Farmer strategies
for market orientation
in ACP agriculture

Summary report and recommendations of a
CTA/Teagasc/Department of Agriculture, Food
and Forestry, Republic of Ireland seminar

Dublin, Ireland, 23 –27 October 1995
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Information page

The Technical Centre for Agricultural and Rural Cooperation (CTA) was established in 1983 under the Lomé Convention between the African, Caribbean and Pacific (ACP) States and the European Union (EU) Member States.

CTA’s tasks are to develop and provide services that improve access to information for agricultural and rural development, and to strengthen the capacity of ACP countries to produce, acquire, exchange and utilize information in these areas. CTA’s programmes are organized around three principal themes: strengthening ACP information capabilities, promoting contact and exchange of information among partner organizations, and providing information on demand.

Teagasc (The Agriculture and Food Development Authority) is the semi-State (‘parastatal’) body in the Republic of Ireland responsible for the development of agriculture and food. It was established in 1988.

Teagasc’s activities include research in agriculture and food, and extension and training services for farmers. It has a total staff of 1,480. It is funded by a combination of a State Grant, farmer and industry contributions, and European Union support.

The Department of Agriculture, Food and Forestry is the Ministry of State in Ireland with overall responsibility for the development of these sectors in a manner which will maximize their contribution to the economy and to sustainable employment and to promote rural development.

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Credit: Emmanuel Onucheyo for the figure on page 7

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Foreword

Until recently, as at many international centres, the thematic focus of CTA's work was on increasing agricultural production and productivity. Lately, however, ACP national and regional priorities have shifted towards improving welfare in rural areas and increasing farmers' wealth. It is widely believed that global trade liberalization and decentralization of ACP economies will contribute to these developmental issues by providing increased opportunities for marketing ACP food and other agricultural products.

These emerging preoccupations and opportunities explain why CTA's work has shifted progressively to include what is described today as the agri-food chain: in other words, the post-harvest handling, storage, packaging, transport, processing, marketing and trade development aspects. The purpose of this CTA-sponsored seminar was to identify the principal measures which will help to promote market-orientation in ACP agriculture.

One of the key messages from the seminar was that farmers and rural people in ACP countries should attempt to identify and build links with other key players in the food chain. Only in this way can a viable, sustainable, integrated agricultural sector be created. The challenge to national policy makers in these countries is to create a framework within which farmers, and all those in the food chain, can respond to new opportunities and challenges.

Dr R D Cooke
Director, CTA
Introduction

Under the stimulus of at least a partial liberalization, world trade in agriculture products, commodities and requirements is expected to grow. This will provide increased opportunities for ACP countries, amongst others, to fulfil demand, particularly from those international customers whose markets can reward high quality, reliability, out of season supply and other attributes which add value. Whilst not all would agree with this view, a further benefit should be the effect of increased economic activity and income generation on national economies and thus an improvement in food security. The policy framework for agriculture in many ACP countries, shaped in the past by recurrent economic crises, declining productivity and poor value added performance, will be redrawn to encourage farmers and others in food production to produce for the market and to structure farm and family priorities towards that goal.

This new policy could lead to family farming and food systems becoming disrupted even while they adapt to new ideas of market orientation. The positive gain, however, could be that rural people everywhere will start building links with each other, not only horizontally between farmers, for example, but vertically within the food chain, with processors, traders, retailers and scientists. Only in this way will the elusive goal of a viable, sustainable and integrated farming, food and agribusiness industry be reached. This is a goal that should be based more on a competitive and successful private sector and much less than in the past on the intervention of governments.

Interdependence

Agriculture cannot be regarded in isolation from the rest of the economy. It is interdependent with other sectors and the links within the rural economy need to be mirrored by the links between rural industry, including farming, and urban activity.

The need to recognize and act on this concept of interdependence was the theme of the keynote address at the opening of the seminar. It called for policy makers to define more clearly the role of agriculture in the rural and national economies. Four main tasks were outlined.

