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Rural Radio Resource Pack

No 02/2

MARKETING STRATEGIES FOR SMALL-SCALE FARMERS



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The Technical Centre for Agricultural and Rural Cooperation (CTA) was established in 1983 under the Lomé Convention between the ACP (African, Caribbean and Pacific) Group of States and the European Union Member States. Since 2000, it has operated within the framework of the ACP-EC Cotonou Agreement.

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 utilise information in this area.

Rural radio

Radio remains, despite all the interest in the new ICTs, one of the most important communication tools in ACP rural communities. CTA began supporting rural radio back in 1991. Every year since then we've produced a set of Rural Radio Resource Packs (RRRPs).

Each pack is on a specific topic – anything from crop storage and cassava to small ruminants and soil fertility. The choice of topics depends on what ACP partners suggest. The number of topics covered has now reached 51. Inside each pack are materials for a radio programme on that topic – interviews on cassette or CD, a transcription and a suggested introduction for each interview, technical information on the topic, advice for how the pack can be used and a questionnaire for users to provide feedback to CTA.

You can find most of the RRRP material on CTA's Rural Radio website
<http://ruralradio.cta.int/>.

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Marketing Strategies for Small-Scale Farmers

TECHNICAL INFORMATION

(and suggestions for using RRRPs in the studio)

Background

For small-scale farmers marketing is becoming more important than ever. On the one hand many state marketing boards, which used to provide a secure market for staple crops, have been abolished. At the same time, the liberalisation of markets has led to increased competition from cheap imports, while also offering opportunities of selling to lucrative export markets. There has also been a growth in urban markets, with a greater number of comparatively wealthy people living in cities who want, and can afford to pay for, more diverse diets and better quality food.

But how can small-scale producers take advantage of these opportunities? In this Rural Radio Resource Pack we look at a range of marketing strategies that may be able to assist them, for example in making decisions about what to produce, who to sell it to, how to increase its value, and ideas for solving problems with transport and communication.

Understand the needs of the market

To develop a good marketing strategy, a farmer must understand the needs of the market. For example, the item *Focus on customer's needs* features a poultry farmer, Sabina Khoza, who sells fresh chickens to poor communities in Gauteng province, South Africa. She knows that people do not have refrigerators, and want to buy fresh chicken just before the weekend. Hence she distributes her chickens on Thursdays. In *Breaking into the export market*, a Zambian honey buyer, Daniel Ball also indicates the importance of growers having a close relationship with their buyers. Daniel's buyers give him constant feedback on the quality of his honey, and how he could improve it. This is good for both the producer, who strengthens his hold on the market, and the buyers, who get the product they need.

By paying close attention to the market, a farmer may be able to identify a product which is in demand, but for which there is a shortage of supply. *Choose your crop carefully* has the example of a mushroom farmer, Morris Mugavazi, who is now selling over one ton of mushrooms every day to customers in Zimbabwe. By focussing on a product for which there is huge demand but little supply, he has made his job of marketing much easier.

Meet the needs of the market - Quality, quantity and reliability

In *Breaking into the export market* Daniel Ball says that a good marketing strategy depends on three factors: quality, quantity and reliability. The issue of quality arises in many of the items in this pack. In the case of producing honey for the export market, the honey needs to be of the highest quality, and this means that production methods must be very strict - for example not using too much smoke in obtaining the honey. *Selling to an agency* features a co-operative of Zambian farmers who produce exotic vegetables for a crop buying agency, Agriflora. The agency will only buy vegetables that meet very high, 'export quality' standards, so the farmers need to space their crop carefully and monitor pests and diseases closely. They must also know the exact standards required, and only harvest those vegetables that meet these standards. Mushroom producers also need very exact methods of cultivation, including precise temperature and humidity- see *Choose your crop carefully*. If these standards are not met the delicate crop will easily become damaged and lose its market value.

Producing a crop in sufficient quantity to interest larger buyers is likely to be difficult for small-scale farmers. One answer to the problem may be co-operation between growers. For example, the Zambian vegetable co-operative in *Selling to an agency*, also sells to local buyers, and is able to offer a sufficient quantity of vegetables to attract buyers to their farm. This helps the co-operative to compete with vegetables imported from neighbouring countries being sold at the central Soweto market. As the co-operative representative, Simon Maonde explains, buyers can actually save themselves time and transport costs by buying produce direct from the farm.

Sabina Khoza's reliability has been a key element of her success in the poultry business. As we have seen, she needs to deliver her chickens on a particular day of the week. Although at first she used public transport to deliver them, in time she and her partners decided to invest in a vehicle, so that she could be sure of delivering them on time. Daniel Ball also talks about the importance of his bee-keepers being reliable: if they fail to deliver what they say they have, his agreements with buyers overseas may be disrupted.

Add value and make your product more attractive to buyers

Basaguel Samuel, the extension officer in our report from Cameroon- *Support from the national extension service* - describes some of the different mechanisms he has developed to help small-scale farmers market their produce. In the case of cassava, he advises them not to sell the raw material, but to process it, for example into flour, 'gari' or biscuit. Sabina Khoza adds value to some of her chickens by spicing them, and selling particular parts of the chickens separately.

