



FAO in Action

To market, to market FAO helps farmers feed the cities

Feeding the world's cities is one of the most important issues of our time. Today, from China to Chile, policy makers and planners are grappling with the question of how to provide for the fundamental needs of their rapidly increasing urban populations.

FAO advises local and central government on how to improve urban food supply and distribution systems, a complicated process in crowded cities with chaotic traffic and poor infrastructure.

In the market of Pokhara in mid-western Nepal, Shova Baral brings a large conical basket full of lettuce to the centre of town. Before, she used to carry the basket for three kilometres and spend the entire day selling her produce, although she was never guaranteed sales. But with a little help, she and others don't have to sit on the dusty street anymore. FAO has helped set up the Pokhara wholesale market, an impressive space the size of a football field, with 105 stalls. It is big, but what is most impressive is that it has made my life easier, said Baral.

"I used to come into the city and sell in the street direct to the customer, which took a lot of time. Here I get a good price for a basket of vegetables and I can head straight home and get back to work... now this is a good system," she said.

The FAO provided training in market management and vegetable handling, as well as setting up a market information service. The project supported the development of a number of small collection centres, in addition to the

Pokhara market. The UN Capital Development Fund and the government of Nepal provided US\$3.6 million in funding.

Suresh Gupta, a wholesaler from Lucknow, India, has come to work as a wholesaler of bananas, groundnuts and oranges. Armed with his cell phone and calculator, he is ready for business. "The new market is great. I can check the prices in Kathmandu and Narayangadh, so I know what I should pay and what I should charge. The stalls are very big. There is lots of parking, no crowds and the people are very cooperative," he said.

A trader filling the back seat of a taxi with oranges that he will provide to retailers is equally enthusiastic. "The market is very good for me because I don't have to waste time looking for sellers in the street," said Prem Poudel, 32. "My business is coming along. I'm making more money."

Bhoj Raj Khanal, the Pokhara Market manager trained by FAO, is proud of his domain. "Every day we have 1,000 buyers and sellers using the market. They pay only five rupees to enter -- the price of a cup of tea -- which maintains the market," he said.

"We don't set market prices, but every morning we canvass five buyers and sellers in each commodity and post average prices. We fax or e-mail prices between wholesale markets and broadcast them on the radio so that sellers can go where the price is right for them," he added.



Facts and figures

About feeding the cities

In 2002, twenty cities around the world have a population of more than 10 million, and by 2005, over half of the world's population will be living in cities. Supplying these people with safe and affordable food will strain the food supply and distribution chain to the breaking point. The difficulties of matching supply and demand and problems with transport, refrigeration and markets will lead to losses and raise prices. Urban food production can help, but urban farmers lack sufficient land, water and knowledge.

FAO assists central governments enhance food security, mostly in rural areas. But during the last few years FAO has also been concentrating on the role of local authorities in cities in developing countries, who play a key role in creating the right conditions for feeding their cities as they are responsible for establishing regulations for food hygiene and trade, are responsible for road constructions, transport facilities, slaughterhouses and infrastructure. Development of expertise within all sectors – transport, agriculture, nutrition and public health – are needed to ensure that enough safe, affordable, good-quality food reaches urban residents.

FAO's initiative for "Food Supply and Distribution to Cities" addresses the relationship between urbanization, urban poverty and food insecurity. It focuses on the impact of urbanisation on the efficiency of food supply and distribution activities and the need to stimulate private-sector initiatives and investment.

In 2000, 1.9 billion people lived in cities in developing countries. The number is estimated to grow to nearly 3.9 billion in 2030. In Latin America, and the Caribbean 75% of the population is currently living in cities. This figure will climb to 83 percent by 2030. Comparable figures for Asia and the Pacific are 37 and 53 percent; for Africa, 38 and 55 percent.

Although poverty is still more likely to be rural, it is growing in urban areas, and urban poverty is not just found in capitals or mega-cities. Provincial centres of a few hundred thousand people can also have many poor inhabitants, and

practical food supply and distribution problems. Food security concerns are especially important in the developing world's cities, where the rate of people living in poverty often exceed 50 percent: for example, Guatemala City (80%), Chittagong, Bangladesh (78%) and Kampala, Uganda (77%).

Poor urban consumers:

- spend as much as 60 to 80 percent of their income on food, making them especially vulnerable to higher food prices, such as those caused by transport costs or monopolistic practices by powerful traders;
- spend an average of 30 percent more on food than in rural areas but consume fewer calories
- are the last link in a long food chain, and have little choice of where to buy, increasing the risk that they will consume food of poor quality.

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