

Clients First!

A Rapid Market Appraisal Tool Kit

Theoretical background and experiences from various RMA events

3

EXPERIENCE AND LEARNING IN INTERNATIONAL CO-OPERATION



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This Helvetas publication no. 3 describes the main characteristics of a basic market study as well as the methodology of a Rapid Market Appraisal (RMA). It allows to quickly measure the demand and opportunities for a particular product. RMA is an effective way of obtaining relevant information about a market system for a specific production sector whilst at the same time minimising cost, delays and working time. The document provides details on how to conduct a RMA in agricultural markets and offers practical advice and examples of such marketing studies. It also offers practical methods of identifying constraints and business opportunities, a checklist of observations and monitoring tools for future planned interventions. The document is enriched with Helvetas' own experiences from Kyrgyzstan and Vietnam.

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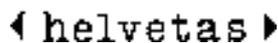
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Cover photo: Bazaar in Jalalabat, Kyrgyzstan, February 2002: A visitor in the bazaar informs the RMA team about taste preferences and quality aspects of dried apricot varieties. Years ago the person himself was a trader of dried fruits. What begun as a degustation event became a highly important information gathering session on dried apricot trading peculiarities. Photo by Stefan Joss.

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Helvetas, Swiss Association for International Co-operation, works towards the elimination of the causes of marginalisation and promotes solidarity with the poor in the south and the east. Its mission is to actively contribute to the improvement of the living conditions of economically and socially disadvantaged people in Asia, Africa and Latin America. Currently Helvetas runs programmes of co-operation in 22 countries. We concentrate on four working areas: infrastructure in rural areas, sustainable management of natural resources, education and culture, and civil society and the State. Helvetas was founded in 1955 as the first private Swiss development organisation. Much of what was pioneering in our work has become common practice within the Swiss development co-operation agencies, a trend which continues today.

Through such publications, Helvetas contributes to the process of learning through sharing in international co-operation. For more details or comments, please contact our head office:

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Executive summary

Clients First! focuses on one vital element of market research that should be carried out before deciding to support at the agricultural production side or to proceed with an agribusiness project: a market feasibility study.

The fact that a crop can be cost-effectively grown and processed in a particular country or region certainly does not mean that it can be sold at a profit, either on the local or international markets. There have been numerous failures because of mistaken assumptions about the marketability of a product.

Such mistakes can

- generate critical economic losses for the concerned producers or traders;
- decrease the willingness of farmers and entrepreneurs to try new crops;
- reduce confidence in the people and organisations that gave advice;
- damage the reputation of the exporting country if one goes to market with unacceptable products.

Interest in Rapid Market Appraisal (RMA) grew out of a frustration with lengthy, costly and intensive formal surveys in developing countries that rarely generated any timely or sensible analysis. Agricultural RMA methodology relies greatly on informal interviews with key informants, knowledgeable observers of the industry and a number of participants at different stages within the food distribution chain. The interviews provide an opportunity to clarify and probe, search out causal linkages and relationships, and identify well defined but poorly understood areas for further formal research.

Used by knowledgeable analysts who have cross-country experience, RMA is a way to:

- obtain information about how a commodity sub-sector is organised, operates and performs;
- identify market constraints and opportunities;
- identify and diagnose policy and regulatory problems that require government (and donor) and private sector analysis, attention and action;
- recommend interventions in commodity system organisations and technologies.

Finally, RMA surveys can be used to identify agribusiness opportunities, as well as to design, monitor and evaluate the success of policy reform programmes, especially in developing countries.

RMA has become one important element within Helvetas' NRM strategy. For the organisations involved it fulfils a triple purpose:

1. RMA is an effective learning event for staff of a rural service provider.
2. RMA generates market information for the benefit of producers, traders and rural business service providers. RMA often complements other production oriented appraisal methods, such as PRA.
3. RMA initiates the joint action of producers to market their products, with rural service providers playing a facilitation role.

List of abbreviations

FSR	Farming Systems Research
GoK	Government of Kyrgyzstan
IFAD	International Fund for Agricultural Development
MSR	Market Systems Research
PLA	Participatory Learning and Action
PRA	Participatory Rural Appraisal
RBDS	Rural Business Development Services
RMA	Rapid Market Appraisal
SDC	Swiss Agency for Development and Cooperation

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Introduction

Whom is this paper for?

This RMA document consists of some underlying principles, a set of approaches and a toolbox. The principles and approaches, and even part of the toolbox, are derived from the well-known Participatory Rural Appraisal (PRA, or as it was later called "Participatory Learning and Action"). In general either the producers themselves, governmental authorities at any level or donors mandate a rural business development services provider (RBDS) to conduct a RMA. The staff of these RBDS are the primary target group of this publication. This manual and the first hand experiences described are intended to enable them to assess the market potential of agricultural products in a short time. With this publication Helvetas would like to share its experience concerning RMA with a wider circle of professionals in development co-operation.

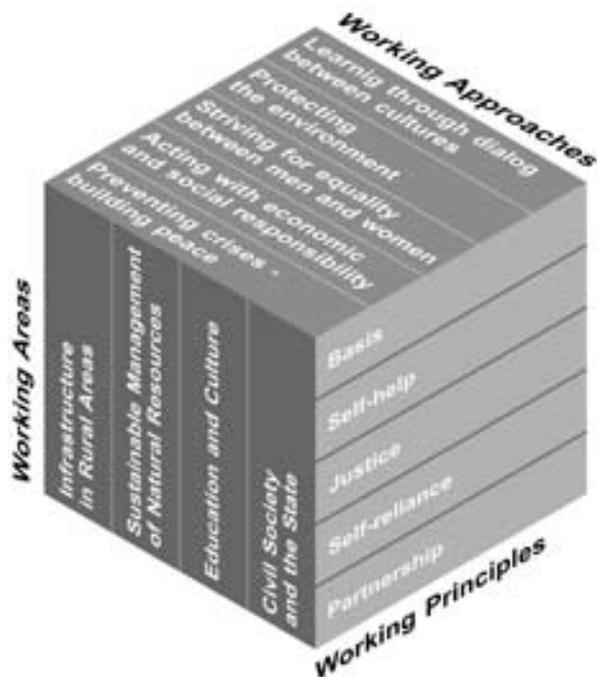
The role of RMA in the Helvetas foreign programme strategy

The way Helvetas works in all partner countries is explained in its Foreign Programme Strategy that is best visualised by a cube consisting of various compartments with interdisciplinary linkages. RMA is primarily designed as a working tool in the working area "Sustainable management of natural resources, NRM". The Helvetas strategy for this working area (Helvetas 2002) highlights three specific segments for intervention. One of them is to "assist in developing demand-oriented agriculture, animal husbandry and forestry". RMA is primarily designed as a working tool for this special focus in Helvetas work programmes.

RMA is guided by the transversal working approaches "Acting with economic and social responsibility" (figure 1). Helvetas seeks a balance between economic growth and ecological, political, social and ethical requirements. Accordingly Helvetas supports sustainably and economically effective projects. Stable growth is one important factor that can create additional labour and income, respecting at the same time the social responsibility for the economically weak part of the society. Helvetas projects orient themselves on market opportunities too. Helvetas supports its local partners' competence to compete and to develop entrepreneurial diversity. Preferably this should be attained through local, private or public service providers (Business Development Services providers, professional associations, co-operatives, etc.).

In 2002, the Kyrgyz Swiss Agricultural Programme (KSAP; GoK/SDC/IFAD - funded and implemented by Helvetas) produced a Rapid Market Appraisal Handbook with extensive additional links and further reading. The programme supports the countrywide Kyrgyz Rural Advisory Services (RAS), and the handbook was written for the staff of this service. This present publication puts RMA in a wider context and complements the original handbook with additional experiences.

The Helvetas working principles and approaches are the common basis for project planning, implementation, monitoring and evaluation of the Helvetas country programmes.



The "Helvetas Strategy Cube".

Figure 1: Helvetas Foreign Programme Strategy, 2003 – 2007

In the working areas, it is the interconnected social, economic, political and cultural aspects, including the preservation of the natural environment, which guide the Helvetas activities. The work performed by Helvetas must be effective, efficient and sustainable, thereby contributing noticeably to the improvement of disadvantaged people's living conditions. However, Helvetas' central goal remains to help its partners acquire the necessary skills, competence and resources to find their own solution to the problems faced by the population. RMA provides a means of putting into practice the Helvetas working approaches and principles.

Orient farmers' production to market demand

The pure subsistence-farming household does not exist anymore. This statement might be somewhat simplistic and provocative. However, most farming families, even in the economically poor areas of the world, are in one or the other way part of the cash economy. Even "almost subsistence" producers barter or sell part of their products in order to obtain an income to provide for needs they cannot fulfil with their own production. These needs include education, health, transport and other services but also increasingly the purchase of consumer goods.

However, the rural poor often find that the marketing of agricultural products is a huge problem. Remoteness together with often difficult access to markets form barriers that can hardly be removed by local resources in a reasonable time. Also difficult to influence are the conditions in the world markets where industrial producers and rich economies flood agricultural



Chicken shop at a street crossing in rural Laos with a chicken production farm nearby

markets with products at “dumping” prices. Despite these two limitations, there is room for manoeuvre if the producers know what the clients, what the markets, demand. The marketing bottleneck for rural producers can be addressed if they know for which product there is a demand, which quantities and qualities are in demand, when and where there is a demand and at what price.