Packaging and labelling is another strategy that can add value. Delicate products will have particular packaging requirements; for example mushrooms need to be packaged in bags or punnets which allow them to lose moisture, or 'breathe'. Other examples in the pack include Honey Care Africa, a company based in Tanzania, which sells honey to supermarkets, hotels and airlines, and has invested in attractive jars and hand-painted labels featuring local Tanzanian trees and plants. Honey Care is also marketing honey as a 'Fair Trade' product. This indicates that they take an ethical approach to honey production, for example, paying a 'fair' price for all the honey they buy

from their bee-keepers. In this way they give their product a particular image or identity that will attract certain consumers. See *Fair trade marketing - an ethical edge*.

Overcoming transport and communication problems

Transporting produce to the buyer or market is usually the most expensive aspect of marketing, and can be one of the greatest problems that a small-scale farmer faces. We have already seen that one solution to the problem is to produce enough good quality produce which can be offered at a reasonable price, in order to attract buyers to collect the produce themselves. Honey Care Africa travels to remote parts of Kenya to collect honey from its bee-keepers. For this to be economically viable however, it needs to organise its producers in clusters, so that enough honey can be collected in a journey to cover the transport costs. Similarly farmers may be able to solve their transport problems by collecting their produce together, and sharing the costs of transport. Or, if their business is already making reasonable profits, they might decide to buy a vehicle, a strategy which worked well for Sabina Khoza and her poultry business. Another innovative step by Sabina - see *Focus on customer's needs* - is refunding customers the cost of their phone calls if they need to ring her to change an order - a way of encouraging better communication between buyer and supplier.

The strategies adopted by the extension service in Cameroon also try to address transport and communication difficulties. In *Support from the national extension service*, Basaguel Samuel describes how he links farmers and buyers, inviting buyers to travel to collection points or temporary markets where several farmers bring their produce on agreed days. Other strategies that feature in the report include setting up small auctions for cocoa marketing, and promoting farmers products, such as cassava biscuit, at agricultural trade events.

For the National Beekeepers Association in the Gambia, *Raising public awareness* about their honey products is a vital part of their marketing strategy. They do this in many different ways - including a 'honey bench' outside their offices, where customers can try different types of honey, and use of information sheets and advertisements in newspapers and on the radio. These marketing methods may be unaffordable for small-scale farmers, but indicate again that there can be advantages for farmers to form groups to sell their produce.

Sources of help for small-scale farmers

Many of the reports in this pack feature organisations that in different ways are supporting small-scale farmers in both production and marketing of their produce. In several cases the organisations have actually taken over much of the job of marketing from the farmers. The most extreme example of this is found in our report from Tanzania - *Contract farming - a safer option?* The report features the Multi-flower company, which makes contracts with farmers to grow flowers and harvest the seed, which is then exported to Holland. Under the terms of the contract, the farmers are not allowed to sell their flower seeds to any other company, but in return they are guaranteed a fixed price from Multi-flower for what they produce. This takes away many of the risks of growing the seeds, but perhaps leads to some farmers regretting that they cannot take advantage of changes in market prices.

Using this RRRP in the studio

The interviews in this pack will be most useful if they are used together with a local speaker who has some expertise in marketing strategies for small-scale farmers. The interviews can then be used to raise particular subjects for discussion, or lead into a further interview by the programme host, exploring the issues in the context of your own country. Below are some of the issues that you may wish to discuss.

What are the most important things for farmers to focus on in developing a marketing strategy?

This is a very general question, but discussing it might give some general rules for farmers to follow - for example, understanding the needs of the market, and meeting those needs; the importance of quality, quantity and reliability; the importance of adding value to your produce; the importance of developing a good relationship with buyers. *Breaking into the export market* could be a good interview to use with this discussion.

What marketing strategies are appropriate for our common crops and products?

You could focus on a particular crop or product that is common in your area, and discuss the marketing strategies that are appropriate for it. For example: what are the most important aspects of quality; how can farmers add value to the crop or product; how important is packaging and labelling; how does demand and price for the product vary at different places and times; what information about prices is available to farmers? The interview *Focus on customer's needs* could be used as an example of a successful marketing strategy for a common product, chicken.

Is there a future for small-scale farmers as independent growers and marketers?

Many of the interviews in this pack feature organisations that work with small-scale farmers to help them tackle their problems of marketing. In some cases these organisations - for example Honey Care, Agriflora and Multi-Flower, actually take away the task of marketing from the farmers. Therefore one subject for discussion would be whether in the future small-scale farmers will only be able to prosper if they are working in partnership with a larger organisation. In ten or twenty years time, will there still be small-scale farmers growing and selling cash crops independently? One or more of the interviews that feature an organisation - such as one of the examples given above - could be used as part of the discussion.

Is there any support available for marketing from either government or private organisations?

You might want to highlight support mechanisms available for farmers, either from the state or private organisations. This would be a chance for farmers to learn about sources of assistance that they may not be aware of. You could invite a representative of any such organisations to explain how they work. The methods found in the interview *Support from the national extension service* could be used to promote discussion. There may be organisations in your country doing similar work. If there are not, should it be a priority?

How does joining a group or setting up a co-operative help farmers with their marketing?

You could invite a representative of a farmers' group or co-operative to explain how being a member assists them in their marketing. If you wished to give an example of a co-operative in action, the interview *Selling to an agency* features one, although the interview does not contain very much information about their marketing strategy.

Is it possible for small-scale farmers to sell to foreign markets?

Discussion of this question is likely to come back to the benefits of small farmers forming groups or selling to an intermediary body. The two interviews from Zambia both feature export companies who buy from small-scale farmers. You could invite a representative of a similar company to explain how they work, or to answer farmers' questions. Or you could speak to a representative of a farmers' group that has succeeded in exporting its produce.