The production of food for local consumption

If it is to fulfil the prime task of producing food for local consumption, agricultural policies will need to recognize that the industry must be adequately resourced. Incentive alone is not enough and attention must also be given to the urgent issue of declining productivity. Not least, policy must recognize the key role played by women in farming.

Generating a current account surplus

The second task for agriculture is to provide a current account surplus. Part of this
can be taxed away to finance development, part should be reinvested in the industry; but sufficient must remain for farmers to spend on consumer goods, thus providing stimulus to other sectors of the economy.

**Providing products for other industries**
Agriculture can benefit by developing its potential to provide high quality products for industry, for example fibres for packaging and fats and oils for non-food uses. Industrial performance can by improved by adding value through processing. This will create employment in both urban and rural areas and forge links between agriculture and industry for their mutual benefit.

**Exports**
Agricultural exports can be developed. While national food security will always be the priority, policies will reflect the need to evaluate export markets in terms of accessibility and realizable potential and recognize the economic reality that export activity has more impact if value is added first.
Seminar objectives

Against this background, case studies, papers and presentations and working discussions pursued the core objectives for the seminar, which were:

- To promote a sharing of knowledge and experience and interprofessional links on an international basis
- To discuss and define the principles on which farmers will need to base their strategies as agriculture evolves towards a revised understanding of market orientation.

Implicit in these objectives is the understanding that agricultural production for the market must compete for family labour and other resources with other market oriented activities which may be more remunerative and less risky than agricultural work. This is especially so in the situation where national policies have been directed towards maintaining low food prices, effectively favouring urban over rural people. Intervention in market management by the state has often had the effect of discouraging farmers to produce for the market by skimming off any added value. In the face of such policies it is not surprising to find that output and value added performance are in decline nor, when the place of farm work in the family hierarchy of priorities is taken into account, that productivity is low.
Market orientation

Market orientation is a concept which implies different things to different people. To some, it means the exposure of agriculture to the full impact of market forces by the withdrawal of all forms of State intervention. To others it may mean no more than the attempt by a farmer to improve returns by involvement in value added activities. In general, however, it can be seen that market orientation is a way of doing things which reflects the extent to which production and marketing decisions are based on market information. The degree of market orientation may be measured by the level of market knowledge and by the market skill and the commercial attitude of the decision maker in the business. Moreover, market orientation applies not only to the farmer but to all those involved in the food chain.

Implications for the structure of farming

To many, market orientation implies the continuing industrialization of the agro-food sector, bringing with it a corresponding decline in the number of farmers and the aggregation of farm holdings into a relatively small number of larger farms. Even if these remain family owned and operated they would become integrated into the corporate processing and marketing chain by contractual ties. This is what has happened in the developed economies. However, uniformity of scale is unlikely. Even in the more mature economies, large numbers of small family units still operate whose contribution to agricultural output is regarded as marginal. For example, in the European Union some 80% of agricultural output is derived from probably no more than 20% of its farmers. Similar differentiation exists to varying degrees in all countries and this is a factor which policy makers have to take into account.

It has been calculated that a threshold of US$1,000 GDP per head is necessary to trigger and sustain a consumer-led transition to an industrialized food chain. In practice, however, the distribution of income is very uneven. The majority of consumers in ACP economies are unlikely to find themselves totally integrated within an industrialized food system.

This situation and the challenges presented by demographic change and continuing urbanization (stimulating the development of periurban forms of agriculture) underline the need for consistent advocacy by farming and rural people of the case for clearly defined and promoted policies for agriculture and the rural economy. A case can also be argued for a better definition of the roles of farmers, farming organizations, private sector businesses and government. A framework of instruments is required which encourages and rewards those who meet economic and social aims of national policy.

Principles, not "recipes"

In most economies the structure of agro-industry comprises a lattice or mesh of integrated chains of commercial farming directed towards the most rewarding sectors of
the domestic market, the tourist industry and the export market. Between these larger chains is small scale and subsistence farming, based around the food needs of the family unit. Thus different farmer strategies and degrees of market orientation are both inevitable, and in the sense of a diversified rural economy, desirable. Small-scale farmers may well be marginal in the agro-food complex but they are an important element of the much wider debate about rural society in general, including the desirability of developing diversity in rural employment, the use of natural resources and the value of environmental products such as natural flora and fauna.