Market research can provide this required information. Usually however, market research conducted by external researchers, is expensive and time consuming. There are an indefinite number of situations and products to be studied. In an increasingly connected world changes are occurring faster, and the rural producers are in need of answers today rather than tomorrow.

Rapid Market Appraisal (RMA) is a pragmatic and well-tested response to these challenges. RMA has been applied in development co-operation since the early nineties. RMA allows producers to reach in a relatively short period of time (“rapid”) “optimal ignorance” to make demand based decisions on how to orient their production.

RMA principles and approaches

What RMA stands for?

Definition of RMA

A Rapid Market Appraisal (RMA) is an iterative and interactive research methodology, which is used to better understand complex market systems in a short time. (Adapted from Young 1994).

RMA follows the commodity chain, having a closer look at the links of the chain (stakeholders) and the interlinks (market mechanisms).

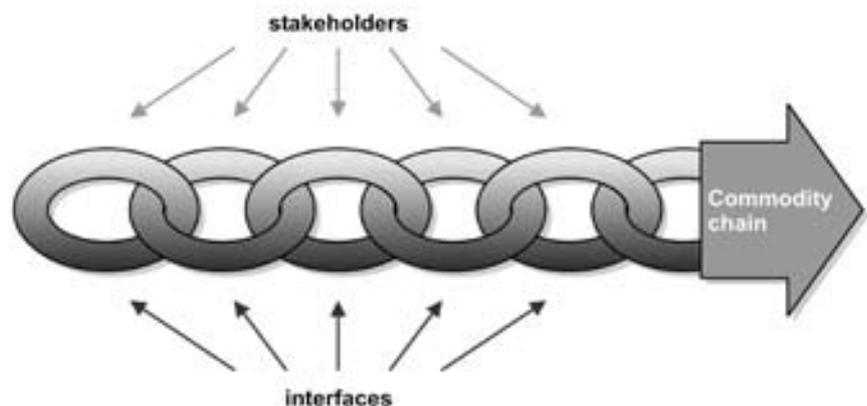


Figure 2: Commodity chain

Rapid Market Appraisal (**RMA**) is a further development of PRA, following the same principles and approaches, using some of the same tools, but focusing exclusively on an in-depth knowledge of the demand (clients), the development of a particular product, and its launch on an identified market.

Rapid Market Appraisals help farmers and processors to develop marketable products and sensitise market actors to the importance of marketing. Farmers, development projects and governments often tend to concentrate their efforts on the production side only and neglect the absorption capacity of the markets. This often leads to situations where markets are saturated and small producers start competing for a smaller and smaller portion of a limited market sector. Producers rarely ask their clients how they could improve their products. Here, RMA can help recognising the needs and opportunities present in the market place. When clients become a source of information, ideas for new and improved products can be exploited. The demand for a product can be assessed so that only marketable products are produced and the producers as well as the rural business development service providers begin to realise the importance of putting the client first (adapted from ILO 2000).

The inherent dynamics of many agricultural markets means that research methodologies must be able to react to a moving target. Finding definitive formulas is often not possible; rather, it is the pattern reflected in the way a market behaves that provides the basis for understanding. RMA is not capable of meeting all market systems research requirements, but it does offer an alternative to the traditional reliance on formal, static, structured surveys of random samples, that often fail to help market outsiders discern patterns in market behaviour.

Why are Rapid Market Appraisals important? – They enable us to:

- identify market outlets for surplus produce,
- orient production to market demand (quantity, quality, processing, packing),
- identify niche products for which an area has comparative advantages,
- reorient production to respond to changing demand,
- facilitate a change in thinking from “production minded” to “market-minded”,
- facilitate a mental change from “middle-men are the bloodsuckers of the poor” to a different perception, in which each stakeholder has a role in the market chain.

Rapid Market Appraisal – as well as PRA – can also be described as a set of principles, approaches and tools. Principles and approaches are briefly presented in the following paragraphs. The tools are then described in more detail in chapter 1.

RMA helps facilitate a change in thinking from “production minded” to “market minded”.

Principles of RMA

→ **Client first:** It is the client who can best describe higher expectations of a product. When following the commodity chain the reasoning and the question “how to create the clients’ satisfaction” must orient always on the client. As a result, a “middle-man” is as much a client as the “end consumer” of a particular product.

→ **Insiders are the experts:** The intermediaries in the product chain, from the client to the producer, are the experts in market mechanisms. RMA recognises the clients and the intermediaries as the experts in the market concerned. Their knowledge and experience is sought and considered important. The outsiders (e.g. the RMA team) see themselves as students, not as experts.

→ **Systems approach:** Both, Participatory Rural Appraisals (PRA) and Rapid Market Appraisals, apply a systems approach; PRA as part of Farming Systems Research (FSR) and RMA as part of Market Systems Research (MSR). Where FSR sees the farmer as the focus, Fleming 1990 views the consumer as the first and last point of contact for intervention design in MSR, although this should not preclude the study of intermediaries, most of whom make the “market system” possible. He sees five functions of MSR:

1. Anticipate and create changes in demand.
2. Shift the supply curves for marketing services downwards, i.e. empower a number of non-specialists to become knowledgeable in market research.
3. Improve market information.
4. Diagnose and change structural components in market systems.
5. Improve inter-industry linkages.

→ **“Optimal ignorance”:** This is also a term from PRA. It means that only this much information is sought, which is required for a decision. It is accepted that a complete understanding of a situation and system is impossible or too costly for the particular product.

→ **Participation:** As a matter of principle, RMAs feed the collated information back to the concerned stakeholders. This is not only to validate the information but also to avoid turning a RMA into an extractive research activity. Usually Rural Business Development Services Providers such as an extension service, a development NGO or a farmer’s organisation are in charge of a RMA. Generally they are much closer to the farming community than a university institute or a specialised market research institute. As the RMA tools are simple, RMAs can even go a step further and include selected producers in the research team too.

In a product chain we can find many intermediaries who are real market experts.

Approaches of RMA

Approach	Benefit
Interactive	<ul style="list-style-type: none"> ■ Two-way flow of information ■ Includes direct observation
Iterative	<ul style="list-style-type: none"> ■ Stresses open questions ■ Allows new information to emerge through probing ■ Data collection and analysis follow each other repeatedly ■ Can exclude irrelevant information
Accuracy of information	<ul style="list-style-type: none"> ■ Data is analysed for relevance at the time of collection ■ Verification of information occurs in the field from alternative sources ("triangulation")
Inter-disciplinary	<ul style="list-style-type: none"> ■ Alternative views of the same field situation assist with accuracy
Range of tools	<ul style="list-style-type: none"> ■ Does not limit itself to obtaining information only through formal tools ■ Allows the person in the field to get information in the way he believes it best
Exploratory-topical content	<ul style="list-style-type: none"> ■ Appraisal can be both, exploratory and topical in scope of investigation. A RMA may examine a market system both horizontally (within sub-systems) or vertically (with one commodity or a group of similar commodities)
Explore hypothesis	<ul style="list-style-type: none"> ■ Sampling is purposive, key informants are sought

Table 1: Approaches of Rapid Market Appraisal Methodology

Particular features of agricultural markets

Agricultural markets in general and food markets in particular are special and have particular features, since agricultural products are:

1. perishable,
2. produced according to the agricultural year (seasonality),
3. dependent on nature: Quantity and quality underlies the law of nature (draught, hail, frost, pest/ disease infestation),
4. produced at a distance from the final users (consumers),
5. impossible to change immediately in response to "fashions" or changes in the clients' demand (low elasticity in demand),
6. seldom processed on the spot. Most agricultural products are sold as raw products to the urban agglomerations.
7. Horizontal integration of producers is often weak; many of them see themselves as competitors only.
8. There are no possibilities to shift costs to someone else ("pass the buck to someone else"). E.g. a hair cutter can pass his higher taxes to his clients, a farmer can not; he/she "creates" value, she/he does not add.
9. Income mainly results on the sold quantities rather than on quality aspects which makes marketing especially for small farmers very difficult.

Market bazaar scenery in Cao Bang town, Northern Vietnam



Food product markets are flexible markets.

Food products first of all serve the daily physical needs of clients. Food markets are flexible markets, where the clients buy substitution-products if the product they are used to buy is not available, of low quality or became too expensive. This mechanism is the reason of the main problematic of food markets: Sellers of food products have to convince the buyers every day anew, that their product is fresh, cheap and tasty.

Another characteristic of food markets is the **constantly changing quality**. The client is obliged to re-assess the product every day. Last but not least, food industries face difficulties to **position a product** or to create an **additional need**.

Seasonality, changing qualities, absence of brands etc. contribute to a high volatility of food markets. Compared to standard market research RMA is quick and flexible and therefore particularly indicated for volatile markets. Young 1994 describes situations in which RMA is particularly suited.

In principle Rapid Market Appraisals may be applied for any commodity in any market. This paper is exclusively concentrating its lessons learnt on products issued of primary production (raw and processed). Prior to the decision to go for a RMA, it makes sense to reflect whether this market research tool will be the most suitable to provide the aimed information. Table 2 characterises some of the situations in which RMA makes sense.

