency concepts, as well as spatial and temporal pricing patterns.

Pricing efficiency is the only reference made to the "price discovery" function of markets. Yet this function is central to the role of markets in coordinating decentralized decision making both horizontally and vertically within production-marketing systems. No connection is forged between market types and anticipated

performance. The methodology stops short of specifying testable causal hypotheses in the structure-conduct-performance tradition.

A "rapid reconnaissance" (RR) approach has been incorporated as a component phase of the overall assessment methodology. A systematic design for the "rapid reconnaissance" overview is a significant and useful achievement of the project. This approach is expected to produce a report that summarizes and weighs performance goals, identifies key problem areas, and specifies further research needs.

The "RR" procedure calls for assembly of secondary data and observation of the subject marketing system. It is descriptive and diagnostic in character. It does not specify how the descriptive data can be used to evaluate performance or identify key problem areas. It appears that the "RR" approach is now being advocated more as an end in itself rather than a component of an integrated research process. (The fact that the Bolivian Training seminar was organized around the "RR" concept provides some support for this conclusion.) The same "healthy skepticism" commended in the "RR" approach for interpreting opinions of participants in marketing systems could well be applied to the "RR" approach itself. Unless tested theoretical constructs that link structural-organizational variables to performance is provided, the descriptive data generated through an "RR" will not be sufficient for policy recommendations. The "RR" procedures do not show how the data gathered will be used to identify key problem areas and make policy recommendations.

The results of Phase II described in the methodology include neither policy recommendations nor conclusions about alternative

interventions. Both country policy decision-makers and USAID staff will be anxious to have such conclusions and recommendations. It will be difficult to stick to the phased approach and resist the pressures/temptations to circumvent the intensive research phase and move directly from description to prescription. There is certainly a role for "RR" procedures in the pragmatic process of project identification and design. The SFMA staff should "spin off" this approach through the preparation of guidelines and the referral of consultants with experience and expertise in diagnostic procedures and prescriptive evaluations.

The project paper calls for the project to "develop a better understanding of the range of market structures," and the methodology states that the assessments will focus on "a limited number of key researchable problems". What is the range and specification of market structures to be understood? How are these market structures to be characterized? What are the key issues to be researched? Unless these are specified and consistent with the country-level activities of the project, the project is not likely to achieve its stated research objectives.

## 2. Case Histories of Alternative Approaches to LDC Marketing Problems

The Team endorses the approach to the assembly of knowledge of successful marketing improvements under different conditions as one of the most easily pursuable and potentially most productive. This is well illustrated by the case from Thailand, "Market research and development/marketing extension, approach for irrigated agriculture:

The case of the Lam Nam Oon irrigation project," written by A. M. Zola. Its lessons come out very clearly. While the Project should continue to look for opportunities to commission similar studies, maximum use should be made of material already available in the professional literature and in reports of other agencies, The World Bank, FAO, etc. Where not already in such a form such materials could be edited to conform to the guidelines established by the Project and so build out its dossier.

If the case studies are to play a more central role in the project, especially in revealing the costs and benefits of alternative intervention, their preparation should begin by determining which interventions are to be evaluated and where those specific interventions have been implemented. Then, case histories prepared by outside experts using a consistent format should be commissioned. Otherwise, the case studies will consist of "targets of opportunity" that will have considerable inherent interest but will not contribute much to the cumulative knowledge about the impacts of alternative interventions as envisaged in the project methodology.

### 3. Training

In preparing its first intensive training course for AID personnel in June, 1984, the Project assembled a team of eminent university instructors and marketing practitioners. The course provided a systemic coverage of appropriate subject matter and issues. However, the range of experience of the participants meant that for some the material presented was already familiar! Overall appreciation of the course, however, as indicated by the

participants' evaluation, was high. A further positive indicator has been requested - on the basis of particular participants' experience - to present similar courses in several developing countries with mission co-financing. The training materials are conveniently available for such uses together with videotape interviews of course lecturers. Many of them can be used to strengthen presentations by third parties of their lectures and case studies.

The Team saw the film "After the Harvest," prepared on the basis of a technical assistance mission to Costa Rica. This can be presented to appropriate groups as a broad promotion of improvement work in food wholesaling and merchandising. For the more critical and better informed audiences it will need editing to correct a specific mis-statement and other overstatements and, if feasible, include more illustrations of group wholesale servicing of small retail outlets.

#### 4. Consultant Rosters

The Team was informed that a roster of 350 specialists in marketing and related fields has been built up. Because of a temporary computer break down it was not possible to review this roster during the evaluation. It should, however, provide a useful service both for the SFMA project and, through it, for the technical assistance activities of AID. While such a roster provides convenient access to potential candidates for various types of assignments contacts with reliable referees will still be necessary to confirm the suitability of these candidates for specific work assignments.

### 5. Technical Services to Missions

The project has provided an impressive list of technical assistance to mission activities. As noted earlier, mission requests now exceed the project's capacity to respond. We have two suggestions to make.

First, the project should make greater use of its roster to identify competent consultants that can assist missions. (This recommendation follows from the discussion of the roster in the previous section.)

Second, guidelines for mission staff should be prepared to assist them in developing scopes of work for projects and project components dealing with marketing problems. The guidelines can be an important means for disseminating results of the project and can substitute for direct technical service provided to missions. Staff in other offices in AID who were interviewed during the evaluation identified preparation of these mission guidelines as a priority activity for the SFMA project.

### D. Project Implementation Mechanism

Project implementation was based on the concept of an "in-house" project staff that would be responsive to AID needs and allow for more AID control over project operations. A RSSA with the USDA Graduate School offered cost savings with low overhead charges. Both were considered as advantages in comparison to cooperative agreements with universities.

We see no reason to question that the RSSA has provided a project staff very close to "direct hire" status. Nevertheless, it

has created no continuing capacity within the implementing institution. Moreover, the particular RSSA now seems seriously threatened by legal questions. Some mechanism must be found to continue the work of the project and not let the staff disperse. Also, S&T/ED must address the issue of "capacity creation." If a direct-~~line~~<sup>line</sup> approach is not admissible, then the use of a university or other organization should be reconsidered so that the knowledge and competence could be internalized in the institution.

E. Appointment of a Team Leader

The process of selecting a successor to the present project leader is already underway. It will be evident from the foregoing that the combination of qualifications required is rather specific. The person appointed should possess the requisite command of research procedures, be a good manager both at the team level and within the administrative frame of the Agency, and have demonstrated capacity to ensure that information is presented logically and to the point. Work experience under the conditions of the developing countries and sympathy for their attitudes and constraints will also be required. As between professional qualifications in economics and marketing, strength in economics should have priority. In academic inspiration it would be desirable also that he complement rather than reinforce that prevailing among the existing staff. It will be difficult to meet such rigorous requirements particularly if the duration of the assignment is limited to the year and a half remaining of the present project period. Ability to offer some prospect of continuation over a fairly long period will be essential.

F. Coordination With Other Related Programs

Close continuing contacts between the SMFA project and work underway on food distribution and export diversification will be essential in view of the inherent linkages between these subject areas. Work in these areas must also proceed in close contact with that on farm input supply, also that on transaction costs and the privatization of input/output marketing parastatals, and alternative rural development strategies. Cross representation on committees to review work plans in these subject areas, formation of joint teams to handle research and advisory issues, and the holding of periodic seminars which bring together staff dealing with these related subject areas are recommended.

Continuing programs of technical and financial assistance in the marketing of food and agricultural products are being maintained by international agencies such as FAO, IBRD and IDB and bilateral aid agencies such as that of the Federal Republic of Germany. FAO has a continuing technical support service in this area, including the assembly of relevant experience, documentation and information and the issuance of advisory publications. None, however, is in a position to undertake applied research on the scale feasible for AID; other institutions will look to it as a leader in such work. Continuing initiatives and contacts at the technical staff level are recommended to help ensure that the findings of research and experience of all these bodies and those of universities and other institutions engaged in this field are exchanged to the mutual advantage of all.

**IV. Need for an AID/Bureau/Office Strategy for Research and Technical Support**

We have noted that a variety of activities in the marketing area are underway in AID. Other offices in the S&T bureau and other bureaus in the Agency are involved along with the RD office. We suggest that AID should develop a concepts paper that clearly identifies the major issues AID needs to address, the research agenda that is needed to better understand those issues, the relationship among the existing and planned projects, and the technical assistance and training priorities for assisting recipient countries, AID missions, and other donor agencies. This paper should show why marketing is an important area of concentration for AID and what goals AID wishes to pursue in the subject area. The push to private market activity and its implication for appropriate governmental interventions is an important focus for the AID strategy. It should develop the common knowledge generation and country assistance needs that tie together work in food merchandising, export diversification, input marketing, rural marketing, and promotion of private enterprise activity in marketing systems.

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E.O. 12336: N/A

AGRICULTURAL MARKETING PROJECT

1. THE PURPOSE OF THIS CABLE IS TO REQUEST USAID TO REVIEW REQUIREMENTS RELATED TO EXISTING OR PLANNED PROGRAMS FOR TECHNICAL ANALYSIS AND ASSISTANCE IN AGRICULTURAL MARKETING. PLEASE RESPOND BY WHICH IS TO ENABLE ST/RO AND REGIONAL BUREAU TECHNICAL OFFICES TO ESTIMATE FIELD PROCUREMENT NEEDS FOR NEW CONTRACT.

2. ST/RO IS CURRENTLY AMENDING THE SMALL-FARMER MARKETING ACCESS (SMA) PROJECT. IT WILL BE GIVEN A NEW TITLE (SMALL AGRICULTURAL MARKETING IMPROVEMENT STRATEGIES (SMIS) INITIATIVE WHICH REFLECTS CHANGES FROM THE ORIGINAL PP DESIGN WHICH CONCENTRATED ON THE FIRST HANDBLER LINK WITH THE PRODUCER. THE AMENDED PROJECT WILL CONCENTRATE ITSELF WITH OVER-ALL MARKETING SYSTEM PERFORMANCE FROM PRODUCER TO CONSUMER. OUR VIEW IS THAT INTERESTS OF SMALL FARMER ARE NOT ADEQUATELY SERVED BY OUR CURRENT CONCENTRATION ON FIRST STAGE PROD-SEL. THIS

EXPANDED VIEW DERIVED DURING SPM's IMPLEMENTATION. THE SMIS PROJECT WOULD BE CARRIED OUT IN A COLLABORATIVE MANNER WITH USAIDS INTERESTED IN PARTICIPATING. WE ARE AT THIS POINT ATTEMPTING TO GAIN POTENTIAL LEVELS OF OUTPUTS FOR THE NEXT FIVE YEARS.

3. USUALLY, THE SMIS PROJECT WILL HELP USAIDS TO: (A) DIAGNOSE MARKETING SYSTEMS IN A TIMELY AND EFFECTIVE MANNER; (B) DESIGN PILOT INNOVATIONS TO IMPROVE MARKETING ACTIVITIES; AND, (C) CARRY OUT LONGER TERM RESEARCH ON MARKETING PROBLEMS.

4. DIAGNOSIS OF MARKETING SYSTEMS -- THE SMIS PROJECT WILL BUILD UPON PROGRESS MADE UNDER THE SPM PROJECT WHICH DEVELOPED RAPID MARKET APPRAISAL TO BE USEFUL IN ALL PHASES OF PROJECT CYCLE: DESIGN, IMPLEMENTATION AND EVALUATION. THE RAPID APPRAISAL WILL CONCENTRATE ON A SPECIFIC COMMODITY FOR A GIVEN GEOGRAPHIC REGION TRACKING

ITS FLOW FROM PRODUCER TO CONSUMER. IT WILL ATTEMPT TO IDENTIFY INSTITUTIONAL, ORGANIZATIONAL, TECHNOLOGICAL AND INFRASTRUCTURAL IMPEDIMENTS. AS SUCH IT SHOULD PROVE HELPFUL IN POLICY DIALOGUE AND A USEFUL COMPLEMENT TO ST'S AGRICULTURAL POLICY PROJECT.

5. PILOT INNOVATIONS -- THE SMIS PROJECT WILL DEVELOP AN INVENTORY OF INNOVATIVE EFFORTS IN AGRICULTURAL MARKETING. THE WORK WILL HELP MISSIANS/ROCT COUNTRIES DECIDE ON THE APPROPRIATE BALANCE BETWEEN PUBLIC AND PRIVATE SECTORS AND CHANGES IN INSTITUTIONAL, ORGANIZATIONAL AND/OR TECHNOLOGICAL ARRANGEMENTS WHICH CONTRIBUTE TO IMPROVED PERFORMANCE. THE TYPES OF CHANGES MIGHT BE:

- A) ESTABLISHMENT OF A COMMODITY EXCHANGE;
- B) ORGANIZATION OF A VOLUNTARY CHAIN OF RETAILERS;
- C) INTRODUCTION OF FARMER COLLABORATIVE ARRANGEMENTS TO IMPROVE CROP ASSEMBLY AND MARKETING;
- D) ESTABLISHMENT OF INFORMATION SYSTEMS AND/OR OTHER MECHANISMS TO REDUCE RISK;
- E) INTEGRATION OF ASSEMBLY, PROCESSING, WAREHOUSING AND/OR RETAILING;
- F) INTRODUCTION OF NEW CONTRACTING PROCEDURES; AND,
- G) INTRODUCTION OF NEW IDEAS, HUMAN CAPITAL EXPERTISE AND

TECHNOLOGY TO HOST COUNTRY BUSINESSES AND/OR AGENCIES VIA EXTERNAL FINANCES WHEN APPROPRIATE.

THIS LIST IS ILLUSTRATIVE. THE SMIS PROJECT WILL ANALYZE THE PARTICULAR CONDITIONS AND FACTORS WHICH ARE NEEDED TO PROMOTE SUCCESS OF THE INNOVATIONS AND ALSO IDENTIFY GROUPS OR INDIVIDUALS WITH CAPABILITY TO IMPLEMENT THESE ACTIVITIES.

SPECIFIC RECOMMENDATIONS FOR PILOT INNOVATIONS SHOULD stem FROM SMIS'S FIELD WORK IN CONNECTION WITH RAPID APPRAISAL AND APPLIED RESEARCH. SMIS WILL BE IN A POSITION TO IDENTIFY BOTH THE NEED AND POTENTIAL CANDIDATES -- IF USAIDS AND LOCAL EXPERTS EXHIBIT INTEREST IN PROMISING INTERVENTIONS. SMIS WILL TAKE AN ACTIVE ROLE IN MONITORING THE PROGRESS OF THE PILOT INNOVATION ONCE INITIATED AND WILL BE CONCERNED WITH RECORDING THE LESSONS LEARNED FROM THE APPLICATION.