These small farms represent an alternative strategy for rural society based on traditional farming practices centred on subsistence and local, informal market networks. Policy makers must recognize both approaches and help to resolve social and resource constraints, including such factors as the conflicts which may arise between farming, wildlife and related tourist activities. There must also be policies in place to allow intervention when inappropriate agriculture practices result in a degradation of the environment and threaten the sustainability of the system.

**Changing the way we think**

Discussion at the seminar emphasized that market orientation may mean a change in thinking for many individuals in many countries. However, the aim should be to understand the principles, and the way in which these can be applied, rather than to create "recipes". There is obviously more than one way in which principles can be put into practice. There was a clear consensus at the meeting that a prime goal of market orientation activity is the improvement of farm and rural incomes and living standards (including, specifically, the general level of nutrition) and, where possible, improvement in trade balances by export growth or import saving - or both. It does not follow that the concept of market orientation denies the reality of the dual structure of agriculture which exists in most countries - or that those who are constrained by soil, climate, isolation, land tenure system and lack of physical or financial resources will have as a first priority the provision of family food supply, with the sale of any surplus in the local market very much the second priority. But that does not necessarily mean low grade, badly presented produce for sale or a reason for such farmers to ignore the opportunity to add value which either individual action or horizontal integration with other smallholders can bring. Farmer strategies thus need to be more outward and less inward looking.

**Case studies**

From the scene set by the opening papers the focus of the meeting changed to consider a series of case studies which illustrated the uniqueness of local farm situations and domestic markets. Case studies were presented and contributions made from Trinidad and Tobago, Papua New Guinea, Kenya, Zimbabwe, Ireland, Mali, Côte d’Ivoire, Senegal and Nigeria as well as France, the Netherlands and the United Kingdom. These, together with the illustration of transnational experiences in relation to cassava, provided a rich vein of material. They served to highlight the application of
the principles of farm management and marketing. There were also examples of the effective dissemination of market information which were supported by a poster session.

Case studies of individual initiatives, particularly where accompanied by an analysis of strengths, weaknesses, opportunities and threats, also helped to demonstrate that the farming community of ACP countries is not a homogenous one. Historic, cultural, organizational, demographic, economic and climatic differences mean that policies and instruments for market orientation will vary from region to region and country to country. This reinforces the fact that programmes for market orientation are a matter for national action even though, at the global level, there will always be opportunities which can best be addressed by collaboration of like-minded countries.

Farmers are usually perceived as the weak link in the chain from production to consumption. Because farming is in a pivotal position between the supply industries upstream, and the processing, distribution and retailing industries downstream of the farm gate, farmers are supposed to require special attention. But it has to be said that market orientation is a philosophy and an approach which, to be fully effective, demands adoption by all sectors on the route from farm to table including those who supply the basket of services which form an integral part of the chain (see figure below).

**Market-oriented Food Chain**

[Diagram of the Market-oriented Food Chain]

(Source: Emmanuel Onucheyo)
Working group discussions

The programme for the seminar identified a number of sub-themes which proved to be of particular interest to the interprofessional status of the meeting. These formed the substance of a series of working group discussions which sought to identify common ground and understanding, whilst recognizing differences in approach and philosophy.

Building relationships and communications in the food chain

Price is the mechanism by which produce moves along the chain, whether it is a mainstream commodity with a number of complex intermediate processes or surplus produce offered for sale in the local market for local consumption. It is price and quality at the interface between the different levels in the chain which prompt most of the tensions which arise. Traditionally this has led to a confrontational approach to price setting and taking. Market oriented farmers will seek to identify their prime customer and then, by understanding what is wanted, establish a common interest. This provides the foundation on which to build a constructive alliance to replace the confrontational mechanism. Alliances will be sought within and across business networks. This approach applies whether the family business is part of an integrated chain or is a subsistence farm offering surplus production into the local market. Relationships which are based on a mutual understanding of customer needs, and the supplier's ability to meet those needs, are more likely to be effective than the confrontational approach.