Circumstance	Comment
Ability to differentiate the product	Although a farmer may produce a commodity product, such as milk, it is still possible to differentiate it in the market, through branding, storage, or further processing. In some instances, varietal differences can result in product differentiation
Product substitution is possible	If product substitution is possible, margarine for butter, or cauliflower for cabbage for example, it becomes important to understand the place of your product in the market. Product substitutability is not necessarily the opposite of product differentiation
Highly perishable products	If the post harvest life of a produce is short, producers should obtain more control over the marketing process
Smaller lots marketed frequently	When harvesting is staggered and consignments are sent to the market in small lots on a frequent basis, the interaction with the market is increased
Cash crops	If crops are grown as cash crops and a high proportion is traded, the ability of the market to affect the livelihood of the farm enterprise is increased considerably
Many different supply sources and seasons	A very wide number of agro-climatic regimes lead to a very wide range of seasons of supply. It becomes vital to know where opportunities arise or where competition increases
New product in established marketing channels	New entrants with new products need to be aware of trade practices and the market mechanism, particularly where complex market channels and distributions systems exist
Volatile markets	Many of the above points may result in markets that are very volatile in price and supply, both within seasonal supply and between seasons

Table 2: Characteristics of market situations where RMA could be a useful research tool (Young 1994)

RMA tool kit

1.1 Prerequisites

1.1.1 Objectives of RMA

Rationale and hypotheses

Before undertaking any research the objectives must be well defined, communicated and understood by all involved. Why is a RMA required (rationale)? What information is sought and why (hypotheses)? Only the formulation of the rationale and the hypotheses allow the best methodology to be selected. Only clearly defined objectives lead to the best possible composition of the RMA team. Only sound hypotheses enable the team to evaluate the usefulness of the findings and conclusions. The following examples of objectives, hypotheses and expected results originate from a RMA for fruits and vegetables from Kyrgyzstan for destined markets in Siberia.

Only the formulation of the rationale and the hypothesis allow the best methodology to be selected.

Example of objective:

Assess the marketable surplus and the market potential for selected commodities

Example of hypotheses:

Successful marketing that results in a profit for the producer requires:

- assembling the products in assembly markets
- improved market information from the terminal markets
- direct contacts to wholesalers and transport companies
- knowledge about market constraints and how to deal with them
- higher awareness about the importance of quality, grading and packing among producers

Expected results

The tangible results (also called output in the logical framework planning terminology) of a RMA should not be restricted to a nicely written report. A RMA should translate into action by the producers of selected commodities and/or the rural business development services provider (i.e. an agricultural advisory service). Such action could for example include a trial sale, or the improved packing and labelling or the commodity under discussion.

Example of expected results:

- report including recommendations
- list of potential wholesalers and/or traders, who are interested in the selected commodities
- list of information sources at the destination markets (prices, demand)
- inventory of marketing constraints with tips and hints how to resolve them
- action plan for trial sales of the selected commodities

1.1.2 Persons involved in a RMA and their required skills

Team composition: RMAs are best implemented by multidisciplinary teams composed of “outsiders” and “insiders”. The professional background required of the team members depends on the topic. Generally, however, it can be said that the outsiders should contribute knowledge about research methodology and economics while local stakeholders (preferably from the retail back to the producer) provide local knowledge of the markets and their participants. It is useful to include a team member who already has some relation with traders as part of his job. This person acts as a pathfinder and can assist in purposive sampling.



“Team discussions” in Nguyen Binh District town, Cao Bang Province, Vietnam

Split into work-teams: Young 1994 outlines the usefulness of work-teams within an overall group. Each of these work-teams eventually focuses on a specific area of investigation. There is a very productive exchange of information when each work-team operates within a larger overall group. This exchange of information happens in the field, not only at organised debriefing sessions, but also at more informal times such as meals during travel and during relaxation. A division of responsibility for each work-team is important not just in terms of the efficiency of investigation, but also greatly assists the later presentation and reporting of results.

Team size: The ideal size of the entire group is less than 10 persons. A smaller group is easier to manage, but is more susceptible to influence from one or two of its more vocal members. A large team becomes more of an institution and loses some of its dynamics. The ideal number of people in work-teams is 3 people, when in an exploratory format (1 interviewer, 2 note-takers) and 2 people when in a topical format (1 interviewer, 1 note-taker).

Training prior to fieldwork: Training should be divided into **three components**:

1. The first component will relate to Rapid Appraisal principles and techniques. This may take one to two days.
2. A second component regarding the nature of market systems to be investigated may also be required. This would be based on secondary data and the existing knowledge of the RMA participants. At this point, it is also very important to outline clearly to participants what the objective of the RMA is. This component of the training will also take one or two days.
3. Finally, one day is practical training (a visit to a local market), followed by a debriefing, is a very useful entry-point for the participants about the methodology.

1.1.3 Timing of RMA

Duration: The length of time required for a RMA depends on how many market places are to be investigated, the number of people in the RMA group, and the nature of information to be obtained. Where an open market is centralised, as are many wholesale fruit and vegetables or fish markets, an investigation involving several products generally takes two to three days in each place. This includes identifying key informants, making an in depth topical investigation and cross-checking where information conflicts with earlier investigations. The RMAs conducted so far in the frame of Helvetas projects took some 50 – 70 person-days (spread over three to four weeks), including preliminary training, analysis, debriefing and presentation of the results.

One RMA takes appr. 50-70 person-days over a period of three to four weeks.

Chronological sequence of RMAs: Figure 3 summarises the main steps of a RMA. It places the actual RMA in the centre. During this time the entire team assembles and works intensively. Prior to this, a preparation of around four weeks is required. After the actual RMA, which may last around one week, analysis and reporting may take up to two weeks.

Week -4	Week -3	Week -2	Week -1		Week +1	Week +2	Week +3	Week +4
<ul style="list-style-type: none"> ■ Set objective ■ Identify RMA participants ■ Set framework (commodity, markets to be explored, clients, traders, producers) ■ Collect and study secondary data ■ Various logistics ■ Inform local authorities, if needed ■ Identify local resource and contact persons ■ Identify key questions 		<ul style="list-style-type: none"> ■ Brief and train all participants about the exercise (objective, methodology, marketing terms) ■ Present and discuss result of the secondary data survey 		RMA	<ul style="list-style-type: none"> ■ Compile and analyse data. ■ Prepare report 		<ul style="list-style-type: none"> ■ Start marketing activities 	

Figure 3: Cornerstones (main activities) of a RMA in chronological order

Detailed work plans: The actual duration and work plans of the RMA depend on the commodity, the distribution channels, the number of intermediaries, the distance between producers, traders and consumers and of course the volume/accuracy of information collected. The more people who are interviewed, or first hand observations made, the more accurate the RMA will be. On the other hand, the more time it will take, the bigger the risk is to have outdated information. As mentioned, a RMA should allow for a rolling plan, in which findings dictate the next steps.

1.1.4 Budgeting RMA

The cost for a RMA is mainly labour. Additional costs such as transport, lodging and food depend on the team size, duration of the RMA and location of the markets to be visited. Collection and analysis of secondary data prior to the RMA might cause costs too (labour, communication, transport, etc.).

1.1.5 Market system research tools

The use of secondary literature and other sources of information

This paragraph is based on Crawford 1997 and Dillon 1994.

A search of secondary data sources should precede any primary research activity. Secondary data may be sufficient to solve the problem, or at least it helps to better understand the problem under study. Secondary data is cheaper and quicker to collect than primary data and can be more accurate.

Before making use of secondary data, there is a need to evaluate both, the data itself and its source. Particular attention should be paid to definitions used, measurement error, source bias, reliability and the time span of the secondary data. Where possible, multiple data sources should be used so that one source can be crosschecked for consistency with another.

Where a serious search of secondary sources is undertaken, the marketing researcher often finds an abundance of relevant material. Searches for secondary data should begin with a consultation of referral sources such as the web, directories, handbooks, indexes, and the like. It will almost certainly become the case, in all parts of the world, that electronic information sources will eventually supersede traditional printed sources. With the advent of the Internet and CD-ROM, searches of secondary sources are becoming more efficient and more effective.

The use of primary information

Observations: Direct observations (end users, traders and producers) at the retail sale spot demand careful interpretation. Sale at the bazaar, for instance, depend on the time of the day, the day of the week, the season. It might be interesting to learn if there is a gender specific relation, mainly with regard to the sale to consumers. Do women prefer to buy from female sellers and men more from male sellers? Is the product under investigation a men's or a women's product? Particular attention deserves the observation of producers. Staff of extension agencies or other Business Development Service Providers pretend to know the producers well. However, when looking into details, the knowledge is reduced to stereotypes. It is therefore important to look at producers and their market understanding and behave as a learner, being aware of professional biases. For example, there are many types of farmer associations or/and producer groups:

- Marketing groups
- Service Groups
- Machinery Groups

Each with different problems which need to be well understood on an individual basis.

Interviewing the people involved: The main tools of RMA are Semi-Structured Interviews (see 1.2.1) of the actors involved. "Actors" are the people involved in the commodity chain. It makes no difference if the RMA starts with the producer and ends with the client or vice versa.

Secondary data collection is cheap and gives quick first information results.

