



Study of Mviwata Bulk Markets Pilot Experience and Assessment of the Opportunities for Expansion in the East African Community – Synthesis Report

Study conducted as part of INVOLVE project (*Involving small scale farmers in policy dialogue and monitoring for improved food security in the East African Region*)

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Summary :

In Tanzania, Mviwata has been supporting the development of agricultural commodity bulk markets in various regions for more than ten years, in order to enhance market access for small scale farmers and improve trade conditions to their benefit.

This report presents:

- the main findings of the study of Mviwata-managed district bulk-market pilot experience, carried out from April to September 2014;
- the synthesis of four studies conducted in Burundi, Kenya, Rwanda, and Uganda from July 2014 to March 2014 that aimed at a) evaluating the relevance of scaling-up this experience in these countries, taking into account their own specificities, b) identifying under which conditions such experience could be successful.

This study was conducted as part of INVOLVE project (*Involving small scale farmers in policy dialogue and monitoring for improved food security in the East African Region*)

Résumé

L'expérience de marchés de gros paysans impulsée par Mviwata en Tanzanie depuis plus de dix ans vise à favoriser l'accès au marché pour les paysans de différentes régions du pays et à améliorer les conditions de commercialisation en leur faveur.

Ce rapport présente :

- Les principales conclusions de l'étude de l'expérience pilote de Mviwata de marchés de gros gérés au niveau des districts, réalisée entre avril et septembre 2014 ;
- La synthèse de quatre études menées au Burundi, au Kenya, en Ouganda et au Rwanda de juillet 2013 à mars 2014 visant a) à apprécier la pertinence qu'il y aurait à s'inspirer de cette expérience dans ces pays compte tenu de leurs réalités spécifiques, b) à identifier quelles seraient les conditions de succès d'initiatives inspirées de cette expérience.

Cette étude a été réalisée dans le cadre du projet INVOLVE (*Involving small scale farmers in policy dialogue and monitoring for improved food security in the East African Region*)

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ACRONYMS

EAC	East African Community
ESAFF	Eastern and Southern Africa Farmers Forum
FAO	Food and Agriculture Organization
INVOLVE project	Involving small scale farmers in policy dialogue and monitoring for improved food security in the East African Region project
MVIWATA	Mtandao wa Vikundi vya Wakulima Tanzania – National Network of Farmers’ Groups in Tanzania
NCPB	National Cereals and Produce Board of Kenya
SACCOS	Savings and Credit Cooperative Society

INTRODUCTION

The present report was produced as part of INVOLVE project (*Involving small scale farmers in policy dialogue and monitoring for improved food security in the East African Region*) implemented by ESAFF (*Eastern and Southern Africa Farmers Forum*) in the five countries of the East African Community (EAC), namely Burundi, Kenya, Rwanda, Tanzania and Uganda, in partnership with Tanzanian small-scale farmers organisation MVIWATA and the French NGO Gret, with the participation of the other ESAFF members in Burundi, Kenya, Rwanda and Uganda, and with the financial support of the European Union. INVOLVE project aims at strengthening the capacities of ESAFF and its members in the five countries of the East African Community (EAC):

- to contribute to the formulation and monitoring of the policies that have an impact on food security at local, national and regional levels;
- to foster agricultural commodities' trade within the region, building on MVIWATA-managed district-based bulk markets as pilot experience. MVIWATA has been supporting these bulk markets in various regions for more than ten years, in order to enhance market access for small scale farmers and improve trade conditions to their benefit.

As part of the INVOLVE project, the following studies were conducted:

- a study of Mviwata-managed district bulk-market pilot experience, carried out from April to September 2014, in order to: a) identify the success factors of the bulk markets, b) assess the impact of the bulk markets in terms of trade relationships between stakeholders, farmers' prices and distribution of value added, changes at production level, small-scale farmers' incomes and livelihoods, environment, employment, products quality and volume of trade. This study was conducted by Tristan Berchoux and Bernard Baugé, students from Montpellier SupAgro/Institut des Régions Chaudes Institute (France), for the obtention of their Master of Science Degree, under the supervision of Laurent Levard (Gret) and Pasquale Lubello (Montpellier SupAgro/Institut des régions Chaudes).
- four studies conducted respectively in Burundi, Kenya, Rwanda, and Uganda from July 2014 to March 2014 that aimed at: a) evaluating the relevance of scaling-up MVIWATA bulk-markets experience in these countries, taking into account their own specificities, b) identifying under which conditions this experience could be successful. These studies were conducted by Laurent Levard (study in Burundi), John Batista Macharia Kangethe (Centre for Agricultural and Food Marketing, Nairobi) (study in Kenya), Bernard Baugé (study in Rwanda) and Tristan Berchoux (study in Uganda).

The present synthesis reports presents:

- the main lessons of MVIWATA experience on bulk-markets, based on the study conducted in Tanzania,
- the relevance of Tanzanian bulk market experience for the other countries and the general conditions for success of such initiatives, based on the studies conducted in Tanzania, Burundi, Kenya, Rwanda, and Uganda.