This principle is especially valid in the competitive situation and farmers should regard it as a keystone of their strategy.

The philosophy behind the creation of constructive alliances as a theme of market orientation is based on a "win-win" approach to business relationships. This seeks to create and sustain customer satisfaction as opposed to a "win-lose" approach, which is an essentially destructive style resulting in dissatisfaction of one or other of the parties as the immediate result, and the loss of business or supply as the eventual outcome.

Market information

The creation of alliances assumes that there is effective communication along the chain, within as well as between levels, and the most important messages include accessibility and accuracy of market information. Different players will require different items of information and must also be sufficiently able to interpret the message to make use of it. Information which is not understood, relevant or timely has no value to the recipient, however well intentioned the provider.

Market information includes structural information about changes in the marketing chain, market forecasts (supply and demand) changes to product specifications and quality matters, together with conjectural information about present and future
Farmer strategies for market orientation in ACP apiculture

prices, procurement intentions etc. The value of market information lies in production planning, effective negotiation and, not least, choice of market in which to sell or procure. Experience has shown that the speedy and effective dissemination of market price information at local and regional markets can result in improved farm gate prices. In some cases this may also have the effect of smoothing out price fluctuations, in turn leading to supplies coming onto the market in a more orderly manner.

The means of dissemination is important because the information must be accessible to all. Telephone and facsimile (let alone electronic mail) may be beyond all but institutions, organizations and the higher income groups in urban areas, but radio broadcasts provide the small farmer with cheap and rapid access to market information. A detailed example (from Mali) of the means of collection, analysis and dissemination by radio of information for the cereal market provided a stimulus to discussion and exchange of experience on this important issue.

**Interpreting the information**

From the point of view of the individual farmer it is not difficult to see that information gathering should be, and indeed is, an important aspect of market orientation strategy. Deciding what the information means and what value can be placed on it is equally important. Accurate interpretation of other than straightforward price information at the farm level (as opposed to the level of the trader or processor) requires a wider knowledge of market trends and situations than many farmers have. More than one voice at the seminar argued for some reorientation of the extension services to provide, where necessary, guidance to farmers and to assist them in identifying and evaluating farm management options. Where the State is involved it is not unusual for the signals to be confused. The guiding principle to advice must be the best interests of the individual farm and family.

**The role of the State**

There was firm agreement that the role of the State should be: to arbitrate when necessary and maintain the legality of contracts; to promote innovations in technology and sources of finance; and to facilitate coordination where this is seen as necessary. In other words, the State should create the environment in which the private sector can operate. In some instances this role must include land reform, not only to provide for the landless but also to create a structure where the wealth represented by the value of the land can be mobilized. Where there are tenants there must be sufficient security of occupation for the farming family to have the incentive to invest in improved husbandry practice. The family must have the confidence that they will be able to reap the long term as well as the immediate benefits of their labours. Improving marketable yield in a sustainable manner requires more than a quick technological fix.
Value added and the nature of competitiveness

Value added may be defined as the value added to goods (or services) by a step in the chain of original purchase, manufacture or other enhancement, and retail. Looked at from the farmer's perspective, in the case of farm goods the amount of value added can be calculated for each intermediate step or process in the chain between the farm and final consumption. In general, especially where the chain is long and complex, the trend is for the proportion of final price retained in each step of the process to increase as commodities move towards final consumption and the time goods have to be held and financed decreases. At the consumption end, retailers seek a rapid turnover of stock. In the more advanced economies the philosophy of "just in time" is being applied to food retailing as well as to manufacture. This puts the responsibility of organizing consistent supply and the finance of stocks on producers and suppliers. This encourages farmers to feel that they receive a smaller proportion of the final price charged to the consumer than their efforts and risk-bearing warrant in relation to the apparent efforts of others.