[Producer] ⇔ [X] ⇔ [Client]

As in PRA, it is important to have a framework to organise the required information. Before interviewing the actors the RMA team needs to agree on a grid and, accordingly, to set some key questions. Such a grid might follow the "four P's" (Kotler 1999):

- Product
- Price
- Place
- Promotion

The grid will be the main strand running through the RMA up to the report, which may also be prepared according to the same structure.

Observing and interviewing **clients** is an extensive field of market research. In the frame of RMAs a pragmatic approach has to be chosen. It is essential to identify a target group for the product and screen their particular preferences. The first category of questions should focus on clients' satisfaction; the "why do you buy this and not another product?". Questions also might be asked how client's satisfaction can be increased. This can be done for instance when the RMA team asks buyers, what advice they would like to forward to the producers, traders respectively.

Interviewing (retail) **sellers** is not easy, since one risks concentrating only on prices. Prices for a seller are crucial and disclosing them is for many like "undressing". Therefore it is important to start with the other "P's" and try with ranking (see next chapter) to encircle the reality. Sellers often do not have much time, so observations may be extended and oral interaction kept short. It is interesting to learn to what extent sellers operate as a link between producers and clients; i.e. what information they forward to the farmer producers from the client.

In some areas the perception still persists that middle-men are exploitive by definition. But RMA starts from the perception that **traders** play essential roles in a marketing chain. Young 1994 uses two criteria to characterise traders:

- From whom do they purchase and to whom do they sell?
- Whether they take ownership (and with that risk) of a product or not.

Rapid appraisal methodology is particularly suitable for market systems research because most market stakeholders have a very good ability to pass information. The very nature of their business, especially traders, involves the exchange of information. They are also experienced in how to transmit information in semi-structured conditions, as this is exactly the format in which a lot of their business is performed. The type of information involved is also important. In order to understand market systems good arithmetical information is usually required. Market functionaries have generally a good arithmetic ability, and can communicate numerical terms very easily. In the heads of traders there is usually a wealth of market information. In the Rapid Market Appraisal methodology emphasis is placed on collecting data that

Semi structured interview grid with key questions need to be set up before the teams are starting with the interview sessions.

already exists, whereas traditional methodologies tend to rely on generating new data. Of course it is not always easy to obtain this information, which may be commercially sensitive, particularly as outsiders can be perceived as taxation threats.

In many developing countries **transporters** are often traders too. Here, purely technical aspects like storage, safe transport (losses!) and also the link with state authorities (legal requirements; e.g. documents) become focal topics. In getting an idea about informal payments to officials, the RMA team has to be careful to protect the identity of the informant (transporters/trader). Do not mention their names, but describe candidly the usual practice.

State **authorities**, such as customs officers, market authorities and officials from concerned ministries (agriculture, trade, transport) belong to the list of persons to be interviewed during a RMA too. Representatives of chambers of commerce and similar institutions may supplement the picture.

Market-oriented production is the opposite of first producing a good and then only looking for clients.

Many **producers** still today follow the practice of first producing a good and then looking for a client. Market oriented production is just the opposite. In agriculture, however it is not that easy to do this, since agro climatic conditions, remoteness or an uneconomic size of production simply do not allow it. A risk of the producer's interview is to remain in general terms. Important here is to come to the details, those – eventually – make the difference to better achieve clients' satisfaction. Questions like "do you know your clients?" "what are you doing in order to better serve them?" are just an entry-point. Another field of questions may touch the market as such. To what extent does the farmer know seasonality and other peculiarities of various markets? Interesting also to learn, where the farmer gets his or her market information from. Is it an official market information system, is it the advisory service or any other Business Development Service, or is it more informal channels?

Price monitoring: Prices are a measuring unit for the value of a good. Thus an **understanding of prices** is of particular importance for the appraisal. Talking in prices is a language everybody understands. However, in any market the information gained from price monitoring is only a snapshot in time and needs to be complemented with further information, supply data in particular, but also seasonal demand trends and the quality of product supplied. Only after having done so, one may start drawing conclusions about the underlying market forces.

Young 1994 qualifies the importance of price recordings and highlights the importance of **understanding the market mechanisms rather than knowing the prices**. He argues that in the absence of existing data there are many different approaches to the generation of price information and these are usually the focus of Market Information Systems (MIS). Further evidence is needed that market people will make daily sales decisions based on a public sector MIS. Collecting daily price information, particularly in dynamic markets, may therefore be an unnecessary drain on resources. Seasonal tactical information and long term strategic market information, both require less resources to be devoted to analysis and extension. Traders are often able

to provide information about prices related to time, seasonality and quality of the product. RMA assumes that this information – if crosschecked with information from other sources – is accurate enough to make the relevant production decisions. This means, that even in absence of long-term market information – for example from an intelligent Market Information System – there is no need for long-term market observation. A RMA team may obtain the same information through purposeful interviewing of key resource persons such as traders.

Focusing on quantities and qualities of commodities: Especially in agro-marketing, prices are always closely related to the quantities for sale. Monitoring **quantities**, however, is even more complicated than prices. Of great help are own observations by the RMA team in the markets, counting the (truck-) loads or quantities sold throughout the day. Combined with triangulation from clients' and producers' side, one can already make a guess about traded quantities. As soon as a RMA team has such information it may expose it to the traders and get either confirmation or objection. Ranking methods are a helpful tool in this exercise, e.g. "This is the peak season and you are selling say 100 kilos per day; how much is it in the low season, perhaps half or even a quarter?" The information can be as precise as by quarters or even months. **Quality monitoring** is an aspect, which merits to be followed throughout the chain from the client to the producer or vice versa. Most attention thereby shall be paid to the opinions and preferences of the clients. Traders often know very well which client segment prefers (can afford) which quality of produce. Traders also have a profound knowledge of commodity maintenance. It is an art to present perishable goods in a pleasing way to clients, especially when they often have few or no temperature controlled storage available.

1.1.6 Working methodology

RMA needs preparatory work prior to the proper appraisal. It is deemed necessary to **make appointments** particularly for commission agents and other key informants such as inter-market traders who specialise in one crop.

In open market situations it is also helpful to **give each day a different focus**, or theme of study, such as the means of price setting, rather than relying on a general checklist.

At the conclusion of each market visit a **joint debriefing** can be held to report on the day's findings and ensure they are recorded. Where information is conflicting, discussion about the relative accuracy of the different sources should take place, and a plan for further verification can be worked out.



Hanoi, RMA training workshop,
2-6 June 2003

In any interview situation **visualisation** is useful, especially when it comes to talk about other stakeholders, quantities of traded goods or margins. Since in a RMA often fewer persons are involved in discussion than for instance in PRA, an A4 format is usually fully sufficient for illustration.

By **triangulation** we mean the verification and validation of information when asking the very same question to various actors (stakeholders). Triangulation makes very much sense in RMAs. The verification is possible because traders throughout a market system know much of the information.

Key point	Comment
Use of work teams within group framework	There is very productive exchange of information when each work team operates within a larger overall group
Use key traders as informants	Most traders specialise in a limited number of products. Focus the investigation in the key players. Make appointments
Divide responsibilities of the work teams	Give each team a number of specific products, or market actors to focus on
Daily focus of investigation	Having a common theme of investigation each day allows for better sharing of information amongst group members
Debriefing sessions	After each market visit have organised group debriefing sessions to determine the accuracy of the data, and formulate the theme of investigation for the next day

Table 3: RMA procedure in the field (Young 1994)

1.2 Participatory appraisal tools used in RMA

The strength of RMA lies in the short time required to obtain the sufficient depth of information. Therefore direct observations and the semi-structured interviews, conducted within a structured framework, are the best-suited tools. Elaborate methods such as social mapping that may require lengthy explanation to the informant about their usefulness have limited application in RMAs since the informants often do not have the time to get introduced to the methodology.

1.2.1 Semi-structured interviews

Grid for interviews: As mentioned in the previous chapter, it is important to prepare prior to the appraisal a grid of questions and aspects to be covered. Unlike traditional market research, which often uses rigid questionnaires (multiple choice), RMA works with so called semi-structured interviews. Here the questionnaire contains the main aspects of the investigation (key questions), often illustrated in order to facilitate orientation (an icon is understood more quickly than text) to the interviewers. Such a grid – rather than a questionnaire – may be fully visualised as illustrated in figure 4 or be a list of key questions, preferably structured according to the four P's (table 4).