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Marketing strategies for small-scale farmers

Contents	Duration
<i>Breaking into the export market</i> A honey exporter from Zambia explains the ‘secrets’ for successful marketing: quality, quantity, and reliability. These rules, he says, apply to all kinds of marketing whether for domestic or export markets. He also stresses the importance of having a good relationship with his buyers.	4’03”
<i>Focus on customers’ needs</i> A poultry farmer from South Africa explains how she has built up her business as a reliable supplier of poultry products, by focussing on the needs of her customers. This has included recruiting agents to sell her chickens, investing profits from the business in a vehicle to solve transport problems, developing a good system of communication with customers, and adding value to her chicken products.	3’35”
<i>Support from the national extension service</i> Can agricultural extension services have a role in helping farmers with marketing? In Cameroon the answer is ‘Yes’. A government marketing adviser describes the methods he uses to link farmers to buyers, and make their products more marketable.	4’23”
<i>Choose your crop carefully</i> A mushroom grower in Zimbabwe describes how, by growing a crop that is in high demand, he has made his job of marketing an easy one. He now has a large operation, producing over one ton of mushrooms per day, but the lessons about the value of identifying a niche crop, and paying close attention to growing conditions and packaging will also be relevant to small-scale farmers who grow, or would like to grow, delicate crops.	3’15”
<i>Raising market awareness</i> The National Beekeepers’ Association in The Gambia uses a variety of methods to promote its honey products. These include information sheets, advertisements in newspapers and on the radio, and an outdoor display table where customers can come to try different honey types.	3’00”
<i>Selling to an agency</i> Selling to a crop buying agency is another marketing strategy that small-scale farmers may chose to adopt. This interview features a Zambian co-operative that sells its export	4’06”

vegetables (Mange Tout, Fine Beans, Babycorn) to an agency, for which it has to fulfil very strict production standards. It also sells vegetables (tomatoes, carrots, onions), to local buyers, competing with cheap imports by inviting buyers to the farm.

Fair trade marketing - an ethical edge

4'57''

Honey Care Africa is a company based in Kenya which in the last two years has won numerous awards for its development work with small-scale, rural beekeepers. The company's marketing strategy has focussed on having a good quality, attractively labelled product, but it is also aware that being a 'Fair Trade' producer also helps to attract customers

Contract farming- a safer option?

4'27''

For subsistence farmers who want to start growing cash crops, the danger that they will not find a good market may be a strong disincentive. Contract farming may be one solution, as it guarantees that farmers will have a market. This report from Tanzania features a company that makes contracts with farmers to cultivate flower seeds for export to Holland.

Marketing strategies for small-scale farmers

Breaking into the export market

CUE:

Selling your produce in domestic markets is one thing, but selling it to overseas markets is surely much more difficult. However, many of the basic rules for successful export marketing are the same, as Chris Kakunta found out when he spoke to Daniel Ball, a Zambian farmer who now runs a business selling honey to Europe and North America. Daniel began his honey business buying honey from local bee-keepers, processing it, and then selling it to the domestic market in Zambia. This was a successful venture, and he learned many lessons about good marketing. However, he believed that he could make more money by exporting, if only he could find a way of breaking into the export market. He decided to take a big risk, and bought a large quantity - many tons - of local honey. Now he had something to export; next he needed to find a buyer, and that was where things became difficult.

IN: "It was very difficult because ...
OUT: ... and I know their needs."
DUR'N 4'03"

BACK ANNOUNCEMENT:

Daniel Ball on the importance of having a good relationship with buyers for successful marketing.

Transcript

Ball It was very difficult because I bought the honey and I found it difficult to find a market. I should have found the market first and then bought the honey, but I did it the other way, and I learned a valuable lesson. And I had to stay for almost two years without selling that honey, but I managed. And when I sold it, I sold at a loss, but the quality was good, such that the buyers came back to me. So now I am busy trying to make up that loss. But I'm not here for one business day, I'm here for the long term.

Kakunta *And marketing strategy. Do you think it can play a very important role in production and export of honey?*

Ball Well in developing a marketing strategy for something like honey or wax, you have three things that you must consider. Quality, quantity and reliability. Those are three factors that are very very important in developing any market, but they are very important when developing an export market.

Kakunta *Perhaps you can elaborate more?*

Ball Well the issue of quantity is, you cannot export 10kg of honey, because no one in Europe or North America is interested in 10kg of honey. And to have enough to export honey I would say you need between 16 to 20 tons, minimum. So quantity is very important. Secondly, quality is equally important. On the export market, they

require a very high quality honey, which means that you must be very careful with your processing. Let me give you an example, if there is too much smoke; if it arrives in North America, and it smells too much like smoke, they will just pour it into the sea. If there is too much water in the honey, people in Europe or North America they don't want that. So these are quality issues that you have to pay attention to. and the third issue is reliability; whether you can deliver what you say you have. If you say to someone like myself, I have got 100kg of honey, so in my planning I take that into consideration. Now if they come and that farmer says, 'no I don't have it', then it also messes up. So you have to be reliable, in how much you say you can deliver, and you have to be reliable in your quality as well.

