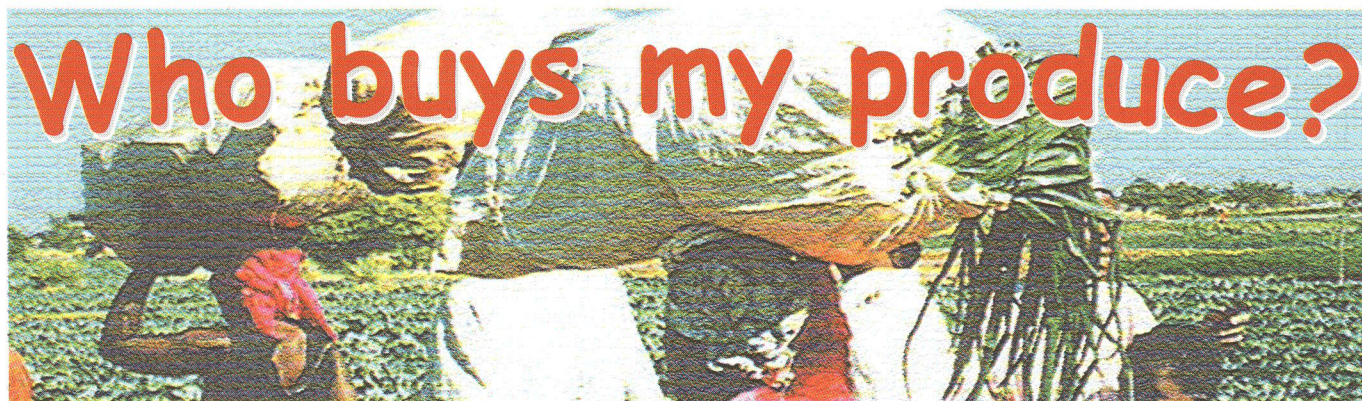


Spotlight on Agriculture

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INTRODUCTION

Several efforts have been undertaken by MAWRD, donor agencies and NGOs to promote small and medium size horticultural gardening projects in the rural areas in order to diversify the diet of families and provide opportunities for income generation. Some of these efforts have been more successful than others.

One of the constraints often overlooked is the marketing of vegetables. There has been a tendency of extension staff and farmers to put the emphasis on the technical production aspects and little attention was paid to what would happen with the crop once it has matured. It is often assumed that selling follows automatically if the product is of good quality.

With the increasing migration to urban areas, the change from a barter to cash economy, opening up of the (world) markets and improving infrastructure, it is of great importance for producers to have an idea of a market strategy for their produce.

The Kavango Horticultural Production and Marketing (KHMP) Project of MAWRD, is working with small-scale producers and traders in the Kavango Region to address these constraints.

WHO BUYS MY PRODUCE?

Producers will have to ask this question before they plant vegetables for commercial selling. The Namibian population is growing and this brings a change in consumption patterns resulting in an increasing demand for fresh fruits and vegetables.

A producer who runs a horticultural enterprise should be customer oriented. S/he needs to find out what the customers would like to buy, how much, when and for which price. There are different potential markets (see Fig. 1) and each has its' own characteristics and requirements. Local supermarkets and catering companies (holding the government tender to supply schools and hospitals) say they would prefer to buy local produce. But they are requesting the same (or better) quality, price and continuous supply as for the produce they buy elsewhere. Thus, even when the market seems to be present, it doesn't necessarily mean that the local producer can sell his/her produce.



Figure 1 Different potential markets in Kavango

WHO PRODUCES THE SAME PRODUCT? CAN I PRODUCE IT BETTER AND CHEAPER?

A vegetable producer in Rundu who wants to deliver to a supermarket competes directly with producers in South Africa and/or producers in the Otavi-Tsumeb-Grootfontein triangle. The producer will have to look for advantages that allow him/her to compete with others.

There are several challenges for producers in the Northern Communal Areas (NCAs) that are limiting marketing opportunities to the formal market. Some challenges are:

- Less suitable climatic conditions, preventing all year round production.
- No economies of scale.
- Lower standard of technical management.
- Poor access to suitable varieties resulting in a limited range of crops grown.

INFORMAL MARKETS... GOOD BUSINESS!

The informal market is potentially a very attractive market for small-scale producers in the Kavango. Producers in the near vicinity of Rundu make good profits by selling to the traders at the many informal open markets and street markets. For many traders, the selling of vegetables is the only opportunity to provide income to their families; it creates a large number of jobs for the poor unemployed.

Policymakers have started to put regulations in place to reduce vegetable imports from South Africa and encourage caterers to buy locally produced vegetables. However, the efforts of the Ministry of Agriculture to develop the marketing of fresh produce have not yet been targeted towards the informal market.



A typical street market in a Rundu suburb

Producers at the Salem project near Rundu will try to sell to the supermarkets if they cannot sell to the traders in the informal market. Because producers are used to the relatively favourable prices at the informal market, they have difficulties in accepting the competitive prices offered by supermarkets. Producers are seldom organised and cannot deliver the requested products on a continuous basis. Agreements between traders and supermarkets have often led to disappointments on both sides.



The producer supervises while the trader harvests

WHO WILL ARRANGE A MARKET FOR ME?

It is not the task of the agricultural extension staff to organise a market for the farmer, but instead MAWRD staff should provide marketing extension. In other countries governments have been involved in providing marketing information services (MIS) to farmers. In Namibia, the Mahangu Marketing Intelligence Unit (MMIU) is an example of such a service. It aims to link buyers and sellers of produce and promote and facilitate marketing. However, 'farmers can benefit from market information only if they have the means of changing cropping patterns, negotiating with several customers, storing produce and arranging transport' (Robbins, 2000). Many farmers in the NCAs, unfortunately, are still unable to do most of these things.

HOW CAN THE "KHPM-PROJECT" ASSIST?

The Kavango Horticultural Production and marketing Project (KHPM-Project) of MAWRD, based in Rundu, aims to empower farmers and traders to make informed business decisions by providing training and technical advice.

Some of the project's activities are:

- Create a dialogue between informal market traders and producers.
- Promote limited co-operation.
- Encourage traders with more entrepreneurial skills to access and unlock some of the formal markets.
- Provide training in small-scale business management.
- Develop simple extension messages.

*Knowledge and understanding
of the target market
is the key to a successful
horticultural enterprise.*

References:

- Review of market information systems in Botswana, Ethiopia, Ghana and Zimbabwe, P. Robbins, CTA, 2000.
- Horticultural Marketing in the Kavango Region, MAWRD/NR International Ltd, 2000.