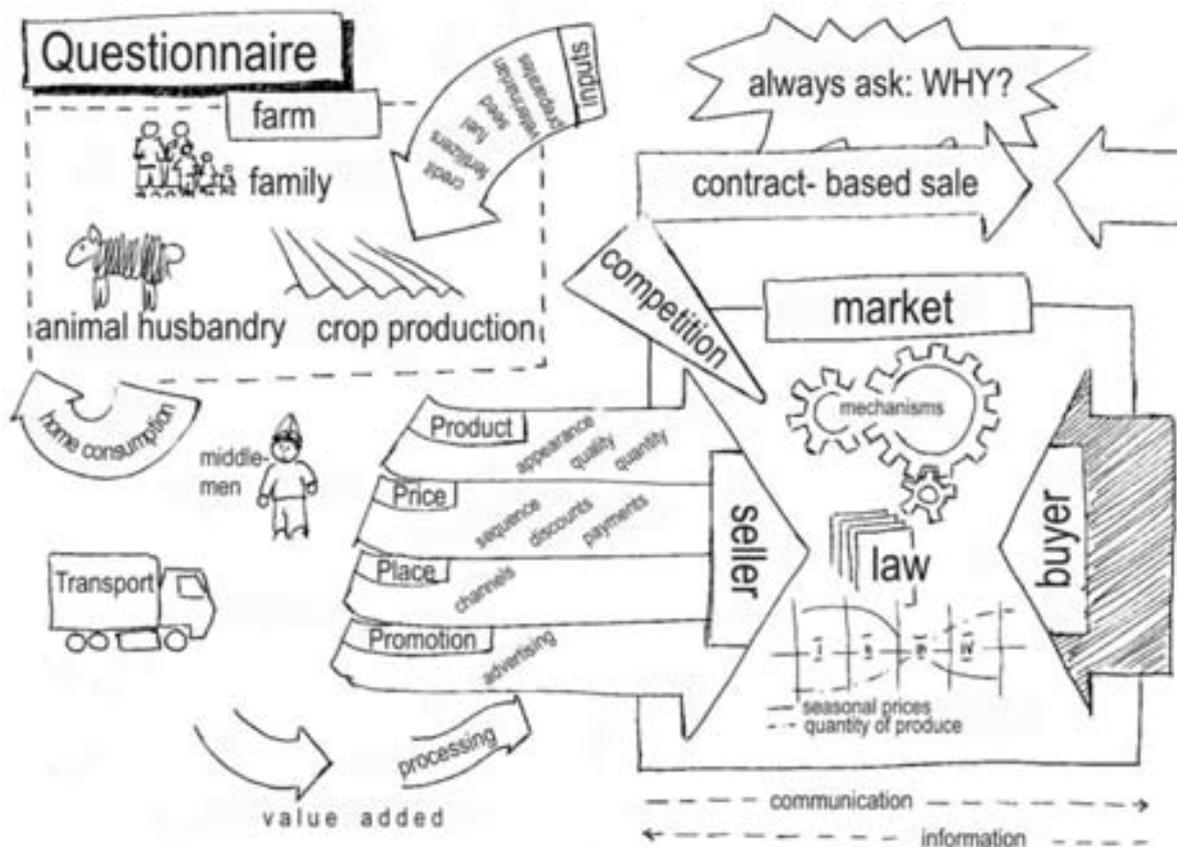


Figure 4: Grid for semi-structured interviews used in a Turkey RMA, held in Jumgal/Kochkor/Bishkek, winter 1997/98

RMA: Tomatoes from Jalalabat		Objective: Tomato producers get higher profit	
A	Product	<ul style="list-style-type: none"> ■ From where? ■ Producers? ■ Varieties? ■ Quantities, volumes? ■ Quality? 	<ul style="list-style-type: none"> ■ Processing? ■ Packing? ■ Storage? ■ Substitution?
B	Price	<ul style="list-style-type: none"> ■ Seasonality? ■ Over years? trends? ■ What price where? 	<ul style="list-style-type: none"> ■ Elasticity? ■ Production costs (farm gate price)?
C	Place	<ul style="list-style-type: none"> ■ Marketing chain and prices? ■ Consumers, market potential? ■ Export potential? ■ Market shares? 	<ul style="list-style-type: none"> ■ Actors? ■ Transport? ■ Customs?
D	Promotion	<ul style="list-style-type: none"> ■ Packing, labelling? ■ Marketing groups? 	<ul style="list-style-type: none"> ■ Advertisement? ■ Other incentives (discounts)?
E	Potential	<ul style="list-style-type: none"> ■ Possible interventions? ■ Investment? 	<ul style="list-style-type: none"> ■ Constraints?

Table 4: Example of a grid for questionnaire used in semi-structured interviews



The deal is made, Bac Ha Market, Lao Cai Province, Vietnam

In a semi-structured interview such a grid should not be used as rigid questionnaire but rather as a checklist in order to ensure that an important aspect is not forgotten. Ideally the grid remains in the pocket or bag of the interviewer in order to create an informal and relaxed atmosphere with the interviewed person. A semi-structured interview shall not only focus on technical aspects, like prices, margins or quantities, but also reveal social aspects of a particular market.

Social aspects: Social analysis focuses on the person and his/her human interactions; one may learn from each participant, what he or she is thinking about the other partners, what is their relationship, to what extent they share

commercial secrets, somehow to see where the fronts are. Social analysis may also hint at the relationship between business partners. Are they relatives, friends from former times, two persons who understand each other well? It also would be interesting to see who dominates a market, where is the big boss who sends from time to time helpers to skim the cream of the business. It is also interesting to learn from each of the partners involved what they think the other is doing; is it only business? Do they know exactly what risk is involved, what profit they can get? It is interesting to learn what persons along the product chain think of each other in terms of richness? The question might be asked directly: "Is the one who sold the goods to you richer than you or the one you sold to?" Another, important but delicate aspect to take into account is the role/position of the police and other law enforcement bodies.

1.2.2 Mapping

Mapping is one of the most common tools in PRA. Best known are resource maps where either the team or villagers themselves draw a map of their village and indicate what resources are available. Often not the resulting map itself but the process of drawing is illustrative. The visualisation is attractive for other debaters, information is immediately visible and can be challenged. In a RMA, the markets and not the resources are usually the centre of interest. Such maps might include the production sites, various types of markets (from assembly market to wholesale market), their location, distances, flow of products, trade volume etc. A map could also show the absorption capacity of the markets (number of clients, categories of clients, purchasing power).

In RMA the markets and not the resources are usually the centre of interest.

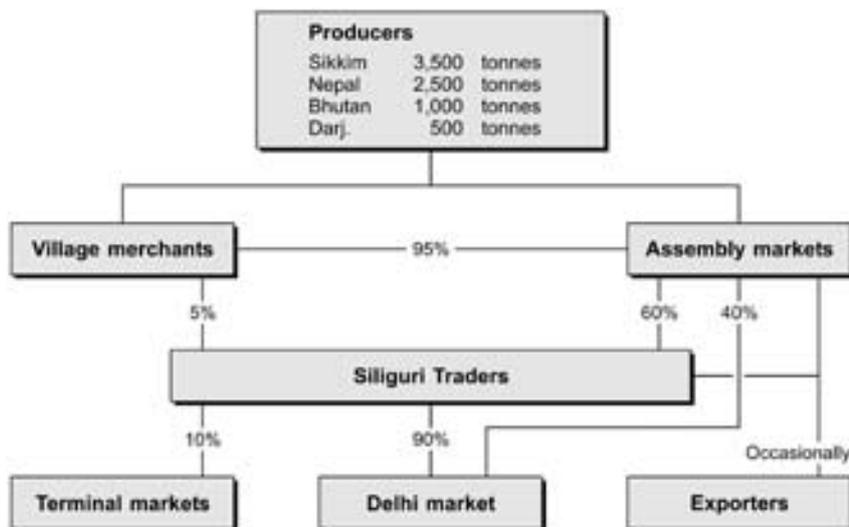


Figure 5: Estimated flow of cardamom through market channels, a mapping sample from a RMA, Indo-Swiss Project Sikkim, November 1993

1.2.3 Market path

Market path is a development of the PRA tool “food-path”. The “food-path” follows an agricultural product from the beginning (seed, breeding stock) to the final product (bread, cheese). The RMA tool “Market Path” takes this idea up: It follows a product from the farm gate to the client. The market path is one of the most important research tools in RMA; thereby it is necessary to get more qualified and quantified results than usually done in the frame of PRA, i.e.

- the value added at each step or the persons involved. Value added can give an idea how many families are nourished along the chain of the product.
- Job characteristics at each step along the product chain: What is he or she doing?

The following illustration (figure 6) shows that maps and market paths can be combined.

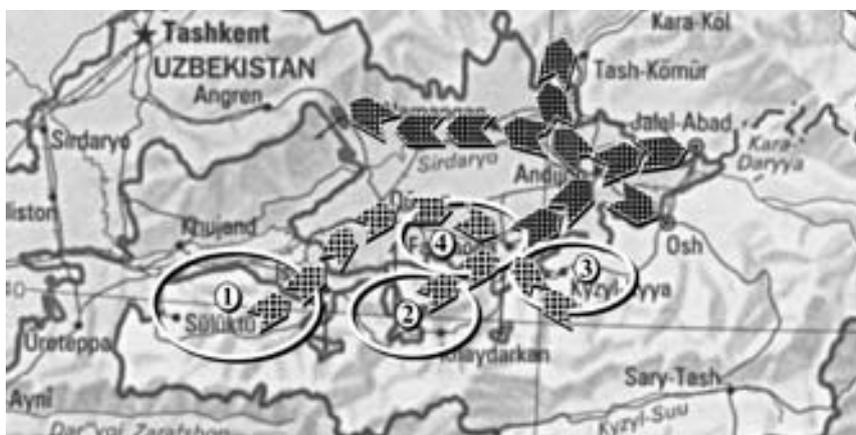


Figure 6: Dried apricot-map: The ovals show the production sites of dried apricots in Southern Kyrgyzstan. The arrows symbolise the trade flow to the retail sale markets, which are located partly in Kyrgyzstan and partly in Uzbekistan

“Market Path” is one of the most important tools in RMA.

