



FOOD *for* THE CITIES

Urban food marketing

Challenges...

As cities grow in population and area they require more extensive infrastructure and enhanced rural-urban linkages and marketing arrangements to bring increasing quantities of food to consumers. In reaching urban consumers, food passes through a variety of marketing and organizational systems and in many developing countries, several factors generate additional costs and raise consumer prices.

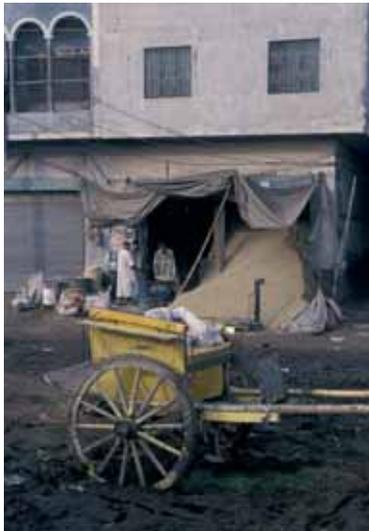
Such factors include: market failures; poorly developed urban food systems; the absence of market transparency; a lack of scale economies along the distribution system; high transport costs and high physical losses at all levels of distribution. Food security concerns are especially important in cities in developing countries where urban poverty rates often exceed 50 percent. The cost at which poor urban households

access adequate food is determined not only by private sector activities and investments but also by the way the public sector – central and local governments – intervenes in the food marketing system and addresses constraints limiting the efficiency of activities.

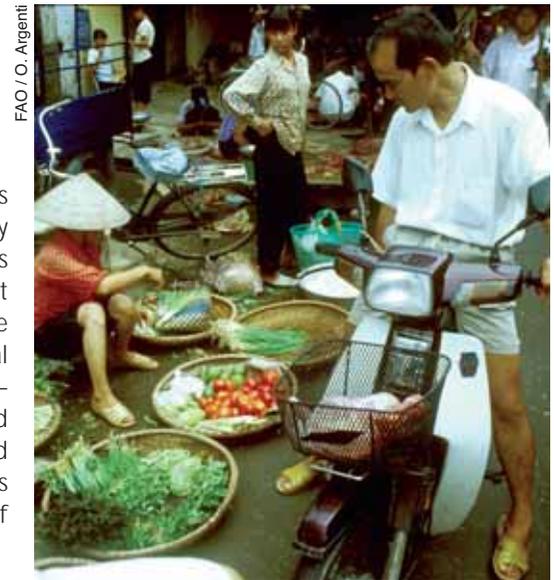
Impact of urbanization on food security. Expanding urbanization leads to increased competition for land on the urban perimeter. This, combined with rapid urban population growth, has led to food supplies having to move over greater distances. Furthermore, increased food supplies have led to greater traffic congestion and pollution, and to stress being placed on the unimproved and overloaded food distribution systems and market infrastructure.

New, improved and expanded marketing facilities are also required due to changing food consumption habits, an increased demand for convenience and processed foods and the greater concern for food quality and public health. For low-income families, decentralised food marketing facilities providing easy access to food supplies are essential, as the further the distance from markets, the higher the time and transport costs.

Markets need to be planned because they require space, parking, infrastructure and services, such as water, toilets and waste collection



Lack of space and simple facilities in urban markets amplify health and environmental risks



Informal food marketing is a source of employment and income for the poor, particularly women and youth





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Good market management, maintenance and upgrading are as important as raising revenues

FAO's response and action...

In expanding urban areas, marketing facilities and other post-harvest infrastructure are usually limited and congested. Urbanization is largely unplanned and local authorities generally do not have clear policies on developing facilities to meet their future needs.



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Low-income urban areas need simple retail markets. These have to be planned and provided with protection from the sun, wind, dust and rain

Marketing interventions. The objective of marketing interventions is to bring an improvement in the marketing of food products and promote strategies that will improve urban food security. An efficient marketing system is a precondition for agricultural diversification and improved nutrition. This enables better prices to be obtained by producers (leading to higher incomes) and improves the availability of competitively priced produce to consumers.

Institutional strengthening. FAO has been working over the past twenty years to draw the attention of policy makers, at central and local levels, to both the need and complexity of improving food marketing systems and infrastructure. FAO advisory bulletins on improving food marketing systems and linkages, and on planning, establishing and managing market infrastructure are available.

FAO encourages central and local authorities to:

- involve all concerned parties in identifying marketing problems and challenges and include stakeholders in policy formulation and implementation;
- plan the improvement of the food marketing chain, particularly by improving rural-urban linkages and incorporating marketing infrastructure decisions in urban planning;
- improve the quality and safety of food by improving post harvest handling and marketing facilities.

Key thematic areas of study and intervention:

- enhancing rural-urban linkages through systems integration and improved marketing infrastructure;
- assembly, wholesale and retail market planning, design and management;
- marketing extension training to apprise producers of changing market needs and opportunities;
- marketing information provision to enhance marketing and price transparency.



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Small enterprises should be encouraged to adopt hygiene and health standards in food processing



Food for the Cities - Multidisciplinary Area
FOOD AND AGRICULTURE ORGANIZATION OF THE UNITED NATIONS
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