A separate document including specific studies reports is available separately¹. It includes:

- the Master's Thesis report by Tristan Berchoux and Bernard Baugé, related to the studies conducted in Tanzania, Rwanda and Uganda;
- The report related to Burundi by Laurent Levard (in French),
- Two reports related to Kenya (Potato Value Chain and Maize Value Chain), by JBM Kangethe.

This synthesis report, as well as the specific studies reports, is intending to contribute to the reflexions on agricultural and food security policies in the region. They are made available to farmers' organisations, other civil society organisations, and institutions that are involved in the economic and social development in the East African Community.



¹ LEVARD Laurent, BAUGE Bernard, BERCHOUX Tristan, and KANGETHE John Batista Macharia - *Study of Mwiwata Bulk Markets Pilot Experience and Assessment of the Opportunities for Expansion in the East African Community – Specific Studies Reports*, Paris, Gret, June 2014,

I. LESSONS FROM MVIWATA EXPERIENCE ON BULK MARKETS IN TANZANIA

1. Bulk-markets in Tanzania: contrasting situations

Since 2004, nine bulk markets have been built on the initiative of MVIWATA (see map below), in order to promote a better access to markets for small scale farmers outputs, thus improving incomes and food security. These activities have been implemented under three successive projects with the support of international donors (Agence Française de Développement, European Union, DGIS) and technical partners (Fert, Gret).

Although all the markets present common features, there are also significant differences depending on the market.

Kibaigwa is an administrative ward located in Kongwa district (Dodoma Region), in an area of low plains. It is located on the side of the trunk road that links Dar es Salaam and Dodoma and is easily accessible for trucks. A lot of tractor-trailers use this main axis in order to carry various goods from Dar es Salaam, to Dodoma and other inland main towns. Most of the time, those trucks go back to Dar es Salaam without cargo. There are two informal markets in the area, namely Gairo and Mkoka.

Igagala is located in the Western part of the country, in a mountainous area. Igagala is a small village situated in Njombe District (Mbeya Region), 15km far from Njombe and so from the trunk road. The road that goes through Igagala is not made of concrete, but it is possible for trucks to reach the villages.

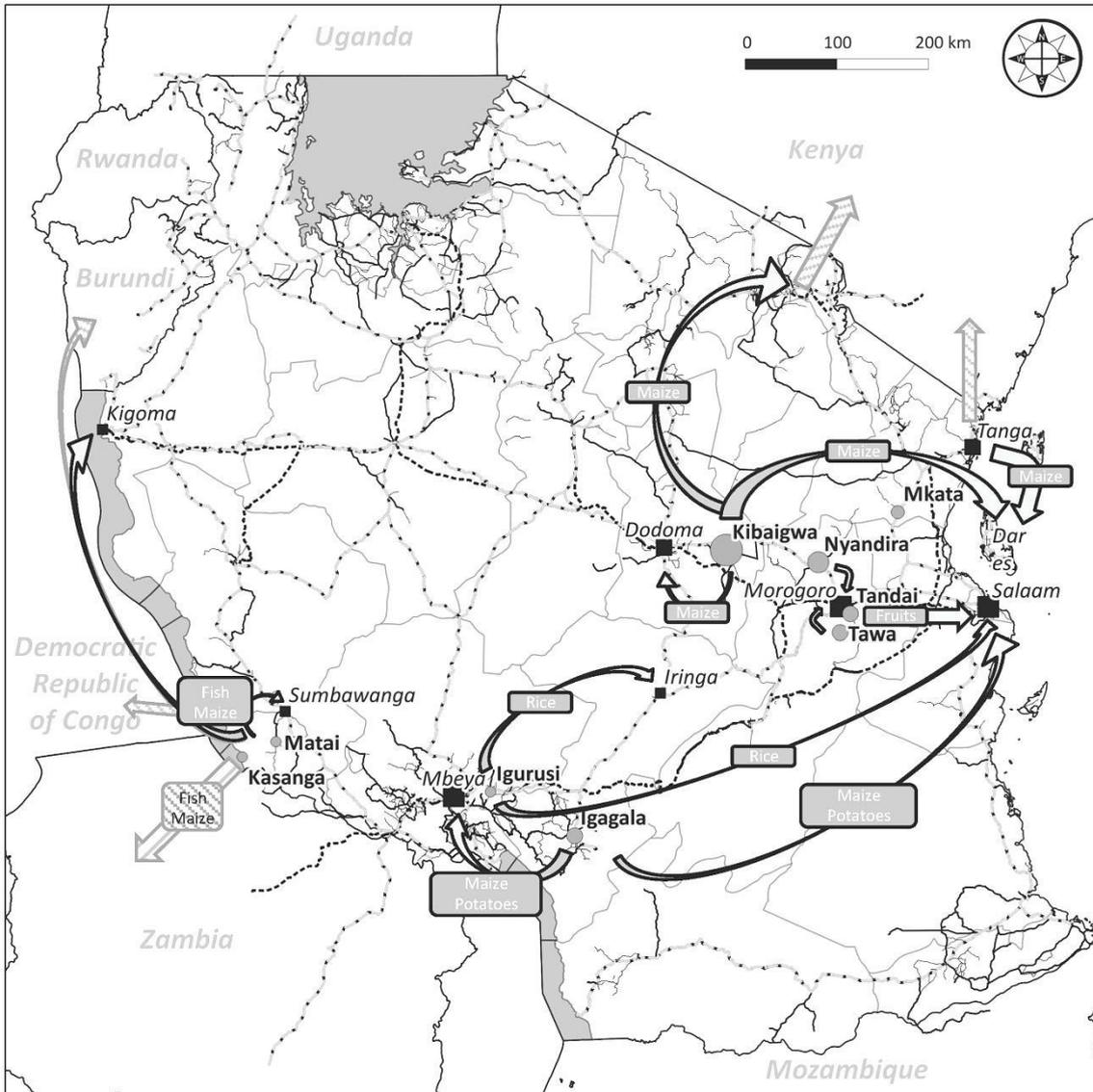
Nyandira is a village located in Uluguru Mountains, in Morogoro Region. It is the last village accessible for trucks, in the direction to the mountains. Only motorbikes can use the roads that connect Nyandira and the deeper villages. Moreover, some villages are only accessible by foot. The wholesale market is located near the centre of the village and trucks can reach it easily.