6. APPLIED RESEARCH IS AN IMPORTANT ELEMENT OF THE SMIS PROJECT. WE BELIEVE THIS WILL BE ACCOMPLISHED THROUGH NETWORKING WITH COMPLEMENTARY ST PROJECTS (I.E. AGRICULTURAL POLICY - NET; GRAINS - GARDAS ST.; FRUITS AND VEGETABLES - FRAND, SEEDS - MESSICOPPI ST., FERTILIZER - FFC) AND DEVELOPING A MORE SYSTEMATIC BASIS FOR COORDINATING WORK AND SHARING RESULTS ON CROSS-CUTTING ISSUES. PRIORITY AREAS FOR APPLIED RESEARCH INCLUDE:

- (A) ANALYZE KEY FACTORS IN AGRICULTURAL MARKETING SYSTEMS; (B) DETERMINE RELATIVE ROLES FOR PUBLIC-PRIVATE SECTORS WITHIN A GIVEN COUNTRY SETTING, INCLUDING THE COMPONENTS AND STRUCTURES WITHIN BOTH SECTORS AND IDENTIFY GUIDELINES FOR HELPING ENSURE THAT THE MOST EFFECTIVE ROLES ARE BE HONORED; (C) DETERMINE WAYS TO MOTIVATE IMPROVED PERFORMANCE FROM MARKETING FIRMS, INCLUDING THE ANALYSIS OF SUCH FACTORS AS THE COSTS OF INFORMATION, THE COMMERCIAL CODE, CONTRACTING

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COSTS, AND THE AVAILABILITY OF CREDIT; (C) IDENTIFY NEW  
MARKET OPPORTUNITIES, INCLUDING BOTH GEOGRAPHIC AREAS  
AND GOODS AND SERVICES WHERE EXPANSION AND EFFICIENCY  
GAINS COULD BE PROMOTED; (4) EXAMINE THE ROLE SMALL  
MARKETING SYSTEMS CAN PLAY IN BETTER COORDINATION AND  
INTEGRATING ASSEMBLY, PROCESSING, WHOLESALE AND  
RETAILING TO IMPROVE OVERALL EFFECTIVENESS; AND, (5)  
IDENTIFY PRINCIPAL DRIVING FORCES THAT CAUSE THE SYSTEM  
TO BE ORGANIZED AS IT IS AND FUNCTION AS IT DOES.

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FY 07/08 SHOULD DO SO, AND WILL BE GIVEN PREFERENCE FOR  
INITIATION OF COLLABORATIVE EFFORTS OVER THE NEXT YEAR.

11. PLEASE ADVISE. WITHEAD

(B) IDENTIFY AND EVALUATE ALTERNATIVE MARKETING

INITIATIVES - THIS WOULD INCLUDE THE FOLLOWING:  
(1) DELINEATE INSTITUTIONAL ARRANGEMENTS AND GOVERNMENT  
INTERVENTIONS THAT MIGHT BE CONSIDERED TO IMPROVE  
IDENTIFIED PROBLEMS; (2) ESTIMATE PROBABLE COSTS,  
BENEFITS AND FEASIBILITY OF ALTERNATIVE INTERVENTIONS  
THAT WOULD PROMOTE SYSTEM-WIDE MARKETING IMPROVEMENTS,  
AND, THROUGH SPECIALIZATION OF MARKETING AND PRODUCTION,  
ENHANCE OVERALL PERFORMANCE OF THE AG ECONOMY; AND,  
(3) IDENTIFY AREAS WHERE GOVERNMENTAL PARASTATAL  
INTERVENTIONS HAVE BECOME CONSTRAINTS TO EFFICIENT  
AGRICULTURAL MARKETING AND RECOMMENDED MEANS FOR  
TRANSFERRING THESE FUNCTIONS TO THE PRIVATE SECTOR.

THE ANIC PROJECT WOULD TAKE THE LEAD IN RESPONDING TO  
USAID INTEREST FOR WORK IN THESE AREAS, BUT WOULD DO SO  
BY INCORPORATING WHERE POSSIBLE AND FEASIBLE ELEMENTS OF  
THE OTHER ST PROJECTS.

7. CONTRACTING - THE PROJECT WILL CONTRACT WITH A JOINT  
PRIVATE CONSULTANT/UNIVERSITY ARRANGEMENT WHICH WILL  
PROVIDE THE REQUIRED OPERATIONAL AND KNOWLEDGE  
GENERATION CYCLES. WHAT WE ARE AFTER IS TO ESTABLISH A  
SOLID INSTITUTION. THE WHICH WILL OFFER CONTINUOUS SER-  
VICES IN AGRICULTURAL MARKETING TO USAID.

8. OPERATING APPROACH - THE ANIC PROJECT WILL HAVE  
LIMITED CORE FUNDS. THESE WILL BE UTILIZED PRIMARILY TO  
FUND RETURNING WITH OTHER ST PROJECTS AND THE INITIAL  
PLANNING AND PREPARATION ACTIVITIES FOR APPROXIMATELY  
TWO OR THREE RAPID APPRAISALS PER YEAR FOR THE FIVE YEAR  
LIFE SPAN. THE PREPARATION COSTS INCLUDE CORE FUNDS  
FOR AN INITIAL IN-COUNTRY MISSION TO DISCUSS AND  
EXPLAIN THE APPROACH. THE RAPID APPRAISAL WOULD TAKE  
APPROXIMATELY FOUR MONTHS - SIX MONTHS TO COMPLETE. IT  
WOULD BE EXPECTED THAT USAID WOULD SHARE THE COSTS FOR  
CARRYING OUT THESE ACTIVITIES, AND FURTHER APPLIED  
RESEARCH ACTIVITIES OR PILOT PROJECT DESIGN WHICH SEEM  
FROM THE RAPID APPRAISAL.

9. TRAINING - TRAINING WILL BE A COMPONENT OF THE RAPID  
DIRECT APPRAISALS AND APPLIED RESEARCH EFFORTS IN ORDER  
TO ENHANCE ANALYTICAL SKILLS OF HOST COUNTRY  
PARTICIPANTS. DUE TO LIMITED CORE FUNDS, OTHER TYPES OF  
TRAINING ARE NOT ENVISIONED UNLESS BIDDING ARE WILLING  
TO PROVIDE STRONG SUPPORT.

10. BIDDING ARE REQUESTED TO PROVIDE EXPRESSIONS OF  
INTEREST AND ESTIMATES OF POSSIBLE, BEYOND POSSIBLE,  
OFF-IN COMMITMENTS FROM LAST QUARTER FY 0007 THROUGH

FY 02. IT HAS BEEN STAFF'S EXPERIENCE OVER AND OVER  
THAT OFF-IN ESTIMATES ARE ALWAYS TOO LOW OR COMMITMENTS OF  
SEVERAL YEARS DURATION. HENCE, WE WOULD USUALLY TO GO  
IN WITH HIGH ESTIMATES. THEY WILL NOT BE TAKEN AS FIRM  
COMMITMENTS UNLESS BIDDERS SO INDICATE. BIDDERS WOULD  
BY SOME MISTAKE BECAUSE OF CHANGING PRIORITIES WILL  
ALMOST CERTAINLY BE USED BY OTHERS. BIDDERS WHO ARE  
ABLE TO PROVIDE STRONG EXPRESSIONS OF INTEREST FOR

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E.O. 12356: N/A

SUBJ: AGRICULTURAL MARKETING PROJECT

REF: STATE 068251

IN RESPONSE TO YOUR REQUEST PER REFTEL, USAID/BOTSWANA DOES NOT HAVE ANY NEED FOR THE SERVICES PROVIDED BY THE SMALL FARMER MARKETING ACCESS PROJECT AT THIS TIME.

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E.C. 12356: N/A  
SUBJECT: BURKINA/AGRICULTURAL MARKETING IMPROVEMENT  
STRATEGIES (MHS) PROJECT.

REF: STATE 6251.

1. USAID/BURKINA WERE EXPRESSED INTEREST IN SUBJECT PROJECT AND APPLAUS PROPOSED ST/ED AMENDMENT TO BROADEN COVERAGE TO "OVERALL MARKETING SYSTEM PERFORMANCE FROM PRODUCER TO CONSUMER."
2. USAID/BURKINA'S ONGOING INVOLVEMENT IN CEREAL MARKETING THROUGH A GRAIN MARKETING DEVELOPMENT PROJECT HAS GIVEN USAID/BURKINA A STRONG UNDERSTANDING OF THE NECESSITY FOR WIDE-RANGING CHANGES IN THE BURKINA GRAIN MARKETING SUB-SECTOR IN ORDER TO PROMOTE MORE PRIVATE SECTOR INVOLVEMENT AND ENHANCED MARKETING EFFICIENCIES. THEREFORE, MHS PROJECT ASSISTANCE TO THE MISSION TO FURTHER POLICY DIALOGUE WITH THE GOVERNMENT OF BURKINA (MB) AND TO INTRODUCE INNOVATION INNOVATIONS WOULD BE C...ABLE.
3. IN MORE GENERAL TERMS, THE MHS PROJECT MIGHT ALSO CONTRIBUTE A GREAT DEAL TO OUR POLICY DIALOGUE WITH THE GOVERNMENT OF BURKINA IN THE BROAD AREA OF PRIVATE SECTOR DEVELOPMENT AND PROMOTION OF SOUND ECONOMIC REASONS, BY PROVIDING COMPLEMENTARY FOLLOW-UP TECHNICAL ASSISTANCE TO THE PRICE POLICY SYMPOSIUM TO BE ORGANIZED IN JUNE 1987 BY THE BURKINA CHAMBER OF COMMERCE (CNC) AND THE MINISTRY OF COMMERCE (MOC).
4. THE ORIGINAL CCG REQUEST INCLUDED A MARKETING COMPONENT WHICH, IN ORDER NOT TO DIFFUSE THE IMPACT OF THE PRICE POLICY SYMPOSIUM, WAS DEFERRED BY MUTUAL AGREEMENT. ASAS OF PARTICULAR INTEREST IN THE MHS PROJECT WHICH WOULD COMPLEMENT AND FOLLOW UP ON THE PRICE POLICY SYMPOSIUM WOULD BE: (1) ORGANIZATION OF A VOLUNTARY CHAIN OF RETAILERS, (2) ESTABLISHMENT OF INFORMATION SYSTEMS AND/OR OTHER MECHANISMS TO REDUCE RISK, (3) INTRODUCTION OF NEW IDEAS, MANAGERIAL EXPERTISE AND TECHNOLOGY TO HOST COUNTRY BUSINESS AND/OR AGENCIES VIA EXTERNAL SOURCES WHEN APPROPRIATE.
5. AT THIS POINT IN TIME, USAID/BURKINA NEEDS TO SUBMIT UP TO:
  - (1) \$100,000 TO ASSIST MISSION TO DEVELOP POLICY DIALOGUE WITH THE GOVERNMENT OF BURKINA (MB) AND TO INTRODUCE MARKETING INNOVATIONS. THE STUDY COULD BEGIN DURING EARLY FY 88. A 60 PERSON/DAYS TEAM

WOULD BE REQUIRED TO UNDERTAKE FIELD STUDY IN COLLABORATION WITH CCG THIS EFFORT WOULD COMPLEMENT OTHER CCG AND CUSA BUILDING EFFORTS TOWARDS GRAIN MARKETING POLICY REFORM.

- (1) \$100,000 FOR COMPLEMENTARY/FOLLOW-UP ACTIVITIES TO THE PRICE POLICY SYMPOSIUM AS SPECIFIED IN PARA 4.

6. THE LEVEL OF MISSION DA CTE FOR FY 87 AND FY 88 IS ONLY \$2,000,000 ALREADY PLANNED FOR PRIORITY PROJECTS. THUS, WE CAN BUY-IN THE MHS PROJECT ONLY OUT OF CENTRALLY FUNDED SOURCES SUCH AS THE CEREAL POLICY PROJECT (625-0370). FYI, MISSION HAS REQUESTED FOR FY 88 \$100,000 OF SUBJECT PROJECT FUNDS TO SUPPORT FOLLOW-UP ACTIVITIES TO THE PRICE POLICY SYMPOSIUM.

7. URGENT DELAY IN RESPONSE. URGENT

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FOR: ST/RD

E. O. 12356: N/A

TAGS:

SUBJECT: AGRICULTURE MARKETING PROJECT

REF: (A) STATE 068251

USAID/BURUNDI DOES NOT ANTICIPATE PARTICIPATION (BUY-IN) IN THIS PRO  
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AT THIS TIME.

APPROVAL OF NEW MISSION AGRICULTURAL DEVELOPMENT STRATEGY BY AID/W IN  
APRIL OF THIS YEAR MAY CHANGE THIS SITUATION. WILL ADVISE.

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E.O. 12306: N/A

TAGS:

SUBJECT: AGRICULTURAL MARKETING PROJECT

REF: STATE 008251

1. THE DESCRIPTION OF THE AGRICULTURAL MARKETING IMPROVEMENT STRATEGIES PROJECT IS HIGHLY SUPPORTIVE OF THE INTERVENTIONS UNDER SERIOUS STUDY BY USAID/CAMEROON. YOU WILL NOTE IN THE COSS UPDATE PRESENTED IN JANUARY 1987 THAT THE ACTIVE AND PLANNED PROJECTS INCLUDE SEEDS MULTIPLICATION, FERTILIZER SUPPLY, BEANS AND CORN/PEAS STORAGE, AND INPUT MARKETING. WE ARE ALSO CLOSELY MONITORING CEREALS SUPPLY/PRICE INFORMATION IN THE DOMESTIC BENEFITING FROM RECENT INTRODUCTIONS OF NEW HIGH-YIELD VARIETIES.

2. AN AGRICULTURAL SECTOR ASSESSMENT WILL BE CONDUCTED DURING CY1987 WHICH WILL AMONG OTHER THINGS MORE FULLY DEFINE THE STRATEGY FOR ASSISTANCE TO THE MARKETING SYSTEMS. THE OIC IS ALSO ORGANIZING A STUDY TEAM FOR EVALUATION OF THE COOPERATIVES AND FOR CONSIDERING THE ASSETS AND NEEDS OF IMPROVEMENT OF THESE ORGANIZATIONS. WITH THESE TWO STUDIES AND FURTHER WORK BY THE DEPARTMENT OF STUDIES OF THE MINISTRY OF AGRICULTURE AND SOME NEW WORK BY THE AGRICULTURAL ECONOMICS DEPARTMENT OF THE AGRICULTURAL UNIVERSITY CENTER AT SOUMANG, THE OIC/USAID EXPECTS TO OBTAIN A SIGNIFICANTLY SHARPER DEFINITION OF THE PROBLEMS AND FEASIBILITIES FOR DEVELOPMENT ASSISTANCE IN THE AGRICULTURAL MARKETING SYSTEMS.