Kakunta *I believe one important factor is the price. How do you manage to sell so that you don't operate at a loss? Do you for instance have market information on what others are offering in terms of the price for your honey?*

Ball That's a good question. And you know I am reminded, today I was in Soweto, I was with some people selling beans. And the market for beans is no different than the market for honey. There is a lot of negotiation even on the export market. But yes we have information, and we have to compete; there are many different types of honey on the market. We have to also push forward and say, 'No try this! Zambian honey is number one! And then also I do know the price on the world market, and so I can use that.

Kakunta *How do you get the information on the world market, and how do you utilise it?*

Ball Sometimes I go on the internet, sometimes I read commodity newspapers in which the prices are stated.

Kakunta *So the information that you are able to get from the market, helps in the planning the way forward for your product?*

Ball Yes, and I work very closely with my buyers. The people who buy from me, we don't just meet in the market place, and say 'How much? OK, I'll buy'. We meet all year round, they talk to me about the issues. 'Dan you have to be careful, there is still too much smoke in your honey'. 'OK, thank you'. So I am in constant contact with my buyers. There is a long term relationship with them, in which they know me they know my needs, and I know them and I know their needs. *End of track.*

Marketing strategies for small-scale farmers

Focus on customers' needs

CUE:

When Sabina Khoza began her poultry business in Gauteng Province, South Africa, she had just ten broiler chicks that she raised and sold for meat. This year she is expecting to sell 190,000 chickens. Such an expansion has only been possible because of her excellent marketing strategy. Indeed from an early stage, Sabina realised that she would need to train specific staff just to sell her birds. More importantly, she has been thoughtful and innovative, carefully identifying the exact needs of her local communities, and finding new ways to add value to the produce and service that she offers. The result ? Many satisfied customers, and a thriving poultry business. For this interview, Lesibana Mantshiu visited Sabina at her farm in Gauteng to find out more about the secrets of her success. She begins by describing the local area where she sells her chickens.

IN: "We sell them in the ...
OUT: ... what we have produced".
DUR'N 3'35"

BACK ANNOUNCEMENT:

Sabina Khoza, showing how important it is for farmers to understand the needs of their customers.

Transcript

Khoza We sell them in the informal market, as there is a lot of informal settlement in my area. It is a disadvantaged area, whereby people don't have refrigerators and they need fresh meat. We started being four, myself and three other helpers. We used ourselves as the people who would be selling to the end users. We then decided that we had got to add some more people, agents, who are going to sell to the end users. And those people were invited, were trained on the farm, as to sell our own produce.

Mantshiu *How are you delivering your commodity to your customers?*

Khoza We started delivering using public transport, until finally there was a need for us to work hard and plough back the profit that we were making by buying a vehicle. Now we have got a vehicle which is helping us on sustaining the project, and making sure that we deliver to our agents, who are then supplying to our end users. And by having that transport it's cost effective. Everyone knows that on Thursday of each and every week at a certain time they are getting their stock, and we make sure that we deliver the stock that will last for a weekend. If there is a need of the extra orders that will be needed, the end user, if he phones, he is actually going to be refunded for the expenditure incurred of phoning for an additional order. That way we enhance the market, and that way we make sure that there is enough good quality chickens that we are delivering to our end users.

Mantshiu *Now tell us more about the value adding with your business of selling these birds?*

Khoza We are mainly specialising on live birds, but there is a need for value adding whereby we slaughter. We do have our own abattoir, that can process fifty birds per day, and we add value by spicing our chickens, selling the intestines, the feet, the legs, which is an additional money that is also catering for the repairs of whatever we may incur with the abattoir. We do our waste management by fertilising the garden, and from their we grow our own vegetables, whereby we have got a 'One Stop Shop'. A customer comes in to buy only a chicken, and he or she ends up buying four or three commodities from our project.

Mantshiu *Specify more about those commodities that are produced in your garden here as well.*

Khoza In fact we have identified the type of the community where we are staying, and we have identified the type of the commodity that they will need such as cabbage, spinach, we have also got carrots. But we do specialise in the spinach which is a year round cultivar, that is more profitable as long as it is well maintained. We do our own vegetable packing whereby we will just clean them, make sure that they are kept very clean, healthy, well presented to our end users so that they must come back in order to sustain what we have produced. *End of track.*

Marketing strategies for small-scale farmers

Support from the national extension service

CUE:

Agricultural extension services have traditionally focussed on crop production methods, for example training farmers in how to boost soil fertility, protect their land from erosion or grow new crop varieties. But for many farmers the difficulties of selling their produce can be even greater than producing it in the first place; in particular, farmers in remote areas face high transport costs and as a result struggle to compete with those who live close to towns and cities. Communicating with potential buyers can also be difficult; telephone services may be unreliable and travelling to meet buyers can be very time-consuming and costly.

How then can farmers overcome these problems? Is there anything that government extension services can do to help them? In Cameroon the answer is 'Yes'. Martha Chindong spoke to Basaguel Samuel, an extension worker who specialises in helping farmers to market their produce.

IN: "We are in Nyong et Kelle ...

OUT: ... he will do it."

DUR'N 4'23"

BACK ANNOUNCEMENT:

Basaguel Samuel of Cameroon's National Agricultural Extension and Research Programme.