Mkata is located in Tanga Region, by the side of the asphalted road that connect Dar es Salaam to the northern part of the country with the towns of Tanga, Moshi, Arusha and that goes up to Kenya. Traffic of trucks is important on this road. The market is located 4 km far from the city and so far from the commercial centre. The location is not easily accessible as the entrance of the market is on the top of a hill, in a corner where vehicles are driving at around 90kph.

Tawa is located in the Uruguru Mountains in Morogoro Region, such as Nyandira but at a lower altitude. Tawa used to be the last village accessible with the road, but in 2008 roadwork have improved the road and now most of the neighbouring villages are accessible during the dry season. However, during the rainy season, the road is impassable for most vehicles. The market is located on the side of the road, and it is close to the city centre.



MVIWATA Managed District Bulk Markets - Tanzania -



Legend

Wholesale markets (turnover in millions of Tsh)

- 1.0000 - 2.3000
- 2.3000 - 9.3000
- 9.3000 - 19.4000
- 19.4000 - 315.0000

Lakes

Regions of Tanzania

Main cities

- 89161.0000 - 958991.3333
- 958991.3333 - 1828821.6667
- 1828821.6667 - 2698652.0000

Roads

- trunk
- primary
- secondary

railways

Data Information

Spatial data: ESRI Global Discovery
 SCR: WGS 84 (EPSG: 4326)
 Nominal Scale: 1:6,000,000
 References: FAO, UNC, MapLibrary, OpenStreetMap
 Created on: 17th April 2013

The designations employed and the presentation of material on this map do not imply the expression of any opinion whatsoever on the part of the designers concerning the legal status of any country, territory, city or area or of its authorities, or concerning the delimitation of its frontiers or boundaries.

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Usually, several products are traded in a same market. However the markets are partially specialised in one or some products: maize, potatoes, vegetables, fruits, spices, etc. On the other hand, while the level of trade activity is high in some markets, it is low in other ones.

Each market is managed by a market board composed by five members. Boards have been founded by MVIWATA and another organisation, either a financial organisation (Savings and Credit Cooperative Society – SACCOS) or the District Authority.

Depending on the market, different services may be offered within the market, in particular price information, storage facilities, weighting services, grain quality measurement, milling machines, and maize cleaning.

Five bulk markets have been studied, namely Tawa, Nyandira, Kibaigwa, Mkata, and Igagala markets, in order to include a diversity of situations (main products traded, high or low level of activity). Kibaigwa and Igagala markets were studied further (three weeks for each market) while the other ones were investigated in less depth (two weeks for each market). Tandai market has not been included in the study, as well as Igurusi, Matai and Kasanga markets that were not operating yet when the study was conducted.

Market	High Activity	Low Activity	Not yet operating
Tandai	X <i>[fruits, spices]</i>		
Tawa		X <i>[fruit, spices]</i>	
Nyandira	X <i>[vegetables, fruits]</i>		
Kibaigwa	X <i>[maize, sunflower]</i>		
Mkata		X <i>[maize]</i>	
Igagala		X <i>[maize, potatoes]</i>	
Igurusi			X <i>[rice]</i>
Matai			X <i>[maize]</i>
Kasanga			X <i>[fish]</i>

2. Conditions for success of bulk-markets

As mentioned above, some markets work well, with high level of activity, such as Nyandira market (vegetables and fruits) and Kibaigwa (maize and sunflower). However, the level of activity is much lower in some other markets such as Tawa (fruits, spices), Mkata (maize), and Igagala (maize, potatoes).