3. AN ESTIMATION OF USAID/CAMEROON REQUIREMENTS FOR SERVICES UNDER THE PROPOSED PROJECT WILL BE APPROPRIATE FOR THE REASONS EXPRESSED ABOVE.

A. SEEDS MARKETING. 2 PERSONS FOR 1 MONTH IN PROBLEMS SOLVING/EVALUATION IN FY80 AND FY81.

B. FERTILIZER MARKETING. 3 PERSON MONTHS PER YEAR IN SHORT TERM CONSULTANCY DURING FY80-81.

C) INPUT MARKETING (DO INCLUDE SEEDS, FERTILIZER PESTICIDES AND FARM EQUIPMENT IN FARM SERVICE STORES) PROJECT DESIGN WORK IN FY80 OF A 3 PERSON TEAM FOR 6 MONTHS AND SHORT TERM TECHNICAL ASSISTANCE OF 3 PERSON MONTHS PER YEAR FOR FY80 THROUGH FY82.

ON PRODUCE MARKETING SYSTEMS. THE APPROACH IN THIS AREA MAY BE REVISED BY THE SECTOR ASSESSMENT HOWEVER IT APPEARS THAT PRIVATE SECTOR ENTREPRENEURS ARE SUCCESSFULLY MOVING INTO THIS AREA TO REASONABLY TAKE ADVANTAGE OF COMMERCIAL OPPORTUNITIES. USAID PROPOSES TO REGULARLY MONITOR PERFORMANCE AND WOULD USE CONSULTANTS FROM THE PROPOSED PROJECT FOR ANNUAL FIELD STUDY OF ELEMENTS OF CONCERN IN

THE MARKETING INFRASTRUCTURE. FOR EXAMPLE IN FY80 THE CORN MARKET IN THE NORTHWEST AND THE BEANS AND CORN/PEAS MARKET IN THE NORTH SEEM TO BE IN OVER SUPPLY. IN FY80 THE FRUIT AND VEGETABLE MARKETS COULD BE EVALUATED FOR THEIR CAPACITY TO SUPPLY HIGHEST SCALE PROCESSING INDUSTRIES. IN FY80 IT MAY BE USEFUL TO STUDY THE WAYS AND MEANS OF IMPROVING THE MARKET INFORMATION SERVICES.

2. AGRICULTURAL PRODUCTS MARKETING IN EQUATORIAL GUINEA AND THE CENTRAL AFRICAN REPUBLIC. HEADS PROJECTS IN THESE TWO COUNTRIES MAY ALSO DRAW UPON THE PROPOSED PROJECT FOR ABOUT ONE PERSON-MONTH PER YEAR OF PROBLEMS SOLVING CONSULTANCY.

4. USAID/CAMEROON WOULD WELCOME TO BY MEMBER OF PROJECT DESIGN TEAM TO REVIEW/UPDATE ABOVE TENTATIVE APPROACH AND LAY OUT PLAN OF WORK THAT COORDINATES PROJECT RESOURCES WITH STRATEGY FOR COUNTRY ASSISTANCE. FREDMETTE

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E. O. 12386: N/A

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SUBJECT: AGRICULTURAL MARKETING PROJECT

REF: STATE 00231

NOJ FILE CODE: AGR 2-2 MARKETING

1. MISSION HAS REVIEWED REPTTEL AND FINDS AMIS PROJECT MAY BENEFIT CHAD'S DEVELOPMENT PROGRAM. MISSION AND GOC BELIEVE THAT A MAJOR CONSTRAINT FOR PROJECTS AIMED AT IMPROVING INCOME OF RURAL POPULATION THROUGH INCREASING AGRICULTURAL PRODUCTION IS IN FACT LACK OF MARKETS OR MARKETING CHANNELS. FARMERS IN CHAD FOR THE MOST PART ARE SUBSISTENCE FARMERS WHO MAY BE VERY CAPABLE OF INCREASING PRODUCTION IF THERE WERE A PROFITABLE MEANS TO SELL SURPLUSES. AT PRESENT WE ARE PARTICULARLY INTERESTED IN STUDYING THE CHADIAN GRAIN MARKETING SYSTEM IN ORDER TO IDENTIFY THE ROLE WHICH THE SMALL PRIVATE MERCHANT PLAYS AND TO IDENTIFY MEANS OF IMPROVING PRIVATE SECTOR MARKETING CHANNELS FOR MAJOR FOOD CROPS. FINDINGS AND RECOMMENDATIONS OF SUCH STUDIES WOULD BE INCORPORATED INTO MISSION'S ONGOING AGRICULTURAL DEVELOPMENT PROJECTS.

2. SINCE MISSION HAS RECENTLY BEGUN PRELIMINARY PLANS FOR STUDYING CHAD'S AGRICULTURAL MARKETS THROUGH THE SAHEL POLICY PROJECT (25-0070), WE CAN ONLY SAY THERE IS SOME POSSIBILITY FOR MISSION BUY-INS TO THE AMIS PROJECT. STARTING FY 88 THROUGH FY 92 WE ESTIMATE A NEED FOR SIX PERSON WEEKS OF TECHNICAL SERVICES FOR EACH OF THE FIVE YEARS. BLANE

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TO SECRETARY WASHDC 4300

UNCLAS DANJAL 00066

AIDAC

FOR ST/AD

I.R. 12306 N/A

SUBJECT: AGRICULTURAL MARKETING PROJECT

REF: STATE 00021

1. SUMMARY: DAN/DANJAL IS INTERESTED IN THE AGRICULTURAL MARKETING IMPROVEMENT STRATEGIES WHICH PROJECT CURRENTLY BEING PLANNED BY ST/AD. WE ANTICIPATE UTILIZING IT TO PROMOTE THE SERVICES OF CONSULTANTS WHO WOULD ANALYZE THE PERFORMANCE OF THE AGRICULTURAL MARKETING SYSTEM AS PART OF OUR ANNUAL REVIEW OF THE GAMBIA'S PL AND TITLE II SECTION 300 PROGRAM. WE ESTIMATE THAT OUR BUY-IN REQUIREMENT WOULD BE APPROXIMATELY 20,000 DOLLARS FOR FY 66 AND FY 67. IF OUR AFRICAN ECONOMIC POLICY REFORM PROGRAM (AEP) IS APPROVED BY AID/F, WE MAY REQUIRE AN ADDITIONAL BUY-IN OF ABOUT 20,000 DOLLARS FOR FY 66 AND FY 67 TO HELP EVALUATE THAT PROGRAM. END SUMMARY.

2. AT THIS TIME DAN/DANJAL IS INVOLVED IN A THREE YEAR PL AND TITLE II SECTION 300 PROGRAM BY 05-021 DESIGNED TO IMPROVE THE GOVERNMENT MARKETING SYSTEM IN THE GAMBIA BY STUDYING AND PRIORITIZING THE GAMBIA FOREIGN MARKETING GOALS AND BY SUPPORTING POLICY REFORMS IN THE GOVERNMENT SECTOR. DURING EACH ANNUAL REVIEW OF THIS PROGRAM WE ARE ANALYZING THE PERFORMANCE OF THE MARKETING SYSTEM IN ORDER TO DETERMINE IF ADDITIONAL RESOURCES ARE NECESSARY TO HELP IT OPERATE MORE EFFICIENTLY AND EFFECTIVELY. WE ARE IN THE MIDDLE OF OUR FIRST ANNUAL EVALUATION, BUT WE ANTICIPATE SOME SIGNIFICANT EVALUATIONS OF THE GOVERNMENT MARKETING SYSTEM, AROUND JANUARY-FEBRUARY 1968 AND 1969. BY APPLYING INTO THE AID PROJECT WE WOULD HOPE TO BENEFIT THE EXPERIENCED CONSULTANTS HELD ON A TIMELY BASIS TO DIAGNOSE THE MARKETING SYSTEM AND RECOMMEND FURTHER IMPROVEMENTS.

3. WE ARE ALSO DEVELOPING AN AEP WHICH WOULD SUPPORT POLICY REFORMS IN THE FINANCIAL SECTOR, INCLUDING MEASURES TO MAKE THE GAMBIA COOPERATIVES WHICH NOW OPERATE ON A COMMERCIAL BASIS AS COMPETITION WITH PRIVATE ENTERPRISES. THE AEP, IF APPROVED, WOULD BE A THREE YEAR PROGRAM BY 07-001. WE ANTICIPATE THE NEED FOR ANNUAL REVIEWS OF THE PROGRAM'S PROGRESS DURING THAT TIME. THE REVIEW WOULD EMPHASIS AN ANALYSIS OF THE PERFORMANCE OF THE GOV AND THE EFFECTIVENESS OF THE POLICY REFORMS ON ITS PERFORMANCE. THIS WOULD INVOLVE ECONOMIC INPUT AND CREDIT MARKETING GOALS OUR PL AND PROGRAM JOINTLY DIAGNOSING OUTPUT MARKETING.

4. WE DO NOT ANTICIPATE THE NEED FOR ADDITIONAL BUY-INS UNDER THE AID PROJECT. HOWEVER, WE HAVE PASSED THIS INFORMATION ON TO THE GAMBIA AIDIER SERVICES WHICH IS INVOLVED IN A SESAME SEED PRODUCTION PROJECT, AND ON TO THE TECHNICIANS INVOLVED IN THE AID-FUNDED GAMBIA AGRICULTURAL AND DIVERSIFICATION TRAINING PROJECT. IF ADDITIONAL REQUIREMENTS ARE IDENTIFIED BY THE CBS OR BY AID THAT CAN BE MET UNDER AID, WE WILL REVIEW THEM AND MAKE THEM KNOWN TO ST/AD.

5. WE LOOK FORWARD TO RECEIVING FURTHER INFORMATION ABOUT AID AS IT IS DEVELOPED.

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THIS STRATEGY (VALUES AND IT) COMPONENT ACTIVITIES ARE MORE CLEARLY IDENTIFIED, THE MISSION WILL IMPROVE THIS OF THE EXACT NATURE OF ASSISTANCE REQUIRED UNDER THE VARIOUS COMPONENTS OF AMIC. THE MISSION WANTS TO PARTICIPATE IN THE PROJECT BUT IS CONSTRAINED BY THE LACK OF DOLLAR FUNDS. WE WOULD LIKE TO KNOW FROM ADDRESSEES IF THERE ARE WAYS IN WHICH FUNDS COULD BE PROVIDED FOR REAIS GAMA TO BUY-IN TO THE AMIC PROJECT. RETURN

ACTION OFFICE AFYD-02  
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INFO AMEMBASSY ABIDJAN

UNCLAS ACCRA 01003

ATDRC

SECRETARY FOR AF/FR/ARD, SEC/ADR  
AP/AN FOR REPRO/AFCA

22306: N/A

SUBJECT: AGRICULTURAL MARKETING PROJECT

REF: STATE 00251

1. THE OVERALL GOAL OF THE MISSION'S AGRICULTURAL DEVELOPMENT STRATEGY IS TO DEVELOP A SELF-RELIANT AND PRODUCTIVE AGRICULTURAL SECTOR BY IMPROVING AGRICULTURAL INFRASTRUCTURE AND INSTITUTIONAL SUPPORT SYSTEMS IN ORDER TO ENHANCE THE INCENTIVE ENVIRONMENT. A MAJOR INITIATIVE IN THIS DEVELOPMENT STRATEGY AND THE RESULTANT POLICY DIALOGUE AGENDA IS TO IMPROVE THE AGRICULTURAL SECTOR THROUGH EMPHASIS ON NON-PRICE POLICIES AND FACTORS SUCH AS WHICH DETERMINE THE LEVELS OF BOTH PRODUCTION AND MARKET EFFICIENCY. THE NEED FOR THIS POLICY AND STRATEGY ORIENTATION IS DERIVED FROM TWO CONSIDERATIONS; THE IMPACT OF IMPROVED TECHNOLOGY ON AGRICULTURAL PRODUCTIVITY, AND THE CRUCIAL ROLE OF IMPROVED PROCESSING AND MARKETING IN REDUCING MARKETING MARGINS, LOWERING DOMESTIC PRICES, PROVIDING INCREASED PRICE INCENTIVES TO PRODUCERS, STABILIZING PRICE AND INCOME LEVELS AND ADDING VALUE TO AGRICULTURAL PRODUCTS. THE MAJOR ELEMENTS OF THE MISSION STRATEGY ARE TO IMPROVE THE PRODUCTION INCENTIVE STRUCTURE AND INCREASE INPUT AVAILABILITY. OUR OBJECTIVES WILL BE ACHIEVED THROUGH AN IMPROVED AND MORE EFFICIENT PRODUCT MARKETING AND INPUT DISTRIBUTION SYSTEM. THIS INCLUDES INCREASING THE ROLE OF THE PRIVATE SECTOR IN FOOD MARKETING, DEVELOPING VILLAGE-LEVEL GROP PRESERVATION AND STORAGE FACILITIES AS WELL AS PROMOTING AND PROFESSIONAL OTHER MEASURES REQUIRED TO IMPROVE MARKET EFFICIENCY ARE TO PROGRESSIVELY PRIORITY AGRICULTURAL INPUT MARKETING, CONSTRUCT RURAL FARM SERVICE CENTERS (MULT-PURPOSE CENTERS FOR SUPPLYING INPUTS, PROMOTING FARM PRODUCE, CONDUCTING EXTENSION, ETC) AND ELIMINATE THE POLICY OF UNIFORMLY ADMINISTERED (PUN-TERRESTRIAL) INPUT PRICES.

2. THE BROAD AIMS AND ILLUSTRATIVE SCOPE OF ACTIVITIES OF THE AMIS PROJECT ARE RELEVANT TO THE CURRENT MARKET SITUATION AND THE MISSION'S POLICY FRAME ON AND STRATEGY FOR IMPROVING AGRICULTURAL MARKETING IN GENERAL. IN PARTICULAR, ANALYZING KEY FACTORS IN AGRICULTURAL MARKETING SYSTEMS, IDENTIFYING AND EVALUATING ALTERNATIVE MARKETING INITIATIVES AND INTRODUCING INNOVATION TO THE SYSTEM AS PLANNED UNDER AMIS WILL BE USEFUL TO THE MISSION IN EVALUATING ITS AGRICULTURAL SECTOR STRATEGY AND IMPLEMENTING THIS STRATEGY TO DEVELOP AN EFFICIENT MARKETING SYSTEM. AS

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AID/AC

STATE FOR ST/RD AND AFR/TR

E.O. 12356: N/A

SUBJECT: AGRICULTURAL MARKETING IMPROVEMENT STRATEGIES.