Transcript

Chindong *We are in Nyong et Kelle Division in the Central Province of Cameroon. In this division you find a lot of cassava, oil palm, cocoa growing in the fields. These crops are the farmers' only source of income. Hence the farmer must find a market. That is why the National Agricultural Extension and Research Programme has specialised technicians that can help farmers to market their produce, and market it well. Mr. Basaguel Samuel is one of these specialised technicians, who helps farmers in the area of marketing. He is right here with us, and he will tell us exactly what he does. The market strategies he has developed for the small-scale farmers.*

Samuel I want to say that the marketing strategy depends on the product. Let's take some examples. The marketing strategy we developed with cassava is that the producer have their product, they process this cassava into flour, also 'gari' and biscuit. So what I have to do is to take some samples of the product, already processed, and present these samples to people, during a meeting like the one we are attending today, and try to convince people that cassava biscuit is no different from the biscuit made with wheat flour. The marketing strategy we developed with cocoa is quite different. What we do is to go to buyers and tell them that on a very special day per week, per month, they have a market where producers take their product, buyers

come, and the one who gets the product is the one who offers the highest price. So there is a small competition between buyers and it is good for the producer. The marketing strategy we have developed also with plantain, is quite different. We go to the market, identify buy-and-sellers, and tell them that in a special area, producers can offer, let's say 1000 bunches of bananas, and convince people that they can go there and buy at the lowest price, and go to Yaoundé and sell at the very highest price. The two of them, the buyers and the producers, what we have to do is to put them into contact and they negotiate together.

Chindong *Now how do you know where to find these buyers?*

Samuel We have also a market strategy. We go to people and ask them what are their needs. Maybe we go to Yaoundé and know that there are people there who need banana. We go to NCA- that is an organisation in Cameroon dealing with cocoa - we go there and try to identify people who need cocoa, and put them into contact with producers.

Chindong *You may seek people who need the produce, but if the produce is not attractive they may not offer good prices. How do you help farmers to make their produce attractive?*

Samuel As far as cassava is concerned, we ask them not to sell as a raw material; to process first of all into biscuit. And we know exactly that the biscuit product is not all over the area, all over the province. So that is one way of making the product attractive.

Chindong *The farmers have this problem of transportation.*

Samuel Yes, it is a big problem. And all the producers have the same problem all over developing countries. Sometimes producers are far away from the area where they can market the product, and so when people go there to buy products it's cheaper. And also when they have to transport those products to market it's also a cost added.

Chindong *How are you helping them to go about this problem?*

Samuel I can't do anything about transportation. But what I try to do is to reinforce their capacity of production. When they produce so good and so much, so the buyers need products, so they have to go all over where the product is. And when the product is good and cheap, when the buyer can make a good profit, he will do it. *End of track.*

Marketing strategies for small-scale farmers

Choose your crop carefully

Cue:

It's natural to think that a marketing strategy is something that a farmer uses only after a crop has been harvested. In reality, of course, a farmer needs to think about how the crop will be marketed even before it has been planted. A good choice of crop - one that it is in high demand and will fetch a good price - is one of the most important marketing strategies. Our next report features Morris Mugavazi, a farmer who has decided to grow an unusual crop, but one which is in very high demand in his country, Zimbabwe. The crop he grows is mushrooms, a food which is becoming increasingly popular. As he explains to Busani Bafana, mushrooms are not an easy crop to grow because they need very specific temperature and humidity. However, the difficulties in growing the crop can clearly been outweighed by the profits they can earn in the market.

IN: " The price of the mushrooms ..."

OUT: " ... to get into mushrooms."

DUR'N 3'15"

BACK ANNOUNCEMENT:

Morris Mugavazi on the rewards of growing mushrooms.

Transcript

Mugavazi The price of the mushrooms these days are very high. Very few people are growing mushrooms in our country. Let me say there are only two in short, who are growing mushrooms. So the demand at the moment is far outstripping the supply. That's why prices are very high.

Bafana *Who do you sell to and why?*

Mugavazi Generally we supply supermarkets, we supply boarding hostels, we supply fast food outlets. We also supply to vegetable dealers.

Bafana *Would you say that all the marketing strategies that you use work?*

Mugavazi I would say so, just because all what we produce, producing at least 1.3 tons a day, is all sold out, within less than eight hours.

Bafana *Would you say mushroom needs aggressive marketing, like any other agricultural produce?*

- Mugavazi** At the moment not aggressive. As we deliver them to the market there is always demand. Until after seven years, I believe we will have flooded the market, that is when we will think of aggressive. But at the moment it is not as aggressive as we expect.
- Bafana** *Have you experienced any particular problems in marketing mushrooms?*
- Mugavazi** Yes. There are some people who can't believe that mushrooms can be cultivated, and people they have than tendency that mushrooms are poisonous. So each and every time we try our level best to explain the difference between a poisonous mushroom and a non-poisonous mushroom.
- Bafana** *What is your production like, and how do you keep up with the issue of quality, and the standards that are demanded by consumers?*
- Mugavazi** There are conditions that we have to maintain, the biotic and abiotic conditions. So when you tend to say biotic conditions, you have to control the pests, we have to control the diseases as well. This will affect the quality of our mushrooms. And also temperature, humidity, things like carbon dioxide concentration will affect the quality of your mushrooms. Let's say a room has a lot of carbon dioxide concentration, you are likely to have brown mushrooms. If there is excessive humidity in the room, this will result in a disease known as bacterial blotch, that's where you tend to see your mushrooms with some brown spots all over the cap. So let me say in short it requires intensive management, looking at these two factors biotic and abiotic.
- Bafana** *As a consumer I'll be concerned about how you package and market the product. How long is the shelf life of a mushroom?*
- Mugavazi** The shelf life of a mushroom is about three weeks when it is kept in an environment where temperatures are between five and six. We don't recommend freezing it, you cannot freeze it. And as well, when we are packaging our mushrooms, we make sure that they are in a plastic, or in a punnet which is also perforated, because it breathes: it loses a lot of water after harvest.
- Bafana** *In training other mushroom growers do you also include a component on marketing strategies?*
- Mugavazi** In marketing strategies we explain the nutritional value of mushrooms, being a first class source of proteins, also having the medicinal values in them. And ecologically we encourage people to grow them in the sense that they assist decomposition. No farmer is likely to pollute the environment, because all the waste materials we can use them as a compost to grow mushrooms. So we always encourage every farmer to get into mushrooms. *End of track.*