Three types of factors were identified for explaining the extent of the success of the bulk-markets: marketing history, the economic interest of the market for farmers and traders, and representative governance.

2.1 Marketing history

Bulk-markets were built on two different types of places. The four first markets were built on previous informal market places, while the others were built on places where no marketing activity was pre-existing.

Historical differences have an effect on the level of activity of each market. Actually, both markets that were built in places where there was no pre-existing activity have a low level of activity (Igagala, Mkata), whereas two out of the three that were built in places (or close to places) where there was pre-existing activity have a high level of activity (Kibaigwa, Nyandira).

Marketing history affects the functioning of markets at two different levels: the *habitus* of agents and the degree of recognition and inclusion of informal pre-existing structures

The “habitus” of economical agents

According to the economical definition of Bourdieu, a *habitus* means the entire social environment (social class, rules, behaviours, beliefs and values) transmitted through socialisation. It contributes to structure any stakeholder.

A propitious marketing history regarding the *habitus* can be described as the pre-existence of an informal marketplace where farmers were used to come, so as to sell their agricultural goods. Building a bulk market in the same place (as in Kibaigwa or Tawa) or nearby (Nyandira) retains the *habitus* of farmers to sell off the farm. Thus, activity is higher because farmers continue to come to the same places. The level of activity tends even to increase thanks to the significance of the project and communication around its formalisation.

“After the fall of the Cooperatives, I have started to sell in Mtanana and then to Kibaigwa from 1993. After the implementation of Kibaigwa market, I just have kept doing the same. But now the situation is good because it’s faster to sell.”

M. Juma, middle-scale farmer, age 58
Manyata, Kongwa Region (Tanzania)

On the contrary, in the case of a markets built on new basis, farmers were used to sell through other channels, for example selling to brokers at the farm level or in their village (as in Igagala and

Mkata). Selling their products to a new-built market entails for the farmers a change of their *habitus*, and even a break in some social relationships with local brokers. Selling to the market involves taking risks for the farmers, because they don't know whether they will get better prices with this new system. And if they start using it as a test, they are afraid of losing the confidence of local brokers. Moreover, it involves paying transport that is a financial risk for most of the farmers that don't have any mean of transportation. Farmers won't take this risk, especially those with little capital.

“Before the market I was selling to brokers and I still do the same even with the market. My parents and I have always sold our crops in the village. It is easier, we know the brokers of our village. And our family and friends also do the same.”

M. Muhagama, small-scale farmer, age 49
Uhekule, Njombe Region (Tanzania)

The degree of recognition and inclusion of informal pre-existing structures

Pre-existing informal markets were already structured. In Kibaigwa and Nyandira, cargo porters were helping both farmers and traders by carrying their products, but had also the role of linking them (service now offered by brokers). Such collective action was proving the need of getting a formal infrastructure. Thus, building the bulk market has met a need and fulfilled it. Giving responsibilities to the leading cargo-porters association contributed to a better appropriation by the community. Actually, such associations are well known from farmers and traders, and they are trusted because they were already managing an informal market.

On the contrary, not recognizing and including these associations led to shortcutting of the market in most of the cases. Both farmers and traders trust them, and they tend to boycott the market if they are excluded from the project. As an example, brokers and cargo porters were not included in the project when Mkata market was built and until now, only few farmers and traders use the market.

“It is useless to go to Igagala market because there is nobody there. Brokers are not going to the market so traders neither. I can't sell there and brokers are buying directly at my farm, so there is no need to go.”

M. Mgya, medium farmer, age 26
Samaria, Njombe Region (Tanzania)

2.2 The economic interest of the market for farmers and traders

Beyond the marketing history, the success of bulk-markets depends largely whether they are economically attractive for farmers and for traders. Depending on the situation, farmers may carry the products to the markets using own truck, motorbike, oxcarts, donkeys, bicycle or on foot, or paying transportation service. In the case of remote villages/farms, products shall be carried on foot, or using beasts. On the other hand, farmers have generally other opportunities for trading their products:

- In the case of connected villages/farms (i.e; case of villages or farms accessible by road), they can sell to traders or brokers at the farm-gate.
- In all cases, they can also sell in other market-places.

For the farmers, economic attractiveness of the bulk market results from a) the differences of prices depending of the place where the production is sold, b) the costs, opportunities and conditions of transport to the market, and c) the existence of other services offered at the market

Differences of prices

For farmers, products tend to be better paid when they sell into a bulk-market than when they sell at the farm-gate level. However price-differences vary depending on the cases. Anyway, transport costs, as well as opportunities and conditions of transport to the market is a key factor of farmers' choice, taking also into account that farmers must also pay a tax for marketing through a bulk market.

Costs, opportunities and conditions of transport to the market

In the case of farmers living in connected villages (accessible by road), they usually take their products to the bulk market when they have their own means of transport. Similarly, high supply and low cost of transport services encourage farmers to transport their products to the market (case of Kibaigwa). On the contrary, when they have no means of transportation, when transport supply is low and costs of transport are high, selling at the farm gate results more interesting for them (cases of Igagala and Mkata).