REF: A. STATE 80468 B. AGRICULTURAL-  
MARKETING IMPROVEMENT STRATEGIES PP AMENDMENT FOR SMALL FARMER  
MARKETING ACCESS PROJECT, MARCH 1987 DRAFT.

USAID/GUINEA CAN NOT, AT THIS TIME, COMMIT ITSELF TO BUYING-IN TO  
THE SUBJECT PROJECT.  
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AIDAC

FOR T. MEHEN, ST/RD

E. O. 12356 N/A  
SUBJECT: AGRICULTURAL MARKETING PROJECT (AMIS)

REF: STATE 68251

REDSO/WCA STRONGLY ENDORSES THE PROPOSED PROJECT AND WELCOMES THIS TO COVER THE VOID CREATED BY THE TERMINATION OF SFMA. THE TECHNICAL CONTENT OF PARAS 4 AND 6A AND B WILL DEFINITELY MEET NEEDS OF WCA AGRICULTURAL PORTFOLIO. WE SUGGEST THAT ADEQUATE CORE FUNDS BE ALLOCATED TO MEET SHORT-TERM MISSION NEEDS. PLEASE KEEP REDSO/WCA/PADS INFORMED OF PID AND PP PROGRESS. KUX

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'E.O. 12958: O/A  
SUBJECT: AGRICULTURAL MARKETING PROJECT

REF: STATE 06231

1. ALTHOUGH NEEDS/ESA HAS NO ESTIMATED BUY-UP REQUIREMENTS FOR THE PROJECT, IT APPRECIATES THE CHANCE TO CONDUIT ON THE GENERAL TONST OF THE ACTIVITIES TO BE UNDERTAKEN UNDER THE NEWLY TITLED QUOTE AGRICULTURAL MARKETING IMPROVEMENT STRATEGIES UNQUOTE QUOTE PROJECT.

2. THE NEEDS-AGRICULTURAL STAFF AGREES THAT MARKETING HAS LONG BEEN THE POOR STEP-CHILD TO THE EXTENSIVE EFFORTS AID HAS MADE ON THE PRODUCTION SIDE OF AGRICULTURE. IT IS ALSO BECOMING APPARENT FROM THE WORK THAT THE NEEDS/ESA STAFF DOES THROUGHOUT EAST AND SOUTHERN AFRICA (EAS) THAT MARKETING IS AN EVER INCREASING CONSTRAINT TO OUR GENERAL TONST OF INCREASING AFRICA'S FOOD SUPPLIES AND FOOD SELF-SUFFICIENCY THROUGH GREATER INVOLVEMENT OF THE PRIVATE SECTOR.

3. THE MOST SUCCESSFUL AGRICULTURAL PRODUCTION COUNTRIES ARE THOSE THAT HAVE ADEQUATE MARKETING INFRASTRUCTURE. THE ACTIVITIES IMPLIED OR SUGGESTED UNDER THE NEW NAME PROJECT WOULD BE A GOOD START IN HELPING ESA COUNTRIES STRENGTHEN THEIR MARKETING CAPACITIES.

4. NEEDS/ESA AND 2. AMSTROM HAS BEEN INVOLVED IN MARKETING ACTIVITIES IN A NUMBER OF ESA COUNTRIES.  
- A. HIS WORK ON THE INITIAL DESIGN OF THE ZAMBIA LIVESTOCK MARKETING AND HEALTH PROJECT, INDICATED THAT THE MARKETING SKILLS, EVEN IN A COUNTRY WHICH HAS A LONG TRADITION OF LIVESTOCK TRADING, WERE VERY LIMITED PARTICULARLY CONCERNING THE SOPHISTICATED MODERN MARKETING TECHNIQUES DEMANDED IN THE INTERNATIONAL AGRICULTURAL MARKETING SYSTEMS.

- B. HIS REVIEW OF A FOODS MARKETING ACTIVITY IN SWAZILAND SHOWED A SIMILAR SHORTAGE OF SKILLS EVEN GIVEN THE FACT THAT SWAZILAND IS WELL LOCATED IN TERMS OF AVAILABLE TALENT FROM THE SURROUNDING PART OF THE CONTINENT.

- C. THE MARKETING CONSTRAINTS IN SUCH COUNTRY'S AS TANZANIA, UGANDA AND ZAMBIA ARE OF COURSE WELL KNOWN.

- D. ON A MORE POSITIVE NOTE, FROM THE RESULTS OF THE EVALUATIONS OF THE ZACA PROGRAM IN ZIMBABWE, IT WAS APPARENT THAT MUCH OF THE SUCCESS OF THE ZACA PROGRAM WAS DUE TO THE CAPACITY OF THE ZIMBABWEANS TO MARKET THE

INCREASE IN PRODUCTION FOLLOWING THE RETURN TO NORMAL RAINFALL IN THE 1984-5 SEASON. WAS IT NOT BEEN FOR THE ADEQUATE MARKETING INFRASTRUCTURE INCLUDING BOTH THE PARASTATALS AS WELL AS PRIVATE SECTOR, ZIMBABWE WOULD NOT HAVE BEEN ABLE TO ADEQUATELY MEET THE REQUIREMENT OF THE DOMEST OR TO EFFECTUALLY MARKET THEIR SURPLUS AFTER THE HARVEST.

5. IN CONCLUSION, THE WORK THAT THE NEEDS AGRICULTURAL STAFF HAS DONE IN EAST AFRICA INDICATES THAT MARKETING IS A MAJOR CONSTRAINT IN THIS PART OF THE WORLD AND THE COUNTRIES THAT ARE MORE SUCCESSFUL IN MEETING THEIR FOOD NEEDS ARE THOSE THAT HAVE A CAPACITY TO DEAL WITH THE MARKETING REQUIREMENT OF THE AGRICULTURE SECTOR. NEEDS THEREFORE ENCOURAGES AND ENDORSES THE NEWLY DEVISED INITIATIVE OF THIS PROJECT. CONTABLE

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L.O. 12336: 4/4 SUBJECT: AGRICULTURAL MARKETING IMPROVEMENT STRATEGIES PROJECT

REF: STATE 68251

1. USAID/KENYA REVIEWED THE SUBJECT PROJECT DESCRIBED IN REFTEL. IT IS OUR ASSESSMENT THAT THE AGRICULTURAL MARKETING IMPROVEMENT STRATEGIES (AMIS) PROJECT MAY OFFER A SIGNIFICANT CONTRIBUTION IN BOTH THE AGRICULTURAL INPUT (FERTILIZER) AND AGRICULTURAL OUTPUT (GRAIN) MARKETING SUB-SECTORS OF THE USAID/KENYA AGRICULTURAL SECTOR STRATEGY. THE FOLLOWING PRESENTS A SUMMARY OF THE RELEVANT ON-GOING ACTIVITIES WITH COMMENTS REGARDING HOW USAID/KENYA MAY UTILIZE AMIS RESOURCES TO SUPPORT THESE ACTIVITIES.

2. FERTILIZER MARKETING

WE SEE GOOD POSSIBILITIES FOR THE AMIS PROJECT TO ASSIST IN DEVELOPING STRATEGIES FOR OUR EST FUNDED FERTILIZER MARKET DEVELOPMENT PROGRAM. UNDER THIS PROGRAM, USAID IS WORKING WITH THE GOV TO INCREASE FERTILIZER USE AND DISTRIBUTION THROUGH IMPROVED POLICIES, PLANNING, AND ADMINISTRATIVE PROCEDURES. A MAJOR THrust OF THE PROGRAM IS TO INCREASE PRIVATE SECTOR INVOLVEMENT IN FERTILIZER DISTRIBUTION IN KENYA. USAID ANNUALLY FINANCES APPROXIMATELY 30,000 TONS OF DAP FERTILIZER FOR IMPORTATION TO KENYA, ALMOST 20 PERCENT OF THE COUNTRY'S REQUIREMENT. SINCE 1984, THE GOV HAS IMPLEMENTED USAID RECOMMENDED PROCEDURES WHEREBY IT ALLOCATES SPECIFIC AMOUNTS OF DAP TO PRIVATE SECTOR DISTRIBUTORS FOR SALE TO END USERS. PRIOR TO 1984, NEARLY ALL FERTILIZER USED IN KENYA WAS DISTRIBUTED BY ONLY THREE GOVERNMENT ORGANIZATIONS. THE LARGEST WAS THE KENYA FARMERS ASSOCIATION (KFA), A GOV CONTROLLED ORGANIZATION WHICH DISTRIBUTED MORE THAN 80 PERCENT OF ALL SUPPLIES. FOLLOWING THE USAID SCHEME, OVER 30 PRIVATE SECTOR DISTRIBUTORS ARE NOW DISTRIBUTING USAID FINANCED DAP. OTHER DONORS ARE ALSO DISTRIBUTING THEIR FERTILIZER UNDER THE USAID SCHEME RATHER THAN A DIRECT CONTRIBUTION TO THE KFA. THIS HAS RESULTED IN WIDER GEOGRAPHIC DISTRIBUTION AND INCREASED PRICE COMPETITION.

WITH THE OBJECTIVE OF PRIVATE SECTOR DISTRIBUTION LARGELY MET, USAID AND THE GOV ARE NOW FOCUSING EFFORTS ON IMPLEMENTING POLICIES WHICH PROMOTE RETAIL MARKETING AND DEVELOPING CAPABILITIES OF PRIVATE SECTOR DISTRIBUTORS TO BECOME RETAIL MARKETING ORGANIZATIONS. THIS INCLUDES IMPLEMENTING A NUMBER OF PRICING POLICY CHANGES, REFERRING TO THE COMMERCIAL IMPORT ALLOCATION PROCESS, AND BETTER COORDINATION OF DONOR AND COMMERCIAL

IMPORTS. WE HAVE CONDUCTED A NUMBER OF STUDIES TO IDENTIFY THE PROBLEMS AND TO DEVELOP A STRATEGY TO ADDRESS THEM THROUGH CONDITIONS AND COVENANTS IN THE EST FERTILIZER MARKET DEVELOPMENT PROGRAMS. THE ULTIMATE GOAL OF OUR EFFORTS IS TO HAVE IN PLACE A FERTILIZER MARKETING SYSTEM IN WHICH THE MARKET-PLACE DETERMINES THE QUANTITIES, TYPES, AND TIMING OF FERTILIZER IMPORTS, AND THE WHOLESALE AND RETAIL PRICES OF FERTILIZER SOLD IN KENYA. THE GOVERNMENT INVOLVEMENT WOULD BE LIMITED TO DATA COLLECTION AND MONITORING FOR PLANNING PURPOSES, AND TO ASSURE POLICIES ARE IN PLACE TO PROMOTE COMPETITION AT THE RETAIL LEVEL. THE INTERNATIONAL FERTILIZER DEVELOPMENT CENTER (IFDC) HAS BEEN OF MAJOR ASSISTANCE TO USAID IN HELPING TO IDENTIFY THE PROBLEMS AND DEVELOP STRATEGIES.

OVER THE NEXT 3-5 YEARS, WE INTEND TO CONDUCT PERIODIC EVALUATIONS AND ASSESSMENTS OF OUR PROGRAM TO APPRAISE ITS EFFECT ON THE OVERALL DEMAND AND DISTRIBUTION OF FERTILIZER. THESE EVALUATIONS AND ASSESSMENTS ARE NEEDED TO HELP TEST OUR ASSUMPTIONS ABOUT WHAT IS NEEDED TO EXPAND THE USE OF FERTILIZER IN KENYA, AND TO ALERT US IF WE ARE MOVING OFF WHAT WE THINK IS THE RIGHT TRACK IN OUR POLICY DIALOGUE WITH THE GOV ON FERTILIZER SECTOR REFORMS. THE INFORMATION WOULD ALSO CONSTITUTE USEFUL MATERIAL FOR THE DESIGN OF FUTURE USAID FERTILIZER MARKETING PROGRAMS AND CONTINUED POLICY DIALOGUE.

THE AMIS PROJECT COULD HELP US WITH THESE EVALUATIONS AND ASSESSMENTS, AND ALSO TO HELP DESIGN FUTURE FERTILIZER MARKET DEVELOPMENT PROGRAMS. THIS TYPE OF ACTIVITY FALLS UNDER REFTEL PARA 4 - DIAGNOSIS OF MARKETING SYSTEMS. GIVEN THE POSSIBILITY THAT AMIS CAN TIE INTO THE IFDC, IT WOULD HELP ENSURE CONTINUITY OF EFFECTIVE PROGRAMS ALREADY IN PLACE.

AMIS PROJECT

HISTORICALLY, THE EFFICIENCY OF KENYA'S GRAIN MARKETS HAS BEEN IMPERED BY EXCESSIVE GOVERNMENT REGULATION OF THE GRAIN MARKET. THESE POLICIES WERE LARGELY INHERITED FROM A COLONIAL REGIME WHERE INTERESTS WERE THE RAPID COLLECTION AND MOVEMENT OF GRAIN FROM A RELATIVELY FEW LARGE FARMERS AND WERE COMPOUNDED BY INSUFFICIENT PHYSICAL AND MARKET INFRASTRUCTURE. DURING THE YEARS IMMEDIATELY FOLLOWING INDEPENDENCE, THERE WAS A TRANSFER OF LAND RESOURCES TO THE NEW POLITICAL ELITE WHO CONTINUED TO BENEFIT FROM THE GUARANTEED MARKETS, GUARANTEED PRICES, AND LIMITED COMPETITION. THE FIRST SERIOUS THREAT OF GRAIN MARKET LIBERALIZATION BEGAN IN THE MID-1970'S AS THE RESULT OF A GROWING AWARENESS OF THE IMPORTANCE OF SMALLHOLDERS WITHIN THE AGRICULTURAL SECTOR. WITH RAPID POPULATION GROWTH, THE FORMER ESTATES HAVE EXPERIENCED A RAPID SUB-DIVISION WHICH IS EXPECTED TO CONTINUE AND ACCELERATE THROUGH THE END OF THE CENTURY. SUCH A TREND REQUIRES THAT THE MARKET STRUCTURE EVOLVE IN ORDER THAT THE SMALLHOLDER MAY BE ENCOURAGED TO PRODUCE A MARKETABLE SURPLUS. IT IS KENYA'S STRATEGY TO ENCOURAGE EFFICIENT AND COMPETITIVE MARKETS WHICH ARE EXPECTED TO BENEFIT BOTH THE PRODUCERS AND CONSUMERS OF THE AGRICULTURAL COMMODITIES. IT IS OUR ASSESSMENT THAT THE COMMERCIALIZATION OF TRADITIONALLY EXISTENCE FROM PRODUCTION SYSTEM BASED ON COMPARATIVE ADVANTAGE WHICH WILL PERMIT THE SHIFT OF LAND RESOURCES TO HIGHER VALUE COMMODITIES AND ENCOURAGE THE DEMAND GROWTH WITHIN THE AGRICULTURAL SECTOR.