Criteria	Steps			
	Trader 1	Trader 2	Trader 3	Trader 4
Symbol used in figure 6				
Margin/kg	+ 5 Som	+ 3 - 5 Som	+ 5 - 7 Som	+ 5 Som
Location	Batken Oblast	Ferghana	Andijon	Jalalabat
Estimated number of traders	25	10	5-6	27
Value added	Buys from farmers at 25 Som/kg Transport to Ferghana	Collects and stores apricot	Transport Ferghana Jalalabat	Stores, retail sale to clients for 45 Som/kg
Volume of one shipment (per year)	200 - 300 kg once a week (15'000 kg)	Difficult to say, since not only Jalalabat is supplied	Up to 500 kg, once per week (25'000 kg)	
Risk	Invests own capital Transport Informal custom clearings	Invests own capital Losses during storage Arrangement with Uzbek anticorruption bodies	Invests own capital Transport Informal custom clearings	Invests own capital Stores, sells Losses during: storage, degustation, stealing on the bazaar

Table 5: Example of "dried apricot market path" (see also map in figure 6)

Depending on the focus of the RMA the steps might be extended on both sides (to production site or even farm gate and client). Similarly the criteria chosen depend on the objective of the RMA. For example they could additionally include:

- **Time:** Duration, seasonality, labour required
- **Gender:** Who bears the responsibility? Who invests how much time? When, during the day or the year? Who bears the risk?
- **Risk reduction strategies:** How does she/he cope with risk, buffer the risk?
- **Documentation:** What documents have to be prepared?
- **Problems:** Showing problems faced along the market path is a starting point for improvement.
- **Scope for improvement/innovations:** Along the market path it might be of interest to show alternatives, such as how to make different products out of one and opportunities to improve them. Therefore one should learn from everyone along the path what they do - or plan to do - in order to better satisfy the demands of the next-, respectively end-user.

1.2.4 Time line

The time line tools may be used for instance for tracking prices (figure 8), volumes or market shares (figure 7). As for prices it makes sense to illustrate a three-years-period for instance on a horizontal axis of twelve months as shown in figure 8. This allows to easily comparing the price levels of a given product in a given month over several years. Time lines shall not only be applied for retrospectives, but also for prognosis. Stakeholders may express their view how markets (prices, quantities, clients' taste, etc.) will develop.

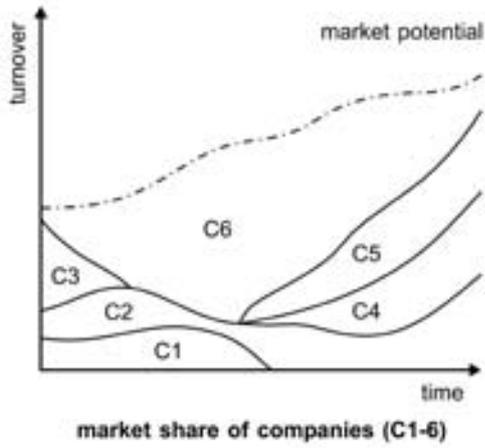


Figure 7: Shares of different companies in a specific market over a certain period of time

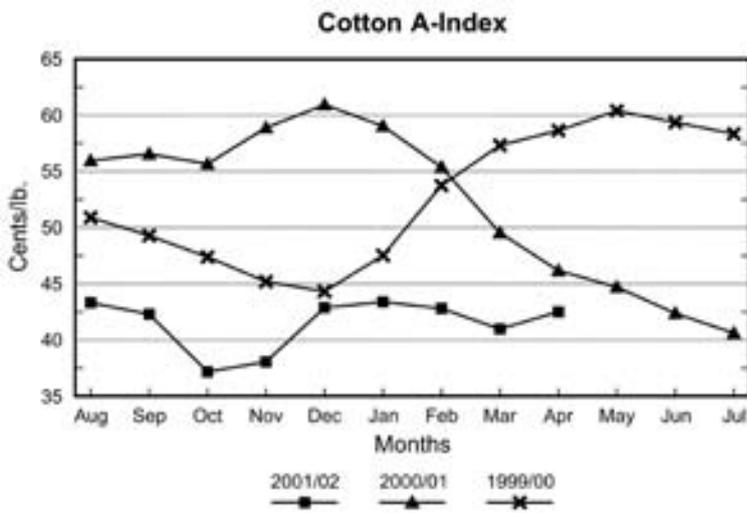


Figure 8: Cotton A-index prices August 1999 to April 2002

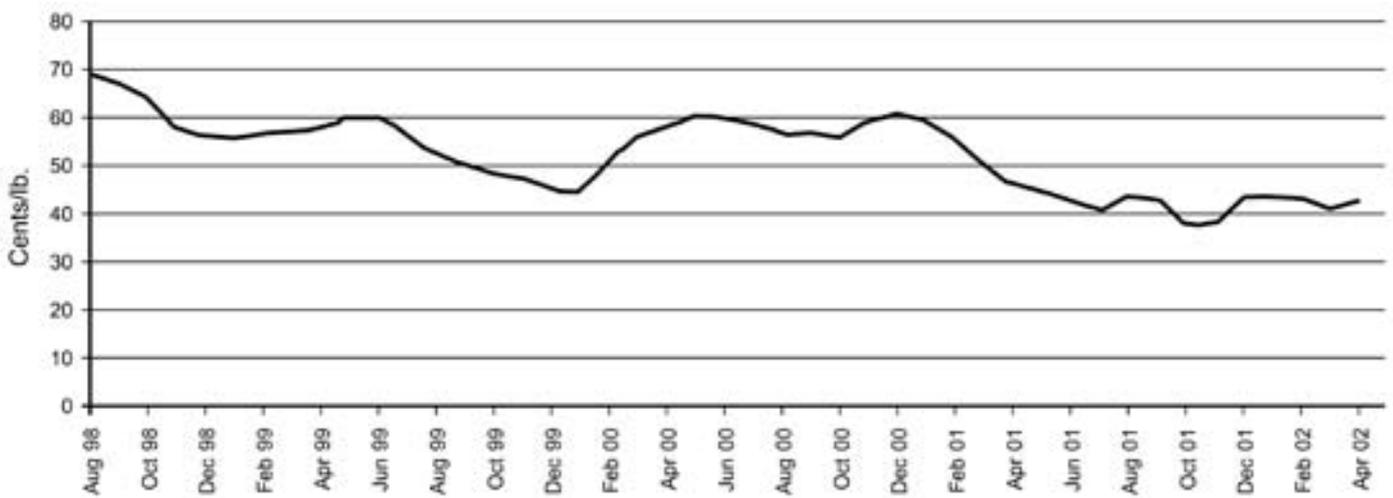


Figure 9: Cotton A-index prices at the Liverpool stock market, August 1998 to April 2002

1.2.5 Historical transect

A historical transect plots chosen criteria on one axis against time on the other axis. It is a quick tool to illustrate trends over long periods (years or even decades). Usually an experienced resource person serves as the source of information. Possible criteria to be applied in a historical transect may include: prices, number of producers, traders and buyers, institutional structure of middle-men (margins, risks), infrastructure and equipment (storing facilities, transport means) or the change of the relation between retail-sale prices and production costs. When illustrating prices over a longer period of time one has to take inflation and purchase power into account. One therefore has to be careful to maintain a reasonable balance and not undertaking vast calculations. For instance inflation may be illustrated with the price of a basket of common goods purchased weekly by the average consumer (Retail Price Index) to illustrate buying power.

1.2.6 Seasonal calendar

A seasonal calendar also can be used in a RMA, but the criteria applied will be different: cash flow seasonality (e.g. influencing on price, persons involved, type of products available, needed storing facilities, etc.). A seasonal calendar is a good starting point for quantified investigations. It might be the point where a trader starts talking in figures.

Seasonal calendars as illustrated in figure 10 may help to distinct season and off-season and get an idea of traded volumes. In the case of the clothes produced by a South African women co-operative, it helped them to plan the purchase of material and set up production in time.

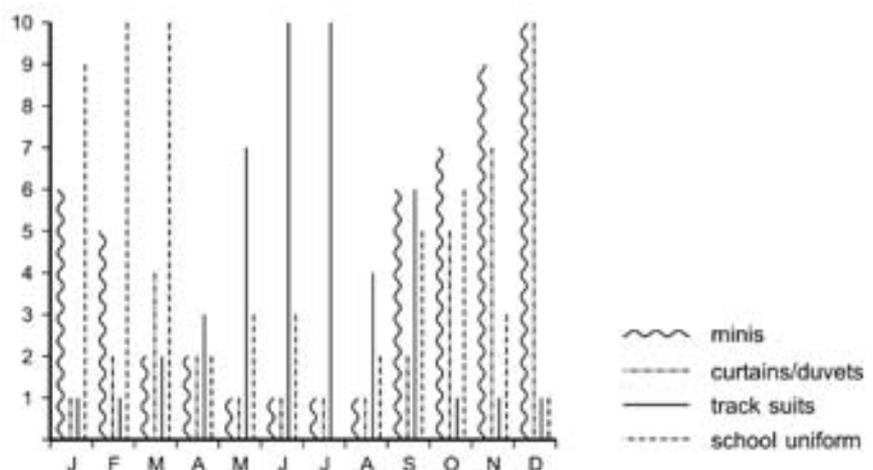


Figure 10: Seasonal calendar of clothing-markets in South Africa (Roos M., Mohatle M., IIED, 1998)

1.2.7 Price-seasonality diagram

Price-seasonality diagrams are of particular importance for the understanding of agro-markets. They may be based on prices provided by public Market Information Systems as in figure 9 or use such collected from informants. After having drawn the figure, stakeholders may start detailing the “why” and “how” of seasonality and sooner or later touch also external factors like exports or domestic deliveries from one region to another. Knowing seasonality, its rationale and mechanisms may help farmers to explore innovative ways to cope with it, rewarding them finally with additional income.