In remote villages, the supply of transport services is low. In most of the case, farmers have to bring their crops to the market by foot (for instance, villages and farms surrounding Nyandira). Thus, they will go to sell at the market only if they don't have anywhere else to sell, or only if the price per weight of the product is high enough to counterbalance the time of going there or the cost of hiring porters. Opening up a village by constructing a new road may have different consequences depending on the situations: it facilitate the access of farmers to the bulk market, but it also enable traders and brokers to go directly to the farms with their trucks. In some villages near Tawa, traders go to the farms when the roads are passable (in the dry season), while in the rainy season, when the roads are not passable, farmers take their products to the bulk-market.

For the traders, specific factors also contribute to ensuring the interest for the market. It is important that the market be located near a main road so as they can save money and time. Similarly the access to the market shouldn't be dangerous and inconvenient for big trucks (case of Mkata market).

Existence of other services offered at the market place

The existence of other services is a key factor for increasing the economic interest of the bulk-market for farmers, in particular:

- Financial services. It should be noted that farmers need this kind of services and that the majority of them cannot access to formal financial services. In absence of such

services, farmers tend to use informal channels with brokers as they are the only stakeholders offering loans to them.

- Time-adjustable storage facilities. Storage facilities allow farmers and traders storing agricultural products for a long period (months), waiting for better market prices. Storing for a few days also allows improving the bargaining power of farmers, since they can decide to store when the price is too low. This is particularly the case when the market is far from the farm and when the products are heavy: in these situations, the farmer never goes back home with unsold products. So, if he has no possibilities for storage, he will sell his product even when the price is very low.

Other services being available at the market place (opportunities of buying goods, etc.) may encourage farmers to use the bulk-markets, as such situations enable farmers to “kill two birds with one stone”.

2.3 Representative governance

A representative market board is indeed a factor that has a positive effect on the actions implemented so as to improve the market. Actually, when all of the main stakeholders are represented within this committee, it will lead to resolutions that will fit better the needs of market’s operators than if the market board is only representative of one or two players.

Moreover, a dynamic market board is essential to lead the market, because it is the only institution that will decide how to allocate the money earned.

Furthermore, having dynamic governance fosters farmers and traders having a good opinion of the market. They are more willing to trade within the market as they feel comfortable towards its governance.

In Kibaigwa and Nyandira, market governance fosters the use of the markets, while it seems to be a real challenge in Tawa, Igagala and Mkata.

3. Some impacts of bulk-markets

3.1 Some positive impacts on prices paid to farmers

Bulk-markets with high level of activity have resulted in more competition between buyers, improving thus the bargaining power of farmers.

However this improvement has not been as significant as expected. This is mainly due to the fact that farmers need to get cash quickly, which is due in particular to the lack of financial services, or have no possibilities to wait a few days before selling, because it would be too expensive to bring back home the products, their products are perishable, or there is no system allowing short-time storage. In addition, when they arrive at the market, farmers are frequently immediately surrounded by traders or brokers who offer him similar prices and don’t really give him a chance to bar-

gain. This is all the more so, when the board that provides price information is not easily visible, or when it is not completed, or completed with non-updated figures.

“Many times brokers are just in front of the board so we farmers can’t see what is the price. [...] Buyers say that the price is dynamic, that it depends. So I don’t check the price on the board anymore. I just go to the buyer that gives the best price.”

Ms Victoria, medium farmer, age 30
Lobilo, Dodoma Region (Tanzania)

Eventually the study carried out in Tanzania reveals that bulk markets allow higher unit prices for farmers than in informal markets (and very probably also than in case of selling at the farm-gate). This increase (10% in average) means that the unit margins of intermediaries and traders tend to be lower, which confirm the hypothesis of an improved farmers’ bargaining power. However, it should be noted that bulk markets offer other kinds of benefits for traders (concentration of supply, facilities).

Impacts in terms of farmers’ bargaining power are higher in the markets with high level of activities, since there is a real competition between traders, which is not the case when the level of activity is low and when, on a given day, only one or a few traders are buying products.

It should be noted that, very often, farmers could get a better price for their products if they would sell them later in the year instead of immediately after the harvest. By doing so, they would be able to take advantage of price seasonality. However they cannot do it because they need cash immediately (for repaying a credit, covering future production costs or other expenses) or because they have no storage facilities. Bulk markets generally do not allow meeting these challenges, unless they are linked with financial services and enough storage facilities.

3.2 No identified impacts on price seasonality and volatility

It has not been possible to conclude on possible effect of bulk-markets on price seasonality and price volatility. Actually these phenomena are mainly related to the dynamic of national (or even regional markets) and reduction of price seasonality and volatility should not be expected from bulk-markets. It’s true that volatility may also result of local phenomena, i.e. shortfalls of supply surplus in areas that are not well connected with the national market. In these cases, volatility can be reduced through increased stocks, which is not the objective of bulk markets initiatives, even when they include some storage capacities.