However, as the level of consumers' disposable incomes rise there is a clear trend (beyond a threshold unique to each situation) for consumers to spend more on the service and convenience elements of the process. For example potatoes in the UK might have an average farm gate contract price to the processor of £100 per tonne. The consumer purchasing those potatoes in the form of a vacuum packed, ready salted, convenience snack food (potato crisps) might pay a tonne rate of £7,500. Less extremely, produce margins in Senegal may triple between the farm gate and the retail market. This allows the trader to procure, transport, dress and sell on and still have sufficient margin to withstand the risk, and receive reward for the service provided.

There are opportunities on the farm to improve the added value performance:

1. Improving the marketable yield of crops and stock by a combination of better husbandry and management, more careful harvesting, reducing wastage on the farm, and appropriate packaging for the outlet being used. The guiding principle in these situations is to adopt the technology which gives the highest cost benefit.

2. Investment in storage to even out, or exploit, market fluctuations. This may require collaboration with others in some form of cooperative or group activity where the chances of raising the necessary finance are enhanced and risk, as well as benefit, is shared. But developments at this level should follow improvements at the first level, as should ventures into processing which must be based on a realistic understanding of the needs of customers. A dairying sector case study from Zimbabwe showed that constructive donor support of processing initiatives, and the development of associated smallholder group activity can enable small farmers to move from subsistence to a more commercial approach to the benefit of themselves, their urban customers and, ultimately, the national trade balance.
Adding value by processing does not necessarily involve major investment in the latest technology. There is evidence that initiatives are more likely to be successful and affordable on a local basis, using technology appropriate to the task. Indeed, small scale food processing is an important income earner. It has been calculated that nearly 40% of the manufacturing value added in Africa is created in the food processing industry, particularly the small scale, informal activities based in rural areas using indigenous technologies. In contrast the “formal” processing sector appears to rely heavily on imported machinery. Both sectors suffer from problems of raising credit and infrastructure constraints such as transport.

One of the main problems particularly relevant to the philosophy of relationship building is the difficulty that the processing sector has in matching market demand for its products with supply of raw materials. Processors seek to drive the price down in times of surplus whereas in times of shortage producers tend to break agreements when the local markets offer higher prices. Processing is not merely a way of disposing of surplus production at the convenience of producers. It is a means of adding value, satisfying demand and, if marketing can offer consistent supply, quality and value for money, actually making demand grow. This was illustrated in a case study of a private sector initiative in Kenya.

The nature of competitiveness
Value is set in the market place and it is sometimes overlooked that unless value added activities are meeting real (as opposed to perceived) demand and the process is efficiently run, an initiative in this direction can add more to the cost of a product than the market is willing to reward. However, value added performance should be recognized as one of the factors which determine competitiveness at both the farm level and within the product chain.

Farm level strategy will recognise that whilst the cost of inputs to the farm is often regarded by the farmer as especially important, a particularly significant determinant of competitiveness at the farm level is the performance of crops and livestock in terms of marketable yield and the quality of what is produced. Both these factors have a major influence on unit cost of production and unit return. Competitiveness may also reflect natural advantage as well as optimization of resource use. On the farm, in particular, it also reflects the motivation of the farmer and the way knowledge is used within the system.

Consistency of product, and the ability to offer continuity of supply, are also critical factors and the pursuit of these may require farm strategy to include a greater willingness to explore horizontal and/or vertical integration opportunities. Thus the effectiveness and nature of alliances in the chain, and the way in which the consumer spend is shared, are also seen as significant influences.

There are factors beyond the farm gate which also affect competitiveness. These may
include supply and terms of credit, transport and other infrastructure factors, underpinning by research and development, the availability and uptake of innovation, access to market information and, not least, education and training. These apply not only at farm level but throughout the whole chain. The strength of domestic demand is a vital element in bringing the stability which encourages investment and development. Finally, there is the human element, the motivation of those involved, the drive, leadership and culture of the industry, not just at farm level but throughout the whole network.

