
Background to the workshop on
**“Linking Small Farmers to Markets:
Intermediation Models, Policy, and
Networking”**

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Market trends

- Changing consumption patterns from staples/carbohydrates to meat, dairy, fruits and vegetables
- Made possible by increased affluence and by improved marketing chains (supermarkets)
- Growing interest in value-added products
- Considerable attention to niche markets, organics, fair trade, etc.

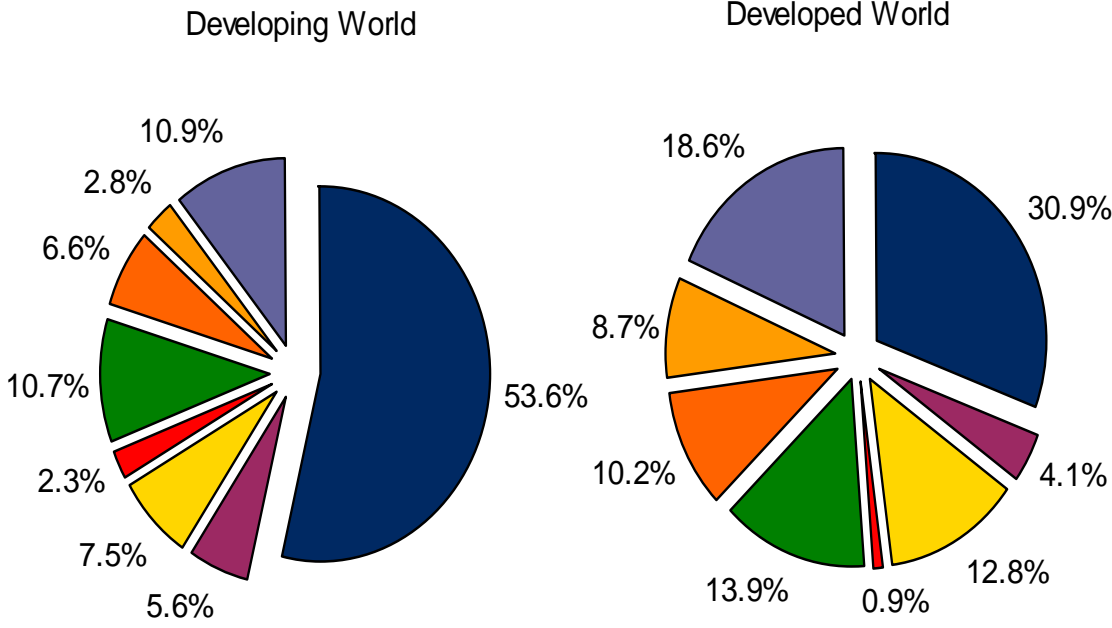


Market trends

- urbanization
- women's employment
- smaller families
- product innovation
- refrigerators and cars
- increased awareness of quality
- food safety concerns