3.3 The trend of volumes traded

The trends of volumes traded in the markets depend on the market: as mentioned above, some successful markets have higher levels of activity and the traded volumes have been increasing over the time. Conversely, activity remains low in other markets, with even a negative trend in some cases.

Regarding the impact of bulk-markets on overall produced and traded volumes at local and regional level, it has not been possible to identify any impact, although theoretically better prices are supposed to incentive farmers to increase their production.

3.4 Some impacts on products quality

Generally speaking, bulk markets have led to a better quality of the products, thanks to the facilities they offer, in particular cleaning machines and drying areas that are both used for grains. However, the beneficiaries are the brokers, the traders, as well as the final consumers, and not the farmers themselves. Indeed, such facilities that increase products' quality and price are mainly utilised by traders and brokers, either because farmers uneasily access to the corresponding facilities, or they need cash and need to sell the products as soon as possible.

II. RELEVANCE OF TANZANIAN BULK-MARKET EXPERIENCE FOR THE OTHER EAC COUNTRIES AND GENERAL CONDITIONS FOR SUCCESS

1. Low farmers' bargaining power is a very frequent challenge

1.1 For most farmers, no major challenges with physical access to markets

Physical access to market depends on the farm/village-level distance to the nearest motorable road and the conditions of the road. Generally speaking, and with some exceptions (reported in particular in Uganda), physical access to market is not a major challenge for the farmers in the other countries of the region, since the network of roads and tracks is relatively well developed.

However, most farmers are facing serious challenges for marketing their products, and specifically to obtain and negotiate for remunerative prices.

1.2 Most farmers don't take advantage of price seasonality

First of all, for many agricultural products, price seasonality is very pronounced and farmers are not in capacity to take advantage of it, as they sell their production just after the harvest at a low price. Furthermore, they are in some cases victims of such seasonality as they have to buy expensive food products in the lean season, sometimes the same kind of products than those they have produced and sold some months before.

Such situation is due to the fact that farmers need immediate cash in order to cover household expenditures and production expenses, to repay a credit, or because they have no facilities for storing or preserving the products or because storage risks are too high (post-harvest losses).

It should be noted that, as reported in Burundi and Uganda, the production is sometimes even sold several weeks or months before the harvest –including through sales of standing crops, that is based on an estimate of the volumes- due to the financial needs of the farmer. In these cases, which are equivalent to usurious-rate loans, the real prices paid to the farmers are very low, for example only fifty percent of what farmers would have been paid at selling after the harvest.

Adequate financial services, storage facilities, and transformation technologies and equipment are thus key factors for increasing marketing conditions of many farmers in the region.

It should be noted that, in Kenya, the panseasonal price offered by the National Cereals and Produce Board of Kenya (NCPB) doesn't incentive to store maize.

1.3 Bargaining power of most farmers is very low

Small-scale farmers' bargaining power is relatively strong when they are able to choose among several trade channels (selling at farm gate level, in a market, to agroprocessors, private, public reserves agency, other public institutions, restaurants, hotels, schools, or directly to households), since all the buyers are really in competition for purchasing agricultural commodities. Similarly, farmers who are selling products collectively generally enjoy a better bargaining power.

However, generally speaking, the bargaining power of most farmers is low.

In some cases, farmers have their own means of transportation or are able to rent any at an affordable price since the supply of such means is high. They can thus access easily to a wholesale or retail market (generally owned and managed by local authorities, traders or through public-private partnerships) or to another place where they can sell their products (food processor, company, restaurant, hotel, etc.). It is in particular the case in areas densely populated and with a good road network. However, when they sell in a market, they enjoy a weaker bargaining power than in the previous situation. As reported in Burundi and Uganda, the bargaining power often remains low due to the fact that the farmers need to sell their production the same day as it would be too costly to take it back home, and they have nowhere to store the products. In addition they have no or few information on market prices and in many occasions traders and brokers agree on purchase prices (oligopoly situations), with even cases of intimidation of stakeholders who wouldn't respect the agreed prices. Similarly, when farmers have the possibility to sell only to a small number of agroprocessors, their bargaining power is not strong, as the latter enjoy oligopolistic position. It depends then to what extent agroprocessors are in competition for purchasing agricultural commodities. Farmers who sell directly in wholesale urban markets are in a position to get better prices.

Many farmers do not have other choice but to sell their production to a trader, broker, collector, or assembler (who is often a wealthier farmer) at farm gate level, as they have no own means of transportation, or because renting such means would result too expensive for them (Burundi, plain areas in Uganda). Some small-scale farmers have other alternatives, but they prefer selling at farm gate level due to some advantages to other marketing options: being paid cash immediately or sometimes before harvest (loans by traders or brokers), saving transportation costs, not being the brokers and small-scale traders that operate at village level concerned with quality and moisture

standards (related in Kenya with maize). For the farmer who needs to sell his production immediately after harvest and who is dealing with only one trader, broker or collector at farm gate, his bargaining power is obviously very low, all the more since he generally has no information on market prices. Farmers' bargaining power is not better when they sell only to one agroprocessor who enjoys monopoly status. Obviously, farmers' bargaining power is even weaker when traders or brokers buy the production before harvest time.