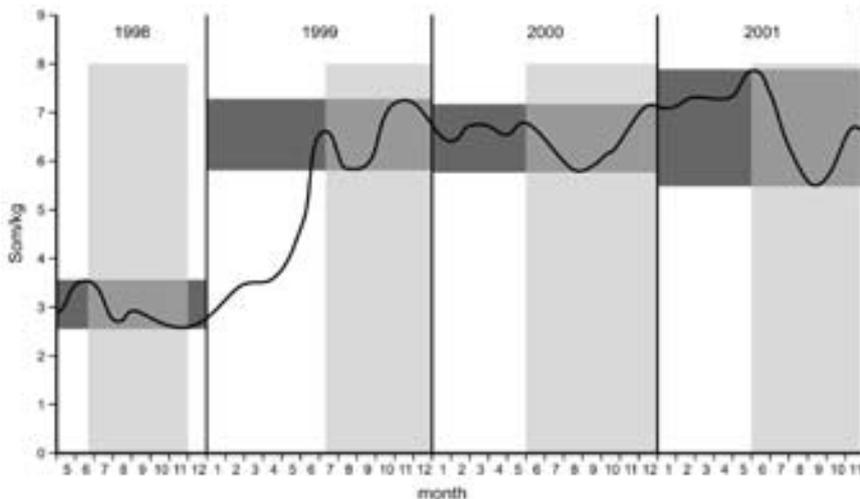


Figure 11: Price fluctuation of wheat (dark gray) and wheat growing season (pale gray) in Jalalabat Province, Kyrgyzstan (1998 – 2001)

1.2.8 Flow diagrams

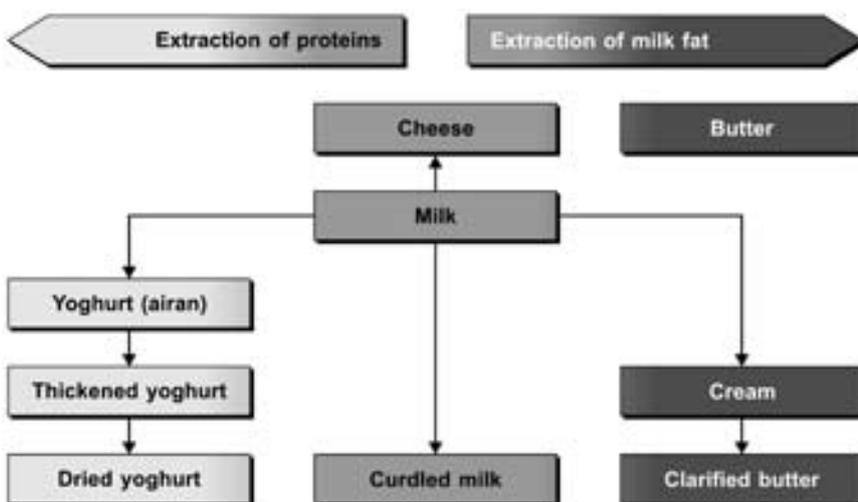


Figure 12: Sample flow diagram of milk processing (schematic), Kyrgyzstan (1998 – 2001)

A flow diagram may illustrate either the flow of a commodity, money, information, responsibilities or hierarchical relationships (employment). Flow diagrams may also be used in order to get an overview about processing as in the example of figure 11.

	Appearance	Taste	Price-performance relation	
Dried fruit sample #1				
Dried fruit sample #2				
Dried fruit sample #3		4	2	5
Dried fruit sample #4		5	3	5
Dried fruit sample #5		3	5	4
Dried fruit sample #6		2	5	3
Dried fruit sample #7		2	4	3
Dried fruit sample #8		3	3	2
Dried fruit sample #9		5	4	3
Dried fruit sample #10		5	3	5
Dried fruit sample #11		4	3	5
Dried fruit sample #12		3	4	4
		4	5	3
		4	4	4
				Client #
				Description of client: Age, sex, wealth Further remarks and observations

Figure 13: Scores of dried fruit samples, ranked according to appearance, taste and price/performance relation (dried fruit RMA, Jalalabat, 2002)

1.2.9 Ranking methods

Ranking methods such as matrix-ranking may be applied in interviews with any stakeholder, for instance in clients' interviews. Rankings have to be prepared beforehand since also clients often do not have much time. As in the case of maps, it is not only the result that reveals interesting information but the process too. The question "why do you give this score" probes into the reasoning of the interviewed person.

1.3 Illustrating and analysing the collected data

Analysing markets requires a basic understanding of economics and marketing. This knowledge is indispensable in the team of outsiders conducting a RMA. It includes familiarity with common market terms, the concept of offer and demand, principles of price formation, elasticity, inferiority and superiority, substitution, formal and informal markets and market dynamics. It is not the purpose of this brochure to introduce these concepts. When it comes to the analysis of RMA data the following aspects shall be kept in mind:

Iterative process: According to one of the approaches, RMA is an iterative process. This means that data should be analysed continuously. Ideally the work-teams of a RMA group meet once per day in the operational base of the RMA group. Each team summarises and visualises the findings of the last 24 hours and presents them to the entire group.

Visualisation: Consequent visualisation is highly recommended because it urges the work-teams to analyse and prioritise the collected data. A visual presentation is much easier to understand than figures only – think only of a price/time diagram! These intermediary analysis sessions allow the RMA group to identify gaps in the information and come up with interesting ideas that are worth to be further explored.

Objective orientation: At any stage of analysis it is important to be objective oriented, i.e. go back to the objective formulated at the very beginning of the appraisal and try to concentrate on the initial hypotheses.

Quantitative and qualitative information: Analysis should not only take into consideration qualitative concerns of the stakeholders, but should also have in all cases an economic dimension as shown in figure 14 for instance.



Importance of visualisation: Presentation of cattle product chain

Item	Retail sale price	Quantity of milk required	Profitability
Milk	●●●	○	☹
Sour cream	●●●●●●●●●● ●●●●●●●●●● ●●●●●	○○○○○○○○○○○○	☹
Butter	●●●●●●●●●● ●●●●●●●●●● ●●●●●●●●●● ●●●●●●●●●● ●●●●●●●●●●	○○○○○○○○○○○○ ○○○○○○○○○○○○ ○○○○○○	☹
Clarified butter	●●●●●●●●●● ●●●●●●●●●● ●●●●●●●●●● ●●●●●●●●●● ●●●●●	○○○○○○○○○○○○ ○○○○○○○○○○○○ ○○○○○○○○○○○○	☹☹☹☹☹ ☹☹☹☹☹
Yoghurt	●●●●●	○	☺
Thickened yoghurt	●●●●●●●●●	○○○	☺
Dried yoghurt	●●●●●●●●●● ●●●●●●●	○○○○○○○	☺
Curdled milk	●●●●●●●●●● ●●●●●●●	○○○	☺☺☺☺
Cheese	●●●●●●●●●● ●●●●●●●●●● ●●●●●●●●●● ●●●●●●●●●● ●●●●●●●●●●	○○○○○○○○○○○○ ○○	☺☺☺☺☺ ☺☺☺☺☺

Figure 14: Comparative table of profitability of main dairy products (RAS-KSAP, Kyrgyzstan)

1.4 The RMA report

1.4.1 General guidelines

Purpose of the report: Content and volume, form, level of detail and language depend on the purpose of the report and the expected audience. Is the report a working instrument for farmers? Is it the basis for planning for a Rural Business Development Services Provider? Will it be attached to a project proposal to a potential investor? Is it part of a baseline survey of a development project? One should not start writing a report before these questions are answered.

Consider the audience: The purpose also defines the audience and vice versa. The report has to be understandable to the targeted audience. If the audience consists of farmers and/or field staff of a Rural Business Services Provider then the report should not be too technical and not too much “jargon” should be used. Particular attention should be paid to statistical information, which needs to be presented in a digestible form.

Analysis, drawing conclusions, structuring, and writing: Prior to report writing the analysis of the collected information must be concluded. As mentioned, in a RMA this is an iterative process, which is completed after the last session of the RMA team. After having collected all the information, the team should progress to visualisation and drawing conclusions. Conclusions of a RMA are concrete action-plans of farmers and/or staff of RBDS providers. The report should not reiterate facts but provide interpretative conclusions that answer the questions “so what?” and “what are the implications?”. Once the stakeholders have agreed on the conclusions, the information is structured and tasks to prepare the report are distributed among the RMA group members. Now only writing starts. Preferably one person is assigned to co-ordinate the reporting process.