Marketing strategies for small-scale farmers

Raising market awareness

CUE:

Every year the world's industries spend billions of dollars advertising their products: it is one of their most important marketing strategies. But what about small-scale farmers? Is advertising a strategy that they can use? One problem is that putting advertisements in newspapers or on the radio is usually quite expensive. However, for farmers who can group themselves and combine their resources, developing a strategy to raise awareness about their product may be a possibility.

Our next report comes from The Gambia, where the National Beekeepers Association has found a number of ways of promoting their honey products. Through their work, consumers are now aware that honey comes in many different varieties with different tastes, and can even be good for their health! Ismaila Senghore spoke to the General Manager, Mr Abba Manneh, about how the association has increased the demand for honey in The Gambia.

IN: "When we established we ...

OUT: ... and the malaina honey.

DUR'N 3'00"

BACK ANNOUNCEMENT:

Abba Manneh describing the growing market for honey in The Gambia.

Transcript

Manneh

When we established we thought we should now try to sensitise people, so that we can increase demand. Because if we have more consumers locally, it means then the demand for the product will be also increased. Now we produced some information sheets informing them of the different sicknesses and diseases that honey can really cure. And the way they should go about taking honey to solve those problems

Senghore *Do you locate specific places and specific markets that are advantageous to you and particular to you?*

Manneh

Yes! We started introducing the product also to the supermarkets and to the hotels, by way of getting some standard jars. And we also use labels. We label them, where we put our logo, and we put 'Natural Pure Gambian Honey, and underneath we put 'Organic'. Then our address, telephone, fax and so on, so that anybody who wants to contact us, can contact us at any time. We have started sensitising also the bakeries, so that they can also be using honey to coat their bread. Because it can be used to preserve bread for a longer period.

Senghore *Now that is about your retailers and other clients, maybe wholesalers. Now what about the consumers? What do you focus on to make sure that the consumers are attracted to your product?*

Manneh The consumers, we do make some sensitisation through the media, using ‘The Observer’ the radio and so on. And we also have a honey bench outside here which we display all the products, and anybody who comes to buy we try to sensitise.

Senghore *Do they taste you honey to make sure that it is the one they like?*

Manneh Yes! Now you see because Gambians were not aware of the different type of honeys that can be produced. But because of our existence, a lot of people now start to realise that honey has different colours, and why the different colours, is because they are coming from a different botanical source, and automatically they must have different taste. They will tell you either I would like mangrove honey - ‘Do you have mangrove honey?’ or ‘Do you have cashew honey?’ or ‘Do you have malaina honey?’ or ‘Do you have mahogany honey?’ So it is not the colour that they ask for. It is only the Europeans who ask for a colour. They will go and say ‘No, I want amber’ or ‘I want light amber’ or ‘I want dark honey’.

Senghore *Which are the types that are most popular?*

Manneh Well here the most popular types are the light honey and the amber honey. That is the colour. But for the Gambians what they normally ask for is mangrove honey and the malaina honey. *End of track.*

Marketing strategies for small-scale farmers

Selling to an agency

Cue:

Small-scale farmers wanting to take advantage of lucrative export markets, are likely to struggle if they work alone. Even if they are lucky enough to have contacts overseas, and are able to grow produce of the highest standard, there is still the problem of quantity. How can they ever grow enough to interest a foreign buyer? One solution is for farmers to sell their produce to a crop buying agency. Good agencies will not only buy the produce, but also support the farmers in growing it to the right standards. One such example is Agriflora, a company based in Zambia. Daniel Sikazwe spoke to Simon Maonde, Vice Chairperson of a farming co-operative that sells to Agriflora, and asked him about how the agency was helping the co-operative with its production and marketing. He also found out about how the co-operative is managing to sell vegetables to local buyers, in competition with imports from neighbouring countries.

TAPE IN “We formed the co-operative. . . .

TAPE OUT work hard to beat it.”

DURATION 4’06”

Closing announcement:

Simon Maonde on his marketing strategy of attracting buyers to the farm, rather than taking produce to the buyer.

Transcript

- Maonde** We formed the co-operative, we wanted to co-operate ourselves as a group, to make sure that our produce are put at one point where we can bargain for a better price. Then two years ago came in Agriflora scheme. So we then touched, and Agriflora has become the biggest, not only buyer but organiser of our co-operative.
- Sikazwe** *Agriflora is a big company which exports small-scale producers’ produce to other countries, but I am very sure that they will not accept just any crop that comes there. There is a standard that they are going to follow. How do you make sure that you grow the kind of crops that will meet their standard?.*
- Maonde** Yes, you are right. Agriflora is very very strict in the way the crop is grown. The seed has to be provided by Agriflora themselves to prove that it is the right seed. Second, the time when you are growing we have an extension officer from MAFF and an agronomist from Agriflora itself, to see that the produce are the right type and don’t have any diseases or anything else. At the time of harvesting the Agriflora makes sure that they come to your farm, and they show me the type that we have to harvest, and which is not required called reject.