Competitiveness is a concept that involves many factors, including value judgements based on subjective criteria. It is not easy to encapsulate into a simple definition. Moreover State interventions in industry or sectors of industry distort competition and competitiveness. Subvention may result in a place in the market which is apparently competitive but which could not be sustained without taxpayer transfers. Similarly, there has been a common tendency for policy makers and their advisers to ignore the hidden costs of economic activity. The “knock on” effect of this will be reflected in some other sector or will be a burden (either present or deferred) on the taxpayer.

**A definition of competitiveness**

There was a clear consensus in the working groups that, in so far as the agro-industry and the food chain is concerned, competitiveness in the market place reflects the sum of activities of all players in the chain. The view was also advanced that the best way to enhance competitiveness is to expose operators to market forces. Against that background a suitable working definition of competitiveness might be: “The ability to maintain a sustained and profitable presence in a given market”.

The nature and determining factors of competitiveness would benefit from more analysis, especially in the area of how different networks can both complement and mutually benefit each other.
Research

Discussion relating to the direction of research and the development of appropriate technologies, based on an analysis of strengths and weaknesses of the production chain, raised the question of core funding. In this context it is important to ask, who will be the prime beneficiary? In so far as public sector funded research is concerned, or the encouragement of private sector research or jointly funded research and development, the political will must exist to create the necessary enabling environment for programmes to be put together and carried through to application. The following guidelines emerged from discussion:

**O** Agriculture research and development could, with advantage, be considered on a food chain basis.

**O** There is a need for the active participation of the different sectors of the chain, and particularly farmers, to determine research and development priorities. For example, farmers should be involved in the identification of desirable agronomic characteristics in the early stages of breeding programmes.

**O** There will be instances where the priorities should focus on solving the immediate problems affecting the abilities of operators to market.

**O** There is a need to exploit the strength of a multidisciplinary approach so as to ensure the relevance of the project not only in the economic sense but also to ensure cultural acceptability of the outcome.

**◆** It is important that R and D, whether station, field or industry based (or a combination) should follow systematic protocols: identification of need; conception; execution; analysis and evaluation. A market oriented and economic focus would lead to an improved definition of technology based systems research.

**O** There is a need for much stronger advocacy of R and D needs by farmers.

**O** There is a balance to be found between fundamental research, which is concerned with the advancement of knowledge and is of necessity long term, and the shorter term needs of R and D directed towards the more immediate issues of market orientation and competitiveness. The latter will require public funds until the benefits begin to flow from improved competitiveness of a particular product. At this stage the users of the knowledge and technology, and beneficiaries both direct and indirect, should contribute to the cost.

**O** The adoption of a market oriented approach to research priorities must be accompanied by an increased emphasis on market orientation by the extension services so that the two arms of advancement move in step.
Education and training

The unstated objective of this theme was to promote discussion on the need for attitude change, ability to adapt to change and, at a more proactive level, the management of change amongst the farming community.

It was agreed that there was an overall need to promote an understanding of what market orientation means and how farmers and others in the chain can move in that direction. It is not only farmers who need to understand the philosophy, goals and disciplines involved. It is clear that attitude change and approach to business begins with the individual. Discussion broadened beyond the consideration of farmer interests.

A recurring theme was that of the need for leadership, both in the sense of individuals creating a pathway of understanding and practice which others could follow and also in the more subtle leadership which involves operating as a catalyst to produce the optimum, rather than an uncontrolled response.

This need to change attitudes at all levels suggests the need for a well planned and sustained campaign using all of the communication resources which can be made available - rural radio, publications, meetings, the extension services and so on. This would of necessity be preceded by occasions for opinion formers, extension workers, teachers, researchers and others in the service/support sector, farmer and trade organizations, and those active in the management and supervision of both formal and informal processing activity to give their views. The importance of the role of women should again be recognized. There is a need for the production of visual aids, information packs and other support literature and material.

Courses in agriculture and related subjects should include modules which set out the principles of market orientation and expose participants to relevant experience, especially those undertaking vocational courses of education and training.

**Recurring issues**
There are three recurring issues which deserve particular mention here:

1. The need for policy makers to understand market orientation and what it involves. Neither farmers nor others in the chain, formal or informal, can respond if a sympathetic policy framework is not in place.