A FUNDAMENTAL PROBLEM IN KENYAN AGRICULTURAL POLICY,

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ESPECIALLY WITH REGARD TO GRAIN MARKETS, IS THAT THE GOV  
HAS HISTORICALLY ANNOUNCED POLICY DECISIONS PRIOR TO THE  
DEVELOPMENT OF IMPLEMENTATION PLANS WHICH WOULD ALLOW A  
GRADUAL EVOLUTION WITHOUT CAUSING UNDESIRABLE SHOCKS TO THE  
GRAIN ECONOMY. MISMANAGEMENT AND FAILURE TO DEVELOP  
VIABLE PLANS RESULTED IN THE ABORTED EFFORT TO  
LIBERALIZE THE MARKETS IN 1973 AND 1986.

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INTENDED TO CONFIRM OUR INTEREST IN THE PROJECT.  
FUNDING WOULD MOST LIKELY COME FROM PDS, AND WE WOULD  
ENVISION A BUY-IN FOR FY 83 AT A LEVEL OF  
100,000-150,000 DOLLARS. WE REPEAT, THIS IS NOT A FIRM  
COMMITMENT. WE WOULD LIKE TO REQUEST ADDITIONAL  
INFORMATION REGARDING THE AREAS OF INTEREST EXPRESSED  
ABOVE.

IN SPITE OF THE RECENT PRESIDENTIAL DECREE OUTLAWING  
DIRECT PURCHASES BY MILLERS, GOV OFFICIALS ARE FULLY  
AWARE THAT THE GRAIN MARKET STRUCTURE MUST EVOLVE AND  
PERFORMANCE IMPROVE IN THE NEAR FUTURE. IT IS FOR THIS  
REASON THAT THE GOV HAS COMMISSIONED A STUDY ON GRAIN  
MARKETS FINANCED BY THE ECC TO UPDATE THE 1983 BOHNER  
STUDY AS WELL AS UTILIZE ITS OWN RESOURCES AS WELL AS  
AN IDA LOAN TO STUDY THE LONG-TERM DIMENSION OF FOOD  
SECURITY. BOTH THESE STUDIES SHOULD BE RELEASED IN  
MID-1987 AND WILL SERVE AS THE BASIS FOR A GRAIN  
MARKETING REFORM PROGRAM. GIVEN THE CURRENT LEVEL OF  
UNCERTAINTY REGARDING THE NATURE OF THE REFORMS, IT IS  
PREMATURE TO DEFINE USAID/KENYA INPUTS. WE HAVE BEEN  
ADVISED INFORMALLY, HOWEVER, THAT THE PROPOSED REFORMS  
WILL FOCUS ON PRICE STABILIZATION. IT IS EXPECTED THAT  
OVER A 3-5 YEAR PERIOD THE REAL GAZETTED PRICES WILL BE  
ALLOWED TO FALL FROM THE CURRENT AVERAGE PRICE BASED ON  
IMPORT/EXPORT PARITY PRICES TO ONE CONSISTENT WITH A  
PRODUCER FLOOR PRICE STRATEGY. THIS EFFECTIVELY WILL  
RESULT IN A PROGRESSIVELY SMALLER MARKET SHARE FOR WCP  
(CURRENTLY 50 PERCENT).

3. MISSION PLANS TO CONDUCT AN ASSESSMENT OF RECENT  
FERTILIZER PRICING POLICY CHANGES ON THE DISTRIBUTION  
AND USE OF FERTILIZER IN KENYA. WE PLAN TO COMPLY WITH  
THIS ASSESSMENT IN LATE FY 87 USING KENYAN CONSULTANTS.  
IN ADDITION, WE PLAN PERIODIC ASSESSMENTS OF GRAIN  
MARKETING POLICY REFORMS. THERE ARE SEVERAL CONSULTANTS  
AVAILABLE LOCALLY WHO UNDERSTAND AGRICULTURAL INPUT AND  
OUTPUT MARKETING POLICIES AND PROGRAMS IN KENYA AND ARE  
QUALIFIED TO DO THIS WORK. IT ALSO GIVES OUR PROGRAM  
MORE CREDIBILITY WITH THE GOV IF WE WORK CLOSELY WITH  
LOCAL CONSULTANTS. IF THE MISSION IS TO GOY INTO THE  
THIS PROJECT FOR TECHNICAL ASSISTANCE, WE WOULD PREFER  
THAT THE THIS TEAM SUB-CONTRACT WITH AND WORK JOINTLY  
WITH KENYAN CONSULTANTS. WE WILL NEED ASSURANCES THAT  
THIS ARRANGEMENT IS POSSIBLE. TRAIL

IT MUST BE NOTED THAT USAID/KENYA AND THE GOV HAVE  
ENGAGED IN HIGH PROFILE POLICY DIALOGUE. WHILE THIS  
PRACTICE IS BELIEVED TO HAVE ENCOURAGED THE GOV TO FOCUS  
MORE ATTENTION TO THE ISSUES ASSOCIATED WITH GRAIN  
MARKETING, IT HAS ALSO RESULTED IN THE PERCEPTION THAT  
USAID/KENYA HAS PREJUDICED RECOMMENDATIONS WHICH ARE NOT  
EASILY IMPLEMENTED IN THE KENYAN CONTEXT. FOR THIS  
REASON USAID/KENYA HAS ATTEMPTED TO MAINTAIN A  
SUPPORTIVE BUT LOWER PROFILE DURING THE CURRENT  
DISCUSSIONS.

SHOULD THE POLICY REFORM DISCUSSED ABOVE EVOLVE AS  
EXPECTED, IT WILL BE NECESSARY TO RAPIDLY INCREASE  
PRIVATE BOTH ON-FARM AND OFF-FARM STORAGE, IMPROVE THE  
SHORT-TERM CAPITAL AVAILABILITY TO GRAIN MERCHANTS, AS  
WELL AS CAPITALIZE  
WCP IN ORDER THAT IT HAS THE RESOURCES TO PAY THE  
FARMER AT THE TIME OF PURCHASE. U.S. THIS IS  
ESSENTIAL TO GUARANTEE AN EFFECTIVE FLOOR PRICE  
STRATEGY. MOST IMPORTANTLY, HOWEVER, THE GOV WILL HAVE  
TO IMPLEMENT A SYSTEM OF COOP FORECASTS AND MARKET  
REPORTS IN ORDER THAT PRODUCERS, CONSUMERS, AND MARKET  
AGENTS HAVE ACCESS TO INFORMATION FOR RATIONAL ECONOMIC  
DECISIONS.

FOR THESE REASONS, WE CAN ENVISION THIS ACTIVITIES AS A  
POTENTIAL RESOURCE FOR THE ESTABLISHMENT OF INFORMATION  
SYSTEMS AND OTHER MECHANISMS TO REDUCE RISK AS WELL AS  
THE INTRODUCTION OF NEW IDEAS AND FINANCIAL EXPERTISE  
APPROPRIATE TO SMALL AND MEDIUM-SCALE ENTREPRENEURS. A  
THIRD AREA MAY BE SUPPORT FOR PRE-COOPERATIVE VILLAGE  
LEVEL CEREAL BANKS WHICH ARE BEING EXPLORED BY PDS. A  
FOURTH AREA MAY BE SHORT-TERM TRAINING IN RAPID  
RECONNAISSANCE TECHNIQUES AS INPUT TO MARKET INFORMATION  
SYSTEM DEVELOPMENT.

4. MISSION IS UNABLE TO GIVE A FIRM COMMITMENT OF  
BUY-IN LEVELS FOR THE PROPOSED FERTILIZER OR GRAIN  
MARKETING ACTIVITIES AT THIS TIME. THIS SHALL BE

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ACTION OFFICE STPD-01

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FM ANEMBASSY MASERU  
TO SECSTATE WASHDC IMMEDIATE 8741

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UNCLAS MASERU 00762

AIDAC

FDR ST/RD

E. O. 12356 N/A  
SUBJECT: AGRICULTURAL MARKETING PROJECT

REF: STATE 68251

BECAUSE MISSION'S AGRICULTURAL PROJECTS PORTFOLIO HAS  
VARIOUS MARKETING COMPONENTS, USAID/LESOTHO WILL NOT BE  
INVOLVED IN THE SUBJECT PROJECT. ABBOTT

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TELEGRAM**

PAGE 01 DAKAR 03385 011242Z 0563 036278 A1D5342  
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INFO AFFW-04 AFTR-05 AMAD-01 GC-01 GCAF-01 PSC-03 GCCM-02  
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FM AMEMBASSY DAKAR  
TO SECSTATE WASHDC 0879

UNCLAS DAKAR 03385

AIDAC  
FOR ST/RD, AMIS PROJECT OFFICER

E.O. 12386: N/A  
SUBJECT: AGRICULTURAL MARKETING PROJECT

REF: (A) STATE 060281

1. MISSION REGRETS DELAY IN RESPONDING TO REPTTEL DUE TO TIME TAKEN TO REVIEW OUR CURRENT APPLIED RESEARCH PROGRAMS TO ASSESS RESEARCH NEEDS AND FUNDS AVAILABILITY.

2. MISSION IS VERY MUCH INTERESTED IN AGRICULTURAL MARKETING RESEARCH AS WELL AS MARKET REFORMS. REDEFINITION OF PUBLIC AND PRIVATE SECTOR ROLES. WE ARE CURRENTLY PROVIDING SUPPLEMENTAL FUNDING FOR A COLLABORATIVE PROGRAM OF APPLIED RESEARCH WITH THE GOAL OF DETERMINING WAYS OF IMPROVING FOOD SECURITY IN SENEGAL. MSU, THROUGH THE FOOD SECURITY IN AFRICA (FSA) COOPERATIVE AGREEMENT AND IN CONJUNCTION WITH THE SENEGALESE INSTITUTE OF AGRICULTURAL RESEARCH (SIRA), IS IMPLEMENTING THIS PROGRAM. RESULTS OF THIS APPLIED RESEARCH PROGRAM ENTITLED: "THE RESPONSE OF CEREALS PRODUCERS AND MARKET PARTICIPANTS TO PRIVATIZATION OF INPUT AND OUTPUT MARKETING", EXPECTED BY DEC. 1987, ARE INTENDED TO HELP IDENTIFY APPROPRIATE AGRICULTURAL AND MARKETING STRATEGIES FOR ACHIEVING FOOD SECURITY IN SENEGAL.

3. MISSION STRONGLY SUPPORTS PROJECT IDEA, ESPECIALLY THE APPLIED RESEARCH ELEMENT DESCRIBED IN PARA 6 OF REPTTEL. HOWEVER, AT THIS TIME WE DO NOT ENVISAGE ANY BUY-INS DUE TO THE CONTINUATION OF THE ABOVE-MENTIONED WORK OF MSU.  
WALKER

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TO SECSTATE WASHDC PRIORITY 7162

UNCLAS MBABANE 01522

AIDAC

FOR: ST/RD, T. MEHEN AND AFR/TR/ARD

E.Q. 12356: N/A  
SUBJECT: AGRICULTURAL MARKETING PROJECT

REF: (A) MARTELLA - CHURCH TELCON OF 3/28.  
(B) STATE 68251

MISSION MOST INTERESTED IN PROPOSED AMENDMENT TO SFMA AS DEVELOPED IN REF B). MISSION'S PROPOSED NEW AG PROJECT INCLUDES SUPPORT FOR POLICY STUDIES ON INSTITUTIONAL CONSTRAINTS TO AGRICULTURAL DEVELOPMENT AND OUR INITIAL ASSESSMENT INDICATES MANY OF THESE ARE RELATED TO MARKETING. MISSION CAN BE MORE SPECIFIC FOLLOWING DEVELOPMENT AND REVIEW OF THE NEW AGRICULTURAL PID, PRESENTLY PROGRAMMED FOR FY88 NEW START. NELSON

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 SECS-02 PDPR-01 PPPB-02 GC-01 GCAF-01 SENS-02 PSC-03  
 GCCM-02 STAG-02 PPR-01 IT-06 AFDA-02 ES-01 AGRI-01  
 STFA-01 RELO-01 PRE-06 /055 A1 1125

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 FM AMEMBASSY KINSHASA  
 TO SECSTATE WASHDC 5333

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UNCLAS KINSHASA 04145

ADM AID

E. O. 12536: N/A

SUBJECT: AGRICULTURAL MARKETING IMPROVEMENT STRATEGIES  
(AMIS)

REF.: STATE 068251

USAID/ZAIRES SEES POSSIBLE FUTURE COLLABORATION BETWEEN  
 AMIS AND SEVERAL PROJECTS. ASPECTS OF INTEREST ARE:  
 A) DIAGNOSIS OF MARKETING SYSTEM WITH A STRONG TRAINING  
 PROGRAM IN METHODOLOGY FOR HOST COUNTRY PARTICIPANTS;  
 B) RESEARCH IN CLOSE COLLABORATION WITH APAP AND ZAIRES  
 POLICY PROJECT; C) PILOT INNOVATIONS SUCH AS VOLUNTARY  
 ORGANIZATION OF TRADERS. EARLIEST INTEREST WOULD BE FY  
 88. GROVE

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TO SECSTATE WASHDC 0450

UNCLAS LUSAKA 01308

AIDAC

AID/W FOR ST/RO

E. O. 12366: N/A  
SUBJECT: AGRICULTURAL MARKETING PROJECT

REF: STATE 064251

1. THE MISSION READ WITH INTEREST OF THE REDESIGN OF THE SMALL FARMER MARKETING ACCESS (SFMA) PROJECT INTO THE AGRICULTURAL MARKETING IMPROVEMENT STRATEGIES (AMIS) PROJECT. WE AGREE THAT THE ORIGINAL FOCUS WAS TOO NARROW AND THAT A SYSTEMS APPROACH IS NEEDED IN AGRICULTURAL MARKETING. IN THIS REGARD, WE QUESTION THE RAPID MARKET APPRAISAL WITH ITS SINGLE COMMODITY, LIMITED GEOGRAPHICAL CONCENTRATION AND WONDER IF THIS IS NOT ALSO TOO NARROW.