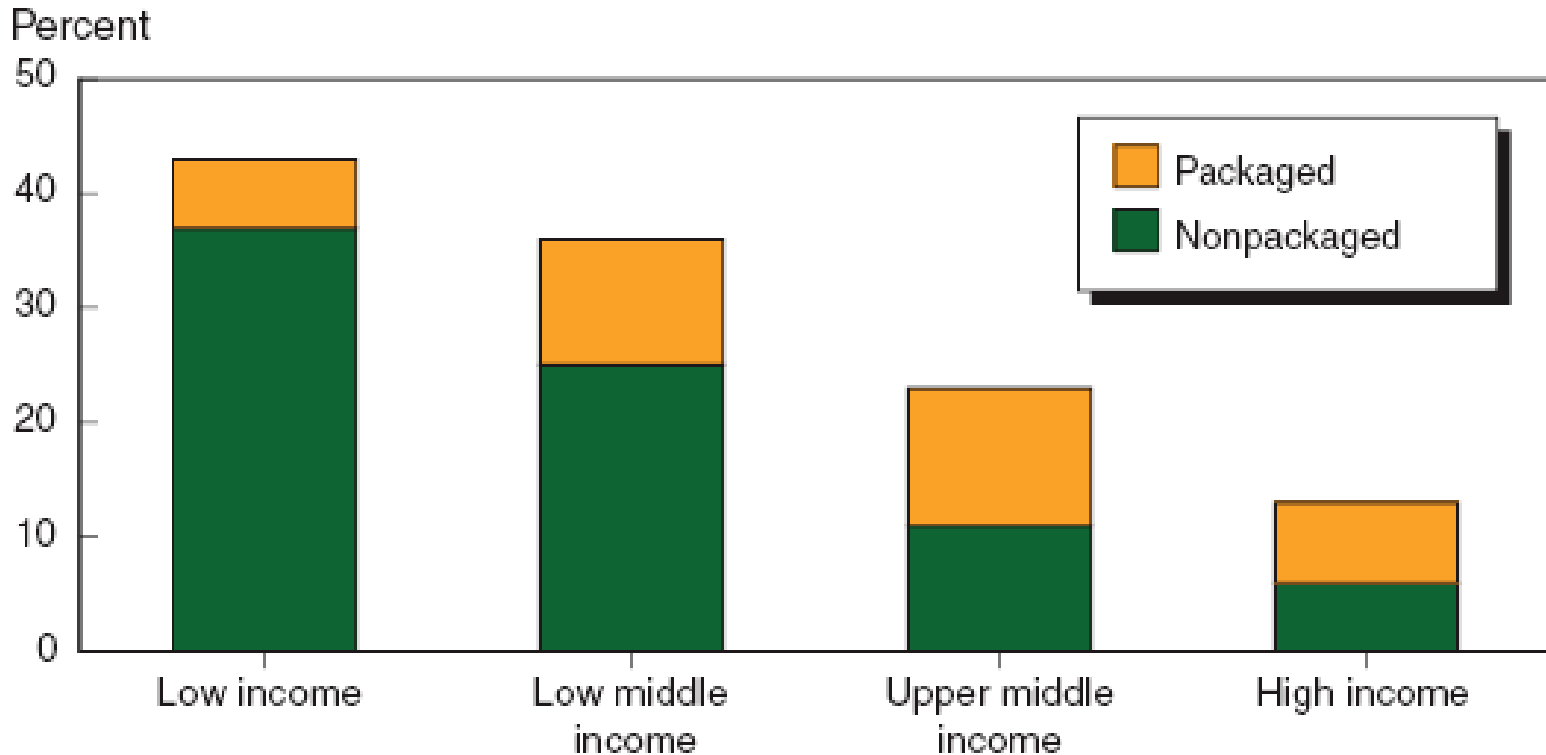


Consumption: Composition of calories per caput per day



Source: FAO (2001).

Food share of total expenditures by group of countries (2002)



Food processing trends

- Multinationals increasingly taking over local processors
- More rigorous quality and safety standards
- Through contract farming arrangements they often provide seeds and other inputs and closely monitor production
- Closer relationships between firms at different stages of production and marketing are emerging

Implications of trends for farmers?

- Larger volumes and improved quality requirements of supermarkets and processors will mean need for:
 - Farmer associations and groups to provide link between supermarkets, processors and farmers



Specializing in a few commodities, achieving economies of scale, and forging stronger links with buyers in order to meet demanding quality and supply specifications

Can farmers, traders and companies do this on their own?

- Some examples of “leading farmer” developments
- Good examples of traders becoming more sophisticated (HCM City – lettuce; supermarket agents - Indonesia)
- Examples of companies working directly with farmers but in general a reluctance to become too deeply involved

So NGOs can play a significant role to

- Link willing suppliers with willing buyers
- Assist farmers to organize into groups for scale economies
- Train farmers to understand markets, business, and how to supply market demand
- Promote trust between companies, traders and farmers





Thank you!

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