However, selling at farm gate level not necessarily means that there is no competition between buyers. Actually, it seems that there are highly contrasting situations in the region. In Kenya, there is a real competition among buyers, with more than 100 small-scale traders visiting each village for buying maize. In other areas, there are monopolistic or oligopolistic situations. There are also cases of intimidation that prevent new buyers from accessing to some areas (reported in Uganda).

Two key frequent challenges for farmers should be mentioned, either they sell at farm gate level or in a market, namely the lack of standard unit of measure (for example, in Kenya, the use of extended bags by traders is a mean of effectively lowering prices per kg. of potato for farmers, as well as the lack of standardization of plastic tins used to buy and sell maize) and the lack of sorting and cleaning equipment and independent evaluation of the quality, which means that traders often pay the lowest quality price.

2. Under some conditions, scaling-up Tanzanian experience may be relevant

2.1 Meeting the needs of and involving stakeholders

Relevance of Mviwata-managed district bulk market pilot experience depends of the current situation of farmers in the various areas of the region. It also depends on the potential of such initiatives to effectively meet the needs of the farmers and increase their income, in particular through an improved bargaining power. Their success depends on the potential to attract not only farmers, but also traders. Meeting the needs of both kinds of stakeholders is a key element to ensure a high level of activity and better conditions of competition.

Tanzanian experience shows the importance of recognizing of all the stakeholders (farmers, traders, brokers, cargo porters) and of including them in the functioning of the market. The level of the market access tax, the decision-making process related to the utilisation of this financial resource, and its effective utilisation are key elements that should be taken into consideration, as well as the necessity for an efficient and participative management of the market.

2.2 Market localisation

A key factor of relevance and success of potential bulk markets is the localisation of the markets. They should be located in areas with high levels of agricultural production, with production calen-

dars and a diversity of crops that ensure a minimum level of activity all over the year. In Kenya, one of the reasons for not being bulk markets relevant for maize is the fact that the production in surplus areas is transported to deficit areas immediately after the harvest, which means that the maize in circulation in the surplus area is very low for most of the year.

Markets should also be close to communication routes and in places where markets and other services and facilities pre-exist, as shown by the Tanzanian experience, but also by several initiatives in Uganda that have been more or less successful depending on these factors.

2.3 Relevance and conditions of success of bulk markets

Actually three main types of situations can be identified regarding small scale farmer's products marketing among the region:

- Marketing channels may be functioning relatively well, farmers may have various alternatives for marketing their products and there may be an effective competition between actors. It is the case for maize marketing in Kenya. In this country, the huge investments in the sector by both the public sector (NCPB), private sector actors in terms of storage capacities, transport, milling capacities and technology and the business relationships have generated a very structured and competitive agribusiness model which would proof hard to compete against. Similarly, value chains for some export products in all the countries are already well structured, including sometimes a collective marketing by cooperatives and farmers organisations. The main constraints the farmers are dealing with are not necessarily related with marketing. In these situations, bulk markets don't seem to be relevant.
- In other cases, farmers usually trade their products in village markets, with all the constraints mentioned above. In these situations, building bulk markets in such places could be relevant only if all the constraints the farmers are dealing with are effectively addressed in order to improve their bargaining power, namely:
 - suited storage facilities, i.e. on one hand, including storage facilities for a few days and allowing farmers not to pay the service before they sell their products, and in the other hand, ensuring effective products preservation,
 - financial services, i.e. access to credit at affordable interest rates,
 - effective and updated information on market prices, including not only prices in the same market, but also prices in other relevant markets,
 - weighting and grain sorting services,
 - equipment and services for cleaning and drying the products that requires such process,
 - common quality control standards,
 - layout of the space allowing small-scale farmers not to be immediately surrounded and put under pressure by buyers as soon as they arrive at the market,
 - effective security of goods and persons,
 - enough covered area in order to effectively protect the products from rain and warm temperatures,

- other basic services (water, toilets).
- Finally, in many areas, most farmers sell their products at farm gate level. In these cases, bulk markets may also be relevant. However, apart from the fact that such initiatives should meet the criteria above mentioned, successfulness also depends on the possibility to meet two other challenges:
 - farmers' access to means of transportation. Indeed, as mentioned above, farmers very often do not take their products to markets because they lack such means;
 - the expected price differential should be enough to compensate: a) the costs of transportation and access (tax) to the market, b) the time spent by the farmers, and c) the risk they are taking when they decide to sell the products in the market to unknown traders or brokers, instead of selling them at farm gate level to a well-known person, which is some time a farmer or another neighbour of the same village. Tanzanian experience show how these elements related to *habitus* and social relationships shall be carefully taken into account.