2. THE MISSION'S THRUST IS ON AGRICULTURAL POLICY REFORM WITH EMPHASIS ON AGRICULTURAL MARKETING POLICY. WHILE THE MISSION FEELS CONFIDENT IN ITS OWN ABILITY TO IDENTIFY INSTITUTIONAL, ORGANIZATIONAL AND INFRASTRUCTURAL IMPEDIMENTS, ASSISTANCE MAY BE NEEDED IN IDENTIFYING IMPEDIMENTS ON THE TECHNICAL SIDE. OUR POTENTIAL INTERESTS AT THIS TIME ARE:

(A) ASSESSMENT OF EXPORT POTENTIAL FOR SELECTED ZAMBIAN COMMODITIES;

(B) MARKET INFORMATION SYSTEM DEVELOPMENT; AND

(C) TECHNICAL ASSISTANCE IN WAREHOUSE MANAGEMENT, GRAIN SILO OPERATION, FIELD GRADING OF GRAIN CROPS, CARGO HANDLING, ETC.

3. THE MISSION IS RELUCTANT TO COMMIT ITSELF TO ANY SPECIFIC BUY-IN BUT MIGHT REPEAT MIGHT HAVE NEED FOR UP TO TWELVE (12) PERSON MONTHS OVER THE LOP AND UP TO FOUR (4) PERSON MONTHS OF TA DURING THE REMAINING PART OF FY 87 AND THE FIRST HALF OF FY 88. HARE

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INFO ANDP-03 ANPD-05 PDPR-01 ANTR-06 STAG-02 SAST-01 ES-01  
AGRI-01 STFA-01 RELO-01 ANEA-02 /025 A1 1113

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FM AMEMBASSY RANGOON  
TO SECSTATE WASHDC 1416

UNCLAS RANGOON 01431

ADM AID

E.O. 12356: N/A  
SUBJECT: AGRICULTURAL MARKETING PROJECT

REF: STATE 068251

AID/BURMA ANTICIPATES NO VIABLE OPPORTUNITIES TO  
AVAIL OF SUBJECT PROJECT'S SERVICES DURING THE NEXT  
FEW YEARS. O'DONOHUE

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TO SECSTATE WASHDC 9630

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UNCLAS BUVA 01237

AIDAC

E. O. 12958: N/A  
TAGS: N/A  
SUBJECT: AGRICULTURAL MARKETING PROJECT

REF: STATE 060251

1. USAID/BUVA IS INTERESTED IN SUBJECT ST/RD PROJECT AND AGREES THAT THE BROADER PROJECT PERSPECTIVE INCREASES THE POTENTIAL FOR POSITIVE IMPACT IN A CRUCIAL SUPPORT AREA.
2. MISSION HAS FREQUENTLY HAD PROBLEMS WITH THE BUY-IN MECHANISM OF S&T PROJECTS. THIS IS DUE PRIMARILY BECAUSE OF INSUFFICIENT FUNDS AVAILABLE FOR NON-PROJECTIZED ACTIVITIES DUE TO THE SIZE OF ANNUAL OYS AND PROGRAM MORTGAGE. HOWEVER, MISSION HAS BENEFITTED FROM RESULTS OF S&T PROJECTS IN GENERAL AND IN PARTICULAR FROM THE LEVEL OF SUPPORT PROVIDED TO THE SOUTH PACIFIC REGION FROM CENTRALLY FUNDED PROJECTS I. E., SMS, FSP, ETC.
3. BASED ON ON-GOING AND PLANNED PROGRAM INITIATIVES IN FISHERIES AND PRE AND HOPEFULLY IMPROVED MISSION BUDGET PICTURE, USAID/BUVA WOULD BE INTERESTED IN A BUY-IN LEVEL OF DOLS 100,000. WE ANTICIPATE NEED TO ACCESS SERVICES MADE AVAILABLE UNDER THE AGRICULTURE MANAGEMENT PROJECT BEGINNING FOURTH QUARTER FY 88. OUR PRIMARY NEEDS WILL GENERALLY FALL INTO CATEGORIES (B) AND (C) AS DESCRIBED IN REFTEL, PARA 3. DILLERY

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 INFO ANPD-08 AMAD-01 ANTR-08 STAG-02 EAST-01 HELD-01 STMR-01  
 ANEA-02 /020 AD  
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FM AMEMBASSY JAKARTA  
TO SECSTATE WASHDC 3528

UNCLAS JAKARTA 08188

AIDAC FOR ST/RD

E. O. 12388: N/A

SUBJECT: AGRICULTURAL MARKETING PROJECT

REF.: STATE 088281

1. AID/INDONESIA REGRETS DELAYED RESPONSE TO REF. CABLE.

2. THROUGH AID/INDONESIA'S SECONDARY FOOD CROPS DEVELOPMENT PROJECT, MISSION HAS BEEN ASSISTING MINISTRY OF AGRICULTURE IN STRENGTHENING CAPACITY TO MONITOR AND ANALYZE MARKETING CONSTRAINTS TO NON RICE FOOD CROPS. TO DATE THREE DETAILED MARKETING STUDIES HAVE BEEN CONDUCTED UNDER SFCDP. MISSION NOW CONSIDERING TWO YEAR NO COST EXTENSION TO PROJECT WHICH WOULD CONTINUE MARKETING ASSISTANCE TO MOA.

3. HOWEVER, MISSION WOULD BE INTERESTED IN TRAINING INDONESIAN COUNTERPARTS IN RAPID RURAL MARKET APPRAISAL TECHNIQUES UNDER AGRICULTURAL MARKETING PROJECT CORE FUNDS. IF THIS TRAINING IS SUCCESSFUL, MORE ACTIVE INVOLVEMENT WOULD BE CONSIDERED DURING SECOND AND SUBSEQUENT YEARS.

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FM AMEMBASSY NEW DELHI  
TO SECSTATE WASHDC 3140

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UNCLAS NEW DELHI 07181

AIDAC

E. O. 12356: N/A  
SUBJECT: AGRICULTURAL MARKETING PROJECT

REFERENCE: STATE 868251

1. SUBJECT PROJECT IS OF INTEREST. WE WONDER, HOWEVER, HOW WELL CENTRALIZED PROJECT CAN SERVICE VERY LOCATION, TIME, COMMODITY, COUNTRY, ETC. SPECIFIC NEEDS.
2. USAID/INDIA THROUGH 1992 WILL PROBABLY NEED SOMETHING LIKE 36 PERSON MONTHS OF ASSISTANCE IN THE SUBJECT AREA. AIMS COULD QUITE POSSIBLY SERVE AS A VEHICLE FOR THOSE SERVICES. DEAN

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FM AMEMBASSY KATHMANDU  
TO SECSTATE #48400 1260

UNCLAS KATHMANDU 0202:

AIDAC

FOR ST/AD

E. D. 12388: N/A

SUBJECT: AGRICULTURAL MARKETING PROJECT

REF: STATE 34281

1. MISSION IS SUPPORTIVE OF PROPOSED AMENDED AGRICULTURAL MARKETING IMPROVEMENT STRATEGIES PROJECT (AMIS). THIS PROJECT COULD PROVIDE ASSISTANCE TO USAID STRATEGY OF CONTRIBUTING TO MOVING NEPALESE AGRICULTURE FROM A SUBSISTENCE STATE, ESPECIALLY IN THE HILLS, TO AN INTEGRATED, MARKET-ORIENTED STAGE BASED MORE EXTENSIVELY ON CASH CROPS, COMPARATIVE ADVANTAGE, AND FOOD SELF-RELIANCE.
2. SPECIFIC AREAS OF POSSIBLE AMIS ASSISTANCE AND POSSIBLE MISSION BUY-IN ARE UNDER THE NEW PHASE II PARTI DEVELOPMENT PROJECT (RDP) (067-01881). THE RDP INCLUDES PROCESSING AND MARKETING ACTIVITIES FOR CEREALS AND LIVESTOCK PRODUCTS; A VEGETABLE, FRUIT AND CASH CROP PROGRAM THAT IS PRIVATE AND MARKET ORIENTED; AND PRIVATE ENTERPRISE ACTIVITIES THAT INCLUDE MARKETING FUNCTIONS. RDP COULD USE ASSISTANCE IN EACH OF THE THREE BROAD AREAS IDENTIFIED FOR AMIS: (A) DIAGNOSIS OF PROBLEMS IN MARKETING SYSTEMS IN A TIMELY AND EFFECTIVE MANNER; (B) DESIGN OF PILOT INNOVATIONS TO IMPROVE MARKETING ACTIVITIES; AND, (C) APPLIED RESEARCH ON MARKETING PROBLEMS, AND INTERREGIONAL COMPETITION ANALYSIS OF NEPAL AGRICULTURE VS INDIA AND INTRAREGIONAL COMPETITION ANALYSIS OF HILLS VS TERAI IDENTIFYING VIABLE CASH CROPPING ALTERNATIVES FOR EACH REGION. ESTIMATED LEVEL OF POSSIBLE BUY-IN UNDER RDP OVER NEXT FIVE YEARS IN DOLS 300,000. MORE SPECIFIC PLANS FOR RDP BUY-IN WILL BE DEVELOPED LATER IN YEAR AFTER IMPLEMENTATION START-UP. INTER AND INTRAREGIONAL ANALYSIS ACTIVITY POSSIBLE FY 87, IF RDS FUNDS AVAILABLE.
3. PLEASE KEEP US/ID INFORMED ON STATUS OF AMIS PROJECT AND ON POSSIBLE TOY OF PERSONS INVOLVED TO MORE FULLY EXPLORE POSSIBLE WORK IN NEPAL.

MACFARLANE

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INFO SEOP-01 FPA-02 ANDP-03 SERP-01 SECS-02 SETN-01 PDPR-01  
PPPB-02 GC-01 SEOS-02 PSC-03 ANTR-06 STAG-02 PPR-01  
SAST-01 ES-01 AGRI-01 STFA-01 RELO-01 STHR-01 PRE-06  
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FM AMEMBASSY ISLAMABAD  
TO SECSTATE WASHDC 4882

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UNCLAS ISLAMABAD 06203

AIDAC

E. O. 12356 N/A  
SUBJECT: AGRICULTURAL MARKETING PROJECT

REF: STATE 068251

THE PROPOSED AGRICULTURAL MARKETING IMPROVEMENT STRATEGIES (AMIS) PROJECT COVERS AREAS OF CONSIDERABLE INTEREST TO THE MISSION. HOWEVER, AT THE PRESENT TIME MISSION CANNOT INDICATE BUY-IN ESTIMATES DURING THE LAST QUARTER OF FY 1987 THROUGH FY 1992. MISSION IS CURRENTLY DEVELOPING PROGRAM ASSISTANCE APPROVAL DOCUMENT (PAAD) FOR ITS FORTHCOMING AGRICULTURE SECTOR SUPPORT PROGRAM AND BUY-IN REQUIREMENTS FOR AMIS WOULD BECOME CLEAR WHEN PAAD IS FINALIZED. HINTON

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INFO GC-00-02 ST-00-01 POPR-01 GC-01 SEC-02 PCC-03 JCCP-03  
STAG-02 PFR-01 EAST-01 STFA-03 REL-01 STHR-01 PFI-04  
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FM AMEMBASSY COLOMBO  
TO SECSTATE WASHDC 1831

UNCLAS COLOMBO 01902

AIDAC

E.O. 12958: O/A  
SUBJECT: AGRICULTURE MARKETING PROJECT

REF: STATE 065131

1. USAID/COLOMBO ANTICIPATES UTILIZING THE AMIS PROJECT AS IT MAY BE A VALUABLE RESOURCE FOR OUR FUTURE PROGRAM NEEDS. ALTHOUGH IN THE IMMEDIATE FUTURE LITTLE OPPORTUNITY FOR COLLABORATION WITH AMIS EXISTS, USAID/COLOMBO IS IN THE PROCESS OF RE-EVALUATING ITS STRATEGY OBJECTIVES FOR THE NEXT FEW YEARS. WE HAVE RECENTLY UNDERTAKEN A COOP UPDATE AND WILL CONTINUE OUR FOCUS ON INCREASING RURAL INCOME AND PRIVATE SECTOR DEVELOPMENT IN THE MISSION PROGRAM. TO THIS END, MARKETING AND THE SERVICES THAT SUPPORT MARKETING, FOOD DISTRIBUTION AND FOOD QUALITY WILL BE MORE CLOSELY EXAMINED.

2. WE HAVE ALREADY BEGUN TO DESIGN TWO NEW PROJECTS IN THE MIMBELI THAT WILL SUPPORT THE INVESTMENT THAT WE HAVE MADE IN IRRIGATION. WE PLAN TO TACKLE ISSUES DIRECTLY INVOLVED WITH THE MARKETING OF AGRICULTURAL OUTPUTS, INCREASED PRODUCTION AND PRODUCTIVITY AND THE ESTABLISHMENT OF PRIVATE SECTOR ENTERPRISES IN RURAL SETTLEMENT AREAS, SO AS TO ENHANCE RURAL INCOME. THESE MIMBELI PROJECTS WILL REQUIRE USAID TO DIAGNOSE AND ADDRESS THE MARKETING SYSTEM, MARKET PERFORMANCE AND MANAGEMENT ISSUES THAT WILL ARISE AS A CONSEQUENCE. WE HAVE ALREADY DONE A NUMBER OF STUDIES THAT DEFINE THE NEED FOR A DIVERSIFIED COOP BASE AND FOR IMPROVEMENTS IN THE TECHNOLOGY CURRENTLY AVAILABLE. LAST YEAR USAID FUNDED A STUDY ON POST-HARVEST LOSSES, AND EXAMINED THE OPPORTUNITIES FOR PROVIDING ASSISTANCE IN RESEARCH, MANAGEMENT AND OTHER NEEDED FOOD TECHNOLOGY IMPROVEMENTS. WE HAVE ALSO EXAMINED OPPORTUNITIES FOR BRIDGING THE PRIVATE SECTOR'S ROLE IN PROCESSING AS WELL AS HOW TO MAKE THE PUBLIC SECTOR MORE COMPETITIVE AND EFFECTIVE THROUGH THE INVESTMENTS THEY HAVE MADE IN RICE PROCESSING. WE HAVE TENTATIVELY IDENTIFIED A SEPARATE MARKETING PROJECT FOR DEVELOPMENT DURING FY 68. THE SERVICES AND RESOURCES IDENTIFIED AS AVAILABLE THROUGH AMIS MAY BE VALUABLE TO USAID AS WE MORE SERIOUSLY EXAMINE OTHER OPPORTUNITIES TO STRENGTHEN THE MARKETING SYSTEM.