Sikazwe *So in this case if Agriflora is going to accept your produce, it has to be of very high standard or quality. Tell me about the secret that it involved in you producing products that are of very high quality.*

Maonde The secret first is the planting of it; you make sure that is planted according to the specification or spacing, as we call it. And secondly is to scout, as it grows you scout whether diseases or insects that attack it. Now if there are any you immediately go to Agriflora who send a person to scout and when they prove that one then they spray it. So if it is sprayed and well looked after the crop will be good. The last one is that there is a special standard the worldwide requires. If you have Mange Tout or Fine Beans which are bent, or it has a seed inside which is grown up, it is rejected. So you must make sure that you harvest the exact requirement.

Sikazwe *Let's now talk about some of the products that you take on to the local market. You have tomatoes, you have peas and many other crops. There is liberalisation in place. We have seen a lot of products coming from Zimbabwe and South Africa and other countries. You might find yourself disadvantaged because these are coming from places or countries where there are subsidies on agriculture. Just how do you manage to get your crops on the market?*

Maonde That one you are right, it has been very difficult. But the only way we have done it, is because the South Africans and the Zimbabweans, they normally dump it at either supermarkets, or the bigger market which is Soweto. And the small businesswomen and men who need these things sometimes have no transport to get to the region. So in that way we decide to deliver our things in the townships. So in that way we beat them by going to the townships, or by making arrangements with the marketers themselves, coming to our farms to the co-operative. When they see the grade and not only that but the price; because if for example the box of tomato in Soweto market is at 20,000, if he came to our co-operative and we sold it at 15,000, so he is happier because, one, he has saved his 5000, plus even transport for himself or herself, plus the baggage he is carrying. As I said, the liberalisation of market, you really need to work hard to beat it. *End of track.*

Marketing strategies for small-scale farmers

Fair trade marketing - an ethical edge

CUE:

Fair Trade is an innovation in marketing that has been particularly important for small-scale producers. Companies that follow 'Fair trade' principles give their products an ethical value by always paying producers a fair price for their goods. This has proved a successful marketing strategy as increasing numbers of consumers, particularly in wealthier countries, are choosing fair trade products, even when these are more expensive than other brands. But what about selling fair trade goods in Africa? Are local consumers ready to pay more for a fairly produced commodity? In this next report, Eric Kadenge talks to Farouk Jiwa of Honey Care Africa, a company that for two years has been developing small-scale bee-keeping in Kenya. Farouk explains why Honey Care decided to get into honey production, and how the company is trying to persuade Kenyans to pay more for its ethical honey.

IN: "We came into the market ...
OUT: ... right across the country.
DUR'N 4'57"

BACK ANNOUNCEMENT:

Farouk Jiwa of Honey Care Africa, on the importance of having a quality product for successful marketing.

Transcript

Jiwa

We came into the market primarily because we realised there was a vacuum that existed, the way bee-keeping was being done in Kenya, there was really no progress being made. We've developed something called the Langstroth beehive, and have found innovative mechanisms through which farmers can get access to these beehives quickly, under a credit facility or a loan facility through NGOs. Honey Care then provides training wherever possible, and most importantly, Honey Care provides a guaranteed market for the farmers. We go out to the farmers farms, we collect the honey on the spot, and the cash payments are made directly to the farmers on the day of collection of the honey. And that has been probably the most important incentive that Honey Care can provide towards the development of a bee-keeping sector in this country.

Kadenge

And I'm curious to know what kind of people constitute your farmers, what is their economic status in Kenya for example?

Jiwa

Our farmers tend to be smallholder farmers, with average plot size of between five acres to a quarter of an acre. They are almost about 43% women now, because we have done a very important thing in terms of introducing bee-keeping to women. We have taken the hives off the trees, brought them down to eye-level, and ensured that women can get involved in bee-keeping as well.

- Kadenge** *So once you have the honey from the farmer, what then do you do with it?*
- Jiwa** We then bring the honey down to Nairobi where it is processed in our factory. We then work on pasteurising the honey, incubating the honey, and it is eventually bottled. The honey then goes out under the Honey Care Africa brand name. We have four different flavours of honey, depending on the area that the honey comes from. There is ‘Highland Blend’, ‘African Blossom’, ‘Acacia’ and ‘Wild Comb’ honey. These then go out into the market locally. They are supplied to most of the hotels, the airlines and various supermarkets as well.
- Kadenge** *Now given that we have quite a number of other people that produce honey, what are some of the marketing strategies that you use to make sure that you have an edge over them?*
- Jiwa** I think the most important thing we have been able to do is establish ourselves as being a Fair Trade organisation. We do practise fair trade all the way through, during the entire process chain of honey production, which begins from the manufacture of the beehives, right up to the marketing of the honey. We believe in paying a fair price, or a fair wage for whoever is involved in the entire process. If there is a jar of honey that has been produced by a private farmer at 150 shillings, and a jar of honey that has been produced by a community group or a women’s group in a particular area, selling at 200 shillings, we are trying to convince the Kenyan market that it is worthwhile moving more towards supporting community projects, and paying an extra premium. I think in addition to that it is a question of having a consistent quality, having a high quality product that is available throughout the year. If you don’t have a good product, no matter how you package it, it is not going to work. And I would say the third thing we have done as far as marketing is concerned is coming up with more innovative packaging. We’ve done a very good job on our labels, they are hand painted labels, they reflect the various vegetation and species of trees that we have in this country, and that adds to the exotic value of our honey in many ways as well.
- Kadenge** *And given that you have to work with farmers that come from various parts of the country, how do you go about meeting the transport requirement for that?*
- Jiwa** The most important thing is you have to make the farmers organise in economically viable clusters, so it’s financially viable, economically viable to go out and collect the honey from a group of farmers rather than a scattered number of people. It is more to do with logistics and organisation in the field, that makes the transportation cost a lot easier to bear.
- Kadenge** *And how much is the honey consumption in Kenya, and do you see this consumption increasing with time?*