2.4 Other specific initiatives may also meet marketing challenges

In any event, it must also be kept in mind that increasing physical access to market, access to credit, storage facilities, transportation means and agro-processing technologies and equipment are very often priorities for increasing the marketing conditions of many farmers in the region. Access to market price information is another challenge for many farmers. Bulk markets may contribute to deal with these challenges. However, it turns out that other specific initiatives with the same purposes may also be implemented, through the improvement or promotion of:

- road infrastructures, in the cases where villages are not connected with the road network, part of all over the year;
- financial services, suited to small-scale farmers' needs (flexibility, promptness, including both short-term credit and medium-long term credit for investments) and offering low interest rates, allowing thus farmers to avoid resorting to loan sharks and selling their products before harvesting, while at the same time allowing them to finance the production cycle and other needs, as well as to wait a most favourable time of the year to sell their products;
- storage facilities, at various possible levels (farm level, or village and district levels with community storage), and either individual or collective. They should allow not only keeping the products for selling them at a better time of the year, but also ensuring an effective preservation, taking into account that post-harvest losses and quality losses are very often big challenges. Linking storage and access to credit is a key issue. Various experiences have been implemented in the region, in particular warrantage systems (or warehouse receipt systems), that have been facing great challenges (high interest rates, market risks, suited infrastructure to ensure mutual trust) and that should be thoroughly assessed;
- access to transportation means. Facilitating access to collective transport means may be a solution in some cases;

- access to agroprocessing technologies and equipment. Very often, the best way to increase the unit prices is to process the products, in order to increase their quality (cleaning, sorting), ensure the recognition of the quality (sorting) and add value (processing, packing). Processing may also contribute to preserve the products (as for example producing cassava or banana flour) and then allow farmers not to sell them in the period of surplus when prices are low;
- access to price information, with in particular markets information systems based in the use of mobile phones.

2.5 Collective marketing

Furthermore, while bulk markets aim at improve the individual bargaining power of farmers vis-à-vis other value-chain stakeholders, another way of improving such bargaining power to the benefit of farmers is to promote collective sales through cooperatives or other forms or farmers organisations. Through collective marketing systems, farmers can:

- negotiate better prices,
- possibly transport themselves the products or contract transporters so as they can access to better market places or buyers (companies, institutions),
- supply enough volumes to respond to the needs of some clients such as agro-processing companies, exporters, public institutions, and humanitarian programs, and then access to new markets at favourable prices.

Actually, there are many such initiatives in the region, which are promoted by Governments (such as in Rwanda) or by farmers' organisations and NGOs (Burundi, Uganda). Generally, collective marketing systems are used for some specific products, while farmers resort to brokers or markets for other products.

Such initiatives are generally linked with collective storage, which allows collecting the volumes from individual farms and negotiating collectively. Financing is then a great challenge which can be met if the collective structure is able to pay immediately part of the production to the farmers, while the products are stored. Other frequent challenges are related to products heterogeneity and farmers reluctance to market collectively.

Depending on the situation, in particular the level of organization of farmers and the pattern of social relations in each area, such collective forms or organisation may be more or less suited. The choice between bulk markets and collective forms of marketing should be thoroughly thought depending on the situation. However both strategies could be partially complementary, in particular if bulk markets provide storage facilities to the farmers' organisations. In any event farmers should be closely involved to the decision process about possible strategies and the conditions for their implementation.

3. Conclusion

The study carried out in Tanzania shows specific conditions of relevance and success of bulk markets. Some findings of the studies in the other countries where similar experiences have been implemented (in particular in Uganda) tend to confirm these conclusions. On the other hand, the studies conducted in Burundi, Kenya, Rwanda and Uganda shows a diversity of situations regarding the situation of small-scale farmers in general, and more specifically the forms of marketing and the constraints and challenges they are facing.

In these conditions, in many areas (although not in all the areas and for all the products), scaling up Mviwata district managed bulk markets experience can be relevant for improving market access and bargaining power of small-scale farmers. However, some key conditions must be fulfilled in order to effectively ensure the interest of bulk markets for farmers and traders and then the success of the initiative. These conditions are related to effective stakeholders' involvement, market localisation, storage facilities, financial services, and market information, weighting and grain sorting services, cleaning and drying equipment and services, control of quality, space layout, conditions for products preservation, basic services, as well as farmers' access to means of transportation.

On the other hand, the main marketing challenges that small-scale farmers are facing may also be addressed through specific initiatives other than bulk markets. Furthermore, improving small-scale farmers bargaining power can also be met through collective marketing systems. Different initiatives may be combined and bulk marketing initiatives may even encourage other initiatives.

Consequently the most suited solutions depend on each situation. Each specific situation should be thoroughly analysed and farmers should be closely involved in the decisions.

More generally, local and national frameworks for dialogue between the different stakeholders (farmers, traders, agro-processors), with the participation of authorities, may be useful for improving food products commercialization and taking into account each other's' interest.