3. USAID/COLOMBO WILL BE INTERESTED TO HEAR MORE ABOUT THE DEVELOPMENT OF THE AMIS PROJECT AS WE FEEL IT COULD BE AN EXTREMELY USEFUL TOOL FOR OUR AGRICULTURE AND PRIVATE SECTOR INITIATIVES IN THE FUTURE. WE ARE UNABLE AT PRESENT HOWEVER, TO OFFER AN ESTIMATE OF THE SERVICES WE MAY SEEK FROM THE AMIS PROJECT. WE WILL PROBABLY NOT REQUEST AMIS TO ASSIST IN MARKET RESEARCH BUT WOULD BE MORE INTERESTED IN PRACTICAL AND LONG-TERM APPROACHES TO INTEGRATING MARKETS AND IMPROVING MARKET EFFICIENCIES. WE WOULD BE INTERESTED IN DISCUSSING AMIS ASSISTANCE TO THE EXTENT THAT OUR NEEDS CAN BE ACCOMMODATED WITHIN THE FRAMEWORK OF THE AMIS PROJECT. SPAIN

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PAGE 01 MANILA 11510 150748Z  
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CONSIDER TAPPING AID/M RESOURCES AVAILABLE. PLEASE ADVISE AS TO TIME SCHEDULE FOR AID OBLIGATION, HIRING CONTRACTORS, INITIAL DISBURSEMENT AND SAT OVERALL FUNDING LEVEL. NAPLAN

ACTION OFFICE STR-0  
INFO SEOP-01 AMP-01 SERP-01 AMAD-01 CETH-01 ANTR-06 SAST-01  
TVA-01 RELO-01 STR-01 ANEA-02 /022 AB

INFO LOG-03 CIAZ-01 ES-00 BODE-00 AMAD-01 TRZE-00 EAP-00  
/000 J

-----013742 1507522 /38

R 150745Z APR 67  
FM AMEMBASSY MANILA  
TO SECSTATE WASHDC 6845

UNCLAS MANILA 11510

AIDAC

FOR CAT/ED, AME/TR/AN

E.O. 12333: N/A  
SUBJECT: AGRICULTURAL MARKETING IMPROVEMENT STRATEGIES  
(AMIS) PROJECT

REF: STATE 068231

1. MISSION INTERESTED IN EXPLORING POSSIBILITY OF BUY-IN TO PROPOSED AGRICULTURAL MARKETING IMPROVEMENT STRATEGIES (AMIS) PROJECT. THE SUBJECT PROJECT APPEARS TO BE COMPLEMENTARY TO USAID/MANILA'S AGRICULTURAL AND RURAL DEVELOPMENT STRATEGY FOCUS ON IMPROVING THE EFFICIENCY AND PRODUCTIVITY OF AGRICULTURAL MARKETING SYSTEMS. THE MAJOR ELEMENTS OF THIS STRATEGY CONCERN REDEFINITION OF ROLES OF PRIVATE AND PUBLIC SECTORS IN AGRICULTURAL MARKETING; PLANS OF INTRODUCING MORE SUPPORTIVE TRADE AND SECTOR POLICIES; REMOVAL OF COUNTERPRODUCTIVE REGULATIONS; REDUCTION OF DIRECT GOVERNMENT PARTICIPATION IN COMMERCIAL MARKET ACTIVITIES; AND IDENTIFYING POTENTIAL MARKETS AND RELIEVING CONSTRAINTS TO THEIR ACCESS.
2. THE MISSION WELCOMES THE BROADER PERSPECTIVE ON MARKETING ISSUES CONTEMPLATED UNDER THE SUBJECT PROJECT (I.E. FOCUS ON OVERALL MARKETING SYSTEM PERFORMANCE FROM PRODUCER TO CONSUMER). WE STRONGLY CONCUR WITH REPTEL PARA 2 THAT INTERESTS OF FARMERS NOT ADEQUATELY SERVED BY NARROW CONCENTRATION ON FIRST HANDLER LINKS WITH FARMERS AND PARA 6 ON THE COORDINATIVE EFFORTS WITH OTHER SAT PROJECTS IN RELATED AREAS, E.G. SEEDS, FERTILIZER, FRUITS AND VEGETABLES, AGRICULTURAL POLICY.
3. MISSION CONTEMPLATES LONG TERM MARKETING EFFORT UNDER THE ACCELERATED AGRICULTURAL PRODUCTION PROJECT (NO. 492-0335), AUTHORIZED AT THE END OF FY 66. THE CENTRAL FEATURE OF THIS EFFORT WILL BE TO IDENTIFY CONSTRAINTS TO IMPROVING THE PERFORMANCE OF MARKETING SYSTEMS FROM THE FARMER TO END CONSUMER. SECONDARILY, PILOT INNOVATIONS MAY BE DESIGNED TO IMPROVE MARKETING ACTIVITIES. FINALLY, THE PROJECT WILL STRENGTHEN THE CAPACITY OF LOCAL INSTITUTIONS TO ASSESS PROBLEMS AND IDENTIFY OPPORTUNITIES FOR IMPROVING MARKETING SYSTEMS.
4. FOR THE SUBJECT PROJECT, THE MISSION IS INTERESTED IN THE FOLLOWING: (1) 2-3 MARKETING ASSESSMENTS FOR 2-3 COMMODITIES (INCLUDING DIAGNOSIS, DESIGN OF PILOT INNOVATIONS, AND LIMITED LONGER TERM RESEARCH ON MARKETING PROBLEMS); (2) EXAMINATION OF CONSTRAINTS TO MARKET ACCESS (DEFINED BROADLY), BOTH DOMESTIC AND EXPORT; (3) TRAINING OF DEPARTMENT OF AGRICULTURE, BOARD OF INVESTMENT, UNIVERSITY AND PRIVATE AGRIBUSINESS PERSONNEL IN MARKETING ASSESSMENT METHODS. GIVEN CURRENT INTEREST IN ABOVE ACTIVITIES MISSION WILL

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PAGE 01  
ACTION AID-00

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ACTION OFFICE STED-C.  
INFO ANPD-00 AMAD-C. ANTR-00 EAST-01 RELO-01 STHR-01 ANES-02  
/010 AB

INFC LOG-00 CIAE-00 EB-00 SOOE-00 NEA-07 /010 W  
022003 201020Z /30

R 201340Z MAR 87  
FM AMEMBASSY CAIRO  
TO SECSTATE WASHDC 0170

*Mehen*

UNCLAS CAIRO 06000

AIDAC

FOR: ST/RO AND ANE/TR/ARD, DEAN ALTER

E. O. 12300: N/A

SUBJECT: AGRICULTURAL MARKETING PROJECT

REF: STATE 000201

1. THE PURPOSE OF THIS CABLE IS TO EXPRESS POSSIBLE INTEREST IN BUY-IN ON SUBJECT PROJECT PER REPTEL PARAGRAPH 2. IT SHOULD NOT BE INTERPRETED AS A MISSION COMMITMENT.

2. USAID HAS BEGUN INITIAL DISCUSSION WITH THE MOA REGARDING RELATIVE ROLES OF PRIVATE - PUBLIC SECTORS WITHIN EGYPTIAN AGRICULTURAL MARKETING STRUCTURE. IT IS QUITE CONCEIVABLE THAT THROUGH THE NATIONAL AGRICULTURAL RESEARCH PROJECT (NARP 203-0102), SERVICES SUCH AS THOSE DESCRIBED IN REPTEL WILL BE REQUIRED.

3. IT IS ANTICIPATED, THAT IF THE MISSION WERE TO REQUEST A BUY-IN, IT WOULD NOT OCCUR BEFORE MID-PY 88.  
WISNER

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PAGE 01 RABAT 03165 0200112 ACTION A18-00

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RABAT 03165 0200112

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ACTION OFFICE 2700-01 INFO AMPD-05 GCAM-02 MPAD-01 GC-01 PCE-03 AMTR-06 STAG-02 PPR-01 SASI-01 LS-01 AMRE-03 BELD-01 LIND-01 PRE-01 /003 AB

INFO LOG-00 CIAE-00 ED-00 DODS-00 MEA-07 /015 U 751407 0200112 /20

P 020022 APR 07 FM AMEMBASSY RABAT TO SECSTATE WASHDC PRIORITY 1120

UNCLAS RABAT 03165

AIBAC

FOR ST/ED

E.O. 12356: N/A

SUBJECT: PLANNED AGRICULTURAL MARKETING PROJECT

REF: STATE 00251

1. USAID IS CURRENTLY CONSIDERING A PROJECT THAT WOULD ASSIST THE GOV IN RESTRUCTURING ITS CEREALS MARKETING SYSTEM. IN THE COURSE OF DESIGNING AND IMPLEMENTING THIS PROJECT, THE PARTICIPATION OF THE PROPOSED STATE AGRICULTURE MARKETING PROJECT COULD BE VERY HELPFUL.

2. REFORM OF THE CEREALS MARKETING SYSTEM IS A MAJOR POLICY OBJECTIVE OF THE GOV'S AGRICULTURE SECTOR ADJUSTMENT PROGRAM. THE BURDEN ON THE GOVERNMENT OF FLOW SUBSIDIES AND MARKETING OVERHEADS, LOSSES ON GOVERNMENT-OWNED STORAGE OPERATIONS, AND COSTLY REDUCTIONS IN MARKETING EFFICIENCY ARE AN INTOLERABLE BURDEN ON PUBLIC FINANCES. IN ADDITION, THERE IS EVIDENCE THAT INAPPROPRIATE PRICING POLICIES HAVE BEEN A MAJOR FACTOR IN THE FAILURE OF CEREAL PRODUCTION TO KEEP PACE WITH POPULATION GROWTH. FINALLY, THE CURRENT OFFICIAL PRICE SYSTEM SERIOUSLY DISTORTS SEASONAL, LOCAL, AND QUANTITATIVE PRICE DIFFERENTIALS.

3. FACED WITH THESE PROBLEMS, THE GOV PLANS TO:

A. VERIFY THE PROCEDURES FOR CALCULATING FIXED PRICES FOR DOMESTIC WHEAT GREAT SUBSTITUTING A TARGET-PRICE SYSTEM BASED UPON THE WORLD MARKET PRICE FOR THE CURRENT SYSTEM WHICH IS BASED UPON ESTIMATED COSTS OF PRODUCTION;

B. DEREGULATE THE DOMESTIC CEREALS MARKET BY ELIMINATING LICENSING REQUIREMENTS, REVISING TRANSPORT AND STORAGE SUBSIDIES, ELIMINATING FIXED CHARGES ON STORAGE, AND ELIMINATING FIXED MARKETING CHARGES;

C. PRIORITIZE THE GOVERNMENT-OWNED AND MANAGED CEREALS MARKETING COOPERATIVES (BANDS AND SHAL); AND

D. ESTABLISH A FOOD SECURITY STOCK IN LIEU OF TOTAL CONTROL OF IMPORTS AND DOMESTIC MARKETING TO PROTECT CONSUMERS FROM FLUCTUATIONS IN WORLD SUPPLIES AND PRICES.

3. USAID'S PROPOSED CEREALS MARKET RESTRUCTURING PROJECT (000-0100) WOULD INVOLVE THREE MAJOR ELEMENTS:

A. ASSISTANCE TO THE GOV TO DEVELOP A COMPREHENSIVE CEREALS MARKETING REFORM STRATEGY.

B. ASSISTANCE TO SHAL, THE CEREALS MARKETING BOARD, TO MOVE FROM A ROLE OF REGULATING THE DOMESTIC CEREALS MARKET TO THAT OF MONITORING THE MARKET AND PROMOTING COMPETITION.

C. ASSISTANCE IN TRANSFORMING THE BANDS AND SHAL INTO TRUE COOPERATIVES OR IN THEIR TRANSFER TO THE PRIVATE SECTOR.

4. IT IS CLEAR THAT THE AGRICULTURAL MARKETING PROJECT, WITH ITS MAJOR CONCERN FOR IMPROVING OVER-ALL MARKETING SYSTEM PERFORMANCE FROM PRODUCER TO CONSUMER THROUGHOUT COULD BE OF SIGNIFICANT BENEFIT TO THE NATION IN CARRYING OUT THIS PROJECT.