Jiwa The consumption is actually quite low for a country like Kenya, especially given the historical background of most of the communities, and the central role that honey has played in various communities and traditions, customs, marriage, initiation, and a whole bunch of other things as well. The main reason for the consumption to be as low as it has been, has been primarily because of the unavailability of high quality Kenyan honey which is of a regularised standard available consistently throughout the year. Consumption of honey primarily has been in its raw form, as honey only. There is a lot of potential for combining honey with other products for example as well. Whether it is going to be honey in cereals, honey in barbecue sauce, whatever it may be. There are a lot of combinations that have not been explored to their fullest, and I think the consumption will definitely increase in the next three to five years.

Kadenge *So these are some of the marketing strategies that you intend to use in the coming years?*

Jiwa More than anything else, the first platform of our marketing strategy would be to convince people that there is finally an option to the poor quality honey that they have normally seen out here in the market. There is finally a home-grown answer to probably one of the most important food products in terms of a social value and a historical value for our country. The idea would be to convince them that we do now have high quality honey that is available to them at affordable prices right across the country. *End of track.*

Marketing strategies for small-scale farmers

Contract farming- a safer option?

CUE:

For small-scale farmers, increasing their production of cash crops can be a big risk. For while food crops can be eaten, cash crops are only valuable if they can be sold, and sold for a good enough price to repay the costs of production, harvesting, packaging and transport. Millions of farmers remain at a subsistence level of production, because for them the risk of growing a crop that they cannot sell is too great.

But some have found a way out of this poverty trap through contract farming. In Tanzania, for example, the Multi-flower company has made contracts with numerous small-scale farmers, who produce flower seeds for export to Holland. Lazarus Laiser spoke to Evaline Swai, a buyer for Multi-flower to find out whether contract farming had proved to be a successful way for their small-scale growers to cultivate and market a cash crop. Evaline begins by explaining what happens when a farmer applies to have a contract with the company.

IN: "The first one is the farmer ...
OUT: ... We can't buy your product"
DUR'N 4'27"

BACK ANNOUNCEMENT:

A secure market - one of the important benefits of contract farming.

Transcript

Swai The first one is the farmer must have land, half an acre or one acre and so on. After ensuring that the farmer has land for any crops, we explain to them about flower seeds production, price, cultivating flower seeds, is it easy or difficult. All that information we give to our farmers, and later on some they agree to grow flower seeds.

Laiser *Do you have anywhere to sign?*

Swai Yes we have a contract, which we sign between the farmer and our company.

Laiser *What happens if the supplier or the grower fails to supply the products to you?*

Swai It is not normal to bring the stock seed and plant and not supply to our company. But if the weather problem is the one that can affect the supplier to supply the seeds, we can see ourselves. Because our field officer after delivering the flower seeds to our grower, the job of the field officer is to follow that grower, in order to give him the lesson in how to grow, how to cultivate. So when our field officer visits that farm, he

can know what problems are facing that farmer. But if it is farmer negligence, we come back to our contract. We can give him the information about ‘What do you do for our production? You will break your contract! So watch out! Do this and this!’ But this problem has not occurred in our production contract.

Laiser *Now is it easy for you to fail to buy the product from the grower?*

Swai No, never. Because the contract shows everything: the quantity what we can expect from him, the price of that variety, maybe the month of harvesting, and so on. Everything is in our contract. So if we can refuse to purchase the product from our farmer, the contract is what he can use to stop us.

Laiser *What can you say about the advantages and disadvantages of contract farming?*

Swai First of all advantages, you cannot lose the market, your market is clear. Secondly you minimise your production costs. The stock seed you can receive without any payment, because we offer the stock seed to our growers free-of-charge. Also they can get how to plant from our field officers free-of-charge. Even if disease occurs on your farm you can call in the field officer from Multi-flower company, and he will come to give you advice. Thirdly, when you make a rotation for flower seeds with other crops, it is very good, because the land will be made fertile when you grow flower seeds.

Laiser *Disadvantages?*

Swai Maybe, maize and beans, the people watch the market. They can store the crops until the price is high, but the flower seeds you can’t. You have to harvest and sell it to the company immediately, for the same price.

Laiser *What do you think about this way of farming? Do you think it is a very good way for the farmers, that they are benefiting too?*

Swai Contract farming is very good because it is helping all the sides. For the company, to keep the farmer not selling to other companies. For the grower, the standard marketing - not for the price to be higher or lower, it will be standard; if it is 10,000 per kilo it’s 10,000 per kilo. Without a contract, maybe you can harvest 1000 kg of flower seeds, and the company tells you ‘We can’t buy your product’. *End of track.*