2. The need for informed and responsible advocacy by farmer organizations and other trade organizations of the problems and benefits of the implementation of market orientation policies, speaking together with a community of interest.

3. The need for extension advisers to have a reliable and systematic method of identifying and evaluating options open to those farmers who are faced with the need to change. History suggests that one of the likely outcomes of exposure to the market is that there will be fewer farmers.
Principles

Twelve principles for improved market orientation

No meeting covering such a wide ranging agenda should close without drawing some conclusions reflecting the spirit and the sense of the meeting. In this case the meeting concluded with a set of principles of understanding and these are recorded below. The order in which they are presented does not suggest the importance attached to them but, broadly speaking, the first six principles could be described as characteristics of market orientation and the latter six essential ingredients for success.

1. The goal of market orientation is to improve rural incomes and the quality of rural life.

2. Market Orientation relates not only to farmers and their strategies but to all sections of the food and agro-industry, including the important service sector.

3. Competitiveness is a complex notion which may be defined as the ability to maintain a sustained and profitable presence in a given market. The extent to which real competitiveness exists depends upon the degree of subvention and the extent to which hidden costs are excluded from any appraisal.

4. The role of the State is crucial. Individuals and individual businesses can only work within the framework which policy makers create. This framework should put appropriate emphasis on the role which farmer groups can play.

5. The need to derive returns from the market applies to small as well as to large farms. For social, land use and other reasons, policy makers may within their framework provide support to smaller farmers so as to ease transition. This does not absolve such farmers from the responsibility of making the best of market opportunities. If they do not do this they are likely to find themselves marginalized.

6. Market orientation in the context of trade liberalization and adjustment involves seeking added value to the product. This may be achieved by improved management, agronomy, storage, processing, handling and packaging at various points along the chain which the market will reward. This applies to domestic as well as export markets.

7. An understanding of market orientation and what it entails must be part of the education and training of all those in and concerned with the agriculture and food chain at national, regional and international levels.

8. There is a need for research programmes and the priorities within them to reflect the market situation.
9. Effective communication within and between networks is fundamental to the development of productive relationships. This embraces not only the collection and dissemination of market information to farmers but the wider concept of communication.

10. It is important that policy planners and advisers should, by consultation with farmers and other trade organizations, be made aware of the potential impact of policies, and their actual impact should be monitored. This communication is crucial.

11. It is usually better to build on and improve existing structures and systems, where these are capable of appropriate adaptation, than to develop entirely new structures.

12. There is a real need to encourage the emergence of enlightened leadership in each of the different stages of the commodity chain.
Next steps

Whilst the Seminar held to the view that the challenges of market orientation are for national governments to address, participants saw that international institutions like CTA can facilitate the process of adaptation through the inclusion of appropriate activities in their programmes. A number of suggestions came forward which it was hoped CTA might consider for inclusion into its own programme, including:

0 Commissioning a series of carefully chosen case studies, carried out following agreed protocols. The case studies, with appropriate emphasis on the role of the farmer as a manager, could then be made available in a convenient format, accompanied where appropriate by a short comparative commentary highlighting the key points of success and failure.

0 Encouraging the creation and development of interprofessional transnational networks for information exchange, including the identification and training of suitable individuals who can in turn train the trainers, and the production and publication of a suitable management resource manual which will be of help in identifying and adopting strategies for the farm.

0 Monitoring and reviewing the progress in application of what has been shared and learned in the seminar.

0 Establishing a special section on market orientation and management in CTA’s bulletin Spore, soliciting contributions from different sectors of the food chain.

0 Establishing a programme of study tours to see work in progress in other countries and fostering a market orientation dialogue and exchanges at ACP level.

Conclusion

Judged by all the usual criteria this meeting was very successful. In the words of one participant "Meetings of this kind can always be useful experiences at the working level. At another level however they can turn out to be one of two kinds of experience - a stumbling block or a stepping stone, a kind of landmark meeting. We are grateful to the CTA for putting in place what we all agree is a stepping stone to the future."