5. ASSUMING THAT APPROPRIATE EXPERTS CAN BE ACCESSED UNDER THE PROJECT DESCRIBED IN REFTEL, THE PP DESIGN EFFORT FOR 000-0100, TO TAKE PLACE ABOUT TO SEPTEMBER 1987, WOULD OFFER A POSSIBLE OUT-OF-APPROXIMATELY 45,000 DOLLARS. IN ADDITION, POSSIBLE EVALUATION/MONITORING ACTIVITY DURING PROJECT IMPLEMENTATION COULD COST ANOTHER 150,000 DOLLARS FURTHER. THE RAPID APPRAISAL MIGHT BE OF INTEREST. HOWEVER, IT WOULD HAVE TO BE SHORTER THAN FOUR TO SIX MONTHS, WOULD HAVE TO BEGIN IMMEDIATELY, AND THE COST SHARING ARRANGEMENTS WOULD HAVE TO BE APPROPRIATELY ATTRACTIVE TO USAID. 00251F

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PAGE 01 TUNIS 03700 231646Z 1451 030203 AID0100  
ACTION: AID-00

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ACTION: OFFICE STED-01  
INFO SEOP-01 SERP-01 SECS-32 SETN-01 PDPR-01 STAG-02 PPR-01  
SAST-01 RELO-01 PRE-06 '018 14 GB03  
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INFO LOG-00 CIAE-00 RB-00 DODE-00 NEA-07 '015 W  
-----102264 840023Z /38

R 031646Z APR 87  
FM AMEMBASSY TUNIS  
TO SECSTATE WASHDC 0674

UNCLAS TUNIS 03700

AIDAC

E.O. 12386: N/A  
SUBJECT: AGRICULTURAL MARKETING PROJECT

REF: STATE 060251

1. USAID/TUNIS COULD POSSIBLY BE INTERESTED IN A FUTURE BUY-IN TO SUBJECT PROJECT. HOWEVER, NEEDS CANNOT BE SPECIFIED AT THIS TIME.
2. PRIMARY VEHICLE FOR UNDERTAKING AGRICULTURAL MARKETING ANALYSIS IS THE FY87 AGRICULTURAL POLICY IMPLEMENTATION PROJECT (APIP) WHICH IS EXPECTED TO COMMENCE IN APRIL. DEVELOPMENT OF THE DETAILED RESEARCH AGENDA WILL BE INITIATED WHEN THE PROJECT-FINANCED TA ADVISOR IS IN PLACE IN LATE CY87. UNDER THE APIP PROJECT, AN IN-DEPTH ANALYSIS OF THE AGRICULTURAL INPUT DISTRIBUTION SYSTEM IS SCHEDULED DURING 1988-89. AN ESTIMATED 12 PM OF TECHNICAL ASSISTANCE WILL BE REQUIRED. EXPORT CASE STUDIES FOR MAJOR COMMODITIES WILL ALSO BE UNDERTAKEN AT THIS SAME TIME AND REQUIRE UP TO 18 PM OF TA. HOW MUCH OF THE TECHNICAL ASSISTANCE NEEDS WILL BE FILLED FROM THE PROJECT'S PRIMARY CONTRACTOR OR FROM OUTSIDE HAS NOT YET BEEN DETERMINED.
3. UNDER THE ON-GOING PRIVATE SECTOR PROJECT THE MISSION ENVISIONS POSSIBLE ANALYSES OF AGRICULTURAL PARASTATAL MARKETING SUB-SECTOR AND ROLE OF PRIVATE COOPERATIVES IN MARKETING ACTIVITIES. OBJECTIVE OF THESE STUDIES WOULD BE TO DETERMINE FEASIBILITY OF EXPANDING PRIVATE SECTOR PARTICIPATION IN PUBLICALLY-CONTROLLED COMMERCIAL ACTIVITIES, AND TO SUBSEQUENTLY DEVELOP STRATEGIES FOR PROMOTING PRIVATIZATION IN THESE SUB-SECTORS.
4. GOT WILL BE HOSTING A CONFERENCE ON PRIVATIZATION IN LATE APRIL, WHICH WE EXPECT WILL GENERATE MORE CONCRETE IDEAS ON FUTURE RESEARCH AGENDAS OF BOTH APIP AND THE PRIVATE SECTOR PROJECT. AFTER THIS CONFERENCE WE SHOULD HAVE A CLEARER IDEA OF OUR TECHNICAL ASSISTANCE NEEDS AND WHETHER A MISSION BUY-IN TO THE AGRICULTURAL MARKETING PROJECT IS POSSIBLE. BROWN

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PAGE 01 SANAA 00000 000710Z P104 001072 A01615

ACTION OFFICIAL STED-01  
 INFO GCA-02 AMMO-01 GC-01 SEC-03 SIBD-01 DIR-01 SWS-01  
 ES-01 AME-03 RELO-01 STR-01 TRF-00 12N 40  
 INFO LOG-00 CIAE-00 ED-00 CODE-00 NEA-07 D.S.W  
 201100 250710Z '38

P 251007Z MAR 87  
FM AMEMBASSY SANAA  
TO SECSTATE WISDCC PRIORITY 3755

UNCLAS SANAA 02238

AIDAC FOR ST. RD AND ANE TRIARD RESSEGUE

E.O. 12356: N/A  
SUBJECT: AGRICULTURAL MARKETING PROJECT

*Handwritten notes:*  
1/1/87  
NAN h... MAR 17

REF: STATE 068251

1. USAID SANAA IS INTERESTED IN BUY-IN TO AMIS AS EXPLAINED IN REPTEL. LEVEL OF REQUIREMENTS DIFFICULT TO ESTABLISH AT THIS TIME
2. MISSION COMMISSIONED STUDIES HAVE POINTED OUT THE NEED FOR AN IMPROVED SYSTEM TO COLLECT AND DISTRIBUTE MARKET INFORMATION. FURTHER DIAGNOSES OF THE MARKETING SYSTEM PER REPTEL PARA 4 MAY BE NEEDED IN IMPORTANT COMMODITY AREAS NOT YET WELL DOCUMENTED BY STUDY.
3. WE FIND SEVERAL OF THE SUGGESTED PILOT INNOVATIONS SUGGESTED IN PARA 5 OF INTEREST AND IN NEED OF INTRODUCTION AND/OR STRENGTHENING IN YEMEN CONTEXT. INNOVATIONS 5D AND 5G ARE ESPECIALLY APPROPRIATE.
4. PARAS 5A AND 5B ALSO APPEAR APPROPRIATE FOR POTENTIAL INTERVENTIONS IN YEMEN PARTICULARLY THOSE ASPECTS FOCUSING ON PUBLIC/PRIVATE SECTOR ROLES. A USEFUL BASE FROM WHICH TO ASSIST AND GUIDE POLICY MAKERS IN THESE AREAS IS URGENTLY NEEDED. WE ANTICIPATE AMIS COULD BE OF CONSIDERABLE HELP IN THIS AREA.
5. MISSION ANTICIPATES FIRST OPPORTUNITY TO UTILIZE AMIS WILL BE IN 2ND QTR OF FY 88. ANTICIPATED LEVEL OF BUY IN FOR APPROXIMATELY 2 MONTHS ASSISTANCE IS USD 40,000. FY 89-91 REQUIREMENTS ARE NOT YET CLEAR AND WILL DEPEND ON RESULTS OF INITIAL COOPERATION AND OTHER ONGOING PROJECT ACTIVITIES. RUGH

*Handwritten signature:*  
Tim  
Mahan

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PAGE 01  
ACTION AID-00

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ACTION OFFICE STRIP-01

INFO AMAD-01 AMTR-00 EAST-01 ANME-03 RELO-01 STR-01  
014 AD

INFO LOS-00 CIAE-00 ES-00 DODE-00 NEA-07 AMAD-01 TRSE-00  
016 W

-----276345 261341Z /38

P 261303Z APR 87  
FM AMEMBASSY AMMAN  
TO SECSTATE WASHDC PRIORITY 0948

UNCLAS AMMAN 04853

AIDAC

FOR ST/RO  
INFO BCB RESSIGUIE, ANE/TR/ARD, JIM LOWENTHALL, ANE/TR

E. G. 12356: N/A  
SUBJECT: AGRICULTURAL MARKETING PROJECT

REF: STATE 060251

1. USAID/JORDAN IS STRONGLY INTERESTED IN THE S AND T AGRICULTURAL MARKETING IMPROVEMENT STRATEGIES (AMIS) PROJECT. WE ARE CURRENTLY ENGAGED IN DISCUSSIONS FOR THE INITIATION IN FY 1988 OF AN AGRICULTURAL MARKETING DEVELOPMENT (AMD) PROJECT WHICH WILL ADDRESS SEVERAL CONSTRAINTS REGARDING MARKETING OF FRUITS AND VEGETABLES. THERE ARE A NUMBER OF SIMILARITIES BETWEEN AMIS AND AED. THESE INCLUDE, BUT ARE NOT LIMITED TO: (A) IDENTIFICATION OF AGRICULTURAL MARKETING PROBLEMS, NEEDS, AND POTENTIAL REGIONAL MARKETS THROUGH DIAGNOSING MARKETING SYSTEMS, (B) TRAINING IN MARKETING, (C) POLICY DIALOGUE, (D) MARKETING RESEARCH, AND (E) ROLES OF PUBLIC AND PRIVATE SECTORS. COLLABORATION THUS WOULD BE MUTUALLY BENEFICIAL.

2. INDICATED BELOW IS A BREAKDOWN OF FUNDING IN THOUSAND US DOLLARS THAT MIGHT BE AVAILABLE FOR USAID/JORDAN TO BUY-IN TO THE AMIS PROJECT. THESE ARE ROUGH ESTIMATES, THEY SHOULD NOT BE CONSTRUED AS COMMITMENTS AT THIS TIME.

FY 1987 (4TH QUARTER ONLY) -- 40.0  
FY 1988 -- 60.0  
FY 1989 - FY 1992 -- 150.0  
TOTAL -- 250.0

3. WE REGRET DELAY IN RESPONDING TO REPTEL.  
DRAFT: FOU SHAIR/APPR; CUMMINGS; BOEKER

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PAGE 01 ACTION AID-00

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INFO SEOP-01 FPA-02 SERP-01 AALA-01 LACE-02 LADR-03 SECS-02  
 SETM-01 PDPR-01 PPPB-02 GC-01 SEOS-02 GCLA-03 PSC-03  
 STAG-02 PPR-01 SAST-01 ES-01 AGRI-01 STFA-01 RELO-01  
 STHR-01 PRE-06 /041 A1 X16

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INFO LOG-00 CIAE-00 EB-00 DODE-00 ARA-00 /008 W  
 -----011724 162142Z /38

R 162014Z MAR 87  
 FM AMEMBASSY GUATEMALA  
 TO SECSTATE WASHDC 2858

UNCLAS GUATEMALA 02691

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ROCAP

E.O. 12356 N/A  
 SUBJECT: AGRICULTURAL MARKETING PROJECT

REF: STATE 068251

1. ROCAP DOES NOT FORESEE BUY-IN REQUIREMENTS FROM  
 SUBJECT PROJECT. PLASTER. PIEDRA

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STFA-01 RELO-01 LACA-03 STHR-01 PRE-06 /024 A4 GB23  
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-----3:6227 202358Z /38

R 201556Z MAR 87  
FM AMEMBASSY SAN JOSE  
TO SECSTATE WASHDC 3222

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UNCLAS SAN JOSE 03002

AIDAC

E. O. 12356: N/A  
SUBJECT: AGRICULTURAL MARKETING PROJECT

REF: STATE 068251

1. MISSION CURRENT PROGRAMS FOCUS ON NON-TRADITIONAL AGRICULTURAL EXPORTS FOR WHICH MARKETING ACTIVITIES NEEDS ARE ALREADY COVERED BY MISSION CONTRACTS AND ROCAP MARKET INFORMATION TA PROJECT.

2. USAID/COSTA RICA DOES NOT ANTICIPATE BUY-INS FROM SUBJECT PROJECTS. MELTON

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PAGE 01

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ACTION OFFICE STRD-01

INFO LADR-03 AMAD-01 SAST-01 RELO-01 LACA-03 STHR-01  
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INFO LOG-00 CIAE-00 EB-00 DODE-00 ARA-00 /008 W  
-----137100 241556Z /38

R 241313Z MAR 87  
FM AMEMBASSY SANTO DOMINGO  
TO SECSTATE WASHDC 3405

UNCLAS SANTO DOMINGO 02994

AIDAC

FOR: ST/RD

E. O. 12356: N/A

SUBJECT: AGRICULTURAL MARKETING PROJECT.

REF: STATE 068251

USAID/DR DOES NOT FORESEE FUTURE BUY-INS TO THE AGRICULTURAL MARKETING IMPROVEMENT STRATEGIES PROJECT. USAID'S NEAR TERM STRATEGY FOCUSES ON THE DEVELOPMENT OF NON-TRADITIONAL EXPORT CROPS AND PROMOTING OR JOINT VENTURE BETWEEN LOCAL AND U.S. COMPANIES AS THE MEANS TO MARKET PRODUCTS. THIS APPROACH IS WORKING RELATIVELY WELL. THEREFORE, USAID/DR PLANS NO BUY-INS TO SUBJECT PROJECT. KILDAY

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PAGE 01

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ACTION AID-00

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ACTION OFFICE STED-11

INFO LASA-03 LADR-03 PDPR-01 STAG-02 SAST-01 RELO-01  
/012 A2 1219

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INFO LOG-00 CIAE-00 EB-00 DODE-00 ARA-00 /008 W  
-----167344 190030Z /33

R 181518Z MAR 87  
FM AMEMBASSY QUITO  
TO SECSTATE WASHDC 7833

UNCLAS QUITO 0320Z

AIDAC

E.O 12356: N/A  
SUBJECT: AGRICULTURAL MARKETING PROJECT

REF: STATE 068251

MISSION HAS EVALUATED THE PROPOSED REVISION OF THE SMALL FARMER MARKETING PROJECT. THE PROPOSAL APPEARS TO BE A DESIRABLE REVISION AND THE PROPOSED ACTIVITIES SHOULD BE BENEFICIAL. A LARGE SHARE OF THE PROPOSED ACTIVITIES ARE CURRENTLY BEING CARRIED OUT IN ECUADOR BY TECHNICAL ADVISORS FUNDED UNDER THE MISSION'S AGRICULTURAL SECTOR REORIENTATION PROJECT. BECAUSE OF THIS SITUATION AND THE VERY TIGHT FUNDING COMBINED WITH EXISTING COMMITMENTS, MISSION DOES NOT CONTEMPLATE ANY BUY-INS TO THE PROPOSED PROJECT. RONDON

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PAGE 01  
ACTION AID-30

WEST 02824 231794Z

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ACTION OFFICE STDP-31  
INFO LADR-33 AMAD-31 EAST-01 RELO-01 LACA-03 STHR-01  
311 49

INFO LGG-00 CIAE-00 EB-00 ODDE-00 ARA-00 .000 W  
061362 231627Z /38

R 231794Z MAR 67  
FM AMEMBASSY KINGSTON  
TO SECSTATE WASHDC 3892

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UNCLAS KINGSTON 02824

AIDAC

FOR ST/RO AND LAC/DR/RO

E.O. 12356: N/A  
SUBJECT: AGRICULTURAL MARKETING IMPROVEMENT STRATEGIES

REF: STATE 069281

1. REPTEL WAS INFORMATIVE AND HELPFUL.

2. GIVEN THE DYNAMICS OF ITS PROGRAM, USAID FINDS IT DIFFICULT TO PROJECT ITS TECHNICAL ASSISTANCE REQUIREMENTS OVER A PERIOD AS EXTENSIVE AS THAT MENTIONED IN PARA 18 OF REPTEL. HOWEVER, WITH USAID IN THE PROCESS OF TERMINATING A LARGE AGRICULTURAL MARKETING DEVELOPMENT PROJECT, IT IS UNLIKELY THAT IT WILL HAVE A NEED TO BUY INTO THE SUBJECT PROJECT'S PROPOSED TECHNICAL ASSISTANCE, RESEARCH AND TRAINING ACTIVITIES.

ORFTR: ARDO: TO: HARE/APRV: OPDS: EKADUNC:  
SOTIRHOS