Bags of dried apricots in the weekly bazaar of Samarkandek, a Kyrgyz market spot, attracting to equal parts producers and traders from Kyrgyzstan, Tajikistan and Uzbekistan

Be concise, but precise: On the one hand, a written report should be complete in the sense that it stands for itself and that no additional clarification is needed. On the other hand, the report must be concise and must focus on the critical elements and must exclude trivial issues. There is a great temptation, on the part of inexperienced authors, to seek to convey all that they did in order to obtain information and to complete the research. This is done almost as if the researchers were afraid that the audience would not otherwise appreciate the time, effort and intellectual difficulties involved. The authors should realise that they will be judged by the contribution towards solving the marketing problem and not by the elegance or effort involved in the research methodology.

Photo-protocol: The illustrated charts (photo-protocol) prepared in the discussions together with clients, traders or producers may be of great assistance in being precise. The photo-protocol has to be commented while at least highlighting key figures, charts or statements. It goes without saying that a photo-protocol has to be done in a readable manner (size of fonts, readability after photo-copying). Photo-protocols are a sound method of saving time and making the best use of the visualised investigations.

1.4.2 The structure of the report

The report normally has eight parts, i.e. Acknowledgement, Summary, Introduction, Methodology, Results (findings), Conclusions, Annexes and References.

Acknowledgement: Prior to the summary an acknowledgement should be of all those persons who have contributed to the appraisal. Special thanks shall be addressed to authorities if any have been involved.

Summary: The summary of findings is the most important component of the written report, since many decision makers who receive a copy of the report will only read this section. The summary of findings is usually included after the title page, or is bound separately and presented together with the report. The summary touches highlights of the report such as objective, hypotheses and rationale. The methodology should be described only in brief. More important are the results, analysis and conclusions, whereof the latter are the most important.

Introduction: The introduction should describe the background of the study and the details of the research problem. Following that, the broad aim of the research can be specified, which is then translated into **objectives** and **expected results**. Furthermore, the **hypotheses** that are to be tested in the research are stated in this section. The introduction is the part of the report that has to be written **before investigation starts**. It is the what and why of the study.

Methodology: The methodology chapter should contain a short description of the RMA methodology and its particular application in the given context. Further are described sampling methods and procedures, as well as the different statistical methods that are used for data analysis are also described. Finally, the sample itself is described, giving the overall statistics, usually consisting of frequency counts for the various sample characteristics. For example 20 people observed purchasing the product, at least half should be interviewed.

Results: The chapter "Results" contains the collected data. These can be either secondary data or such collected during the field studies. The secondary data shall be used to endorse the collected data and vice versa. In order to keep the report lean, raw data shall be put into annexes. The analysis takes into consideration the objective in mind, the methodology applied and last but not least the particular interests of the target readers of the report. The main findings are presented in such a way that the hypotheses of the study

The key topics in the summary of findings are: Results, analysis and conclusions.

Important: Report structure and the introduction parts are done before the start of the market appraisal.

are tested. As mentioned before, it is essential that the main findings are well interpreted and conclusions drawn.

Conclusions: Conclusions should provide information for each group (clients, traders, producers and processors) relating to both the qualitative issues (i.e. problems, potential and risk factors) and the quantitative issues (i.e. volume, turnover margins etc.) An extrapolation from actual observations to the description of the market as a whole is indicated, but has to be described. Here the calculation shall be given in details in order to allow the reader of the report to follow the reasoning and/or to conclude eventually own findings. Conclusions and recommendations shall be presented in the form of action plans with clear-cut responsibilities and time frames. It is an imperative that the action plans are prepared in a participatory exercise.

Annexes: These shall contain raw data, statistical data, a programme of the RMA, photos, copies of trade certificates and other commodity related material.

References: References include the secondary sources of information, web links, and a list of the people involved (perhaps with addresses and phone numbers of informants with codified information if information is sensitive). For future activities references are of big help, when repeating or refining the appraisal.

1.4.3 Distribution of the report

Seasonality strongly influences agricultural markets in general and food markets in particular, and with that also market studies. It is important to prepare the appraisal report as quick as possible, in order not to lose an entire year, until action can take place. The distribution of the report depends on the objective of the RMA and the ownership of the information. Usually those who have contributed to an RMA also get a copy of the report.

**Finalise appraisal report immediately
due to its relation to seasonality.**

Helvetas' own RMA experience

2.1 RMA case study Kyrgyzstan: RAS Jalalabat dried fruits opportunities

2.1.1 Background

Jalalabat Oblast is an administrative unit in Southern Kyrgyzstan. More than 100'000 farmers practice intensive cotton and wheat agriculture in the lowlands, and extensive potato farming and animal husbandry in the higher altitudes. After the distribution of land to the former soviet collective farm workers, agricultural activities in most cases contribute solely to the income of rural families; most of them struggling their mission as an individual survive in a little developed market economy.

The outlet for agricultural products from Jalalabat is limited: in the South with the officially closed Uzbek border and in the North with a 600 km road to the capital Bishkek. The route to the North is undergoing a thorough renovation, enabling lorries to reach the capital in half the time, but leaving the transport costs as high as before.

On average each rural household produces 250 kg of fresh fruit per year. Drying fruits is the most common method of conservation and is widely practised by rural inhabitants mostly for save-guarding vitamins for the winter and some for selling the fruits in the off-season to middle-men in local markets. In the dried fruit market, a few changes in quality make a big difference in price. For the regional Rural Advisory Service (RAS) this means that, with few interventions, they can enable a large number of farmers to achieve, with manageable technical improvements, a better income within a short period of time.



Drying apricots under the sun: the traditional method, which concentrates on quantities, is fast but neglects cleanliness, taste and storability of the fruits

2.1.2 Objectives

Under the assumption "there is scope for the improvement of dried fruit production and sale in Jalalabat Oblast", the following objectives were formulated:

1. Carry out an assessment of the local dried fruit market in order to acquire, document, analyse and disseminate information among stakeholders, i.e. increase client satisfaction, and enable farmers to produce and sell dried fruits with more profit.
2. Acquaint staff of RAS Jalalabat with RMA methodology.

2.1.3 Methodology

In 2002 RAS Jalalabat decided to investigate four commodities, one of them being dried fruits. Since marketing activities were a weak point in the service (four specialists were appointed within three years), the appraisal was combined with a thorough training of the newly designated specialist and the marketing advisors of six Rayons (= districts).

The following procedure was followed:

1. Step 1: Agree on the objective on the participants and the logistical framework of the exercise. Constitute the team and get a common understanding of the venture. Collect and analyse data. The nine persons in the RAS Jalalabat-RMA spent 64 person-days and some 250 USD (direct costs, excluding salaries).
2. Step 2: Carry out the appraisal, starting with the client and ending with the producer. In Jalalabat, the team started in bazaars (and some shops) and then the investigation routed the product back to the Kyrgyz farmers. No producers could be surveyed since most of the dried fruits came across Uzbekistan from the remote Kyrgyz Batken Rayon. Nevertheless, farmers facing similar conditions in the surroundings of Jalalabat have been interviewed.
3. Step 3: Compilation and discussion of data and verification (triangulation). Distil findings and produce recommendations. Document the appraisal and share the results with stakeholders. RAS Jalalabat identified 19 actions to make drying fruits more profitable.

2.1.4 Results

The brief survey made a market segmentation possible (three categories of buyers, characterised by purchasing power or social status) and revealed essential buying patterns (people buy the "luxury" commodity for their guests [sulphur processed], or in case of illness [naturally processed], dirtiness and the taste are the main buying criteria concerning quality).



RMA team prepares a degustation action in the Jalalabat bazaar

Most dried fruit of Kyrgyz origin is routed through the officially closed Uzbekistan. Crossing this border seems to be more lucrative than facing longer and thus more expensive transports. Unofficial payments to Kyrgyz state authorities additionally wither the internal trade.

The strong seasonal price fluctuation of the fresh substitute make the sale of dried fruit viable for 9 out of 12 months, i.e. as soon as fresh apricots or apples are on the market, the sale of dried fruits ceases completely. The producers receive more than 50% of the retail sale price, the traders (in average) 40% and taxes and official payments to state authorities comprise of 5 to 10%.

The hypothesis held true: There is scope for improved dried fruit production and trade. Farmers can achieve up to double of the price, while washing and sorting the fruits before drying them on a shady place, protected from insects and poultry. In terms of profit there are two "best practices": the ecological way of drying entire apricots or the sophisticated way of stoning, processing with sulphur and sell both, dried pulp and stones (kernels). Drying fruit does not pay in a linear economic comparison with fresh fruit, but in terms of family nutrition and opportunity costs, it does.

2.1.5 Impact

Activities and events which emerged after the dried fruit survey of RAS Jalalabat

In the specific case of dried fruit production as a topic for the Rural Advisory Service (RAS), the impact was rather small. Out of the 19 ways identified how to increase farmers profit, and obtain a better position in the market, only two came into practice. While four RMAs were integral part of the extension mandate given to RAS Jalalabat, the follow-up activities went nowhere since neither funds nor personnel resources were available for these activities. Nevertheless, five women commenced fruit jelly production and launched a couple of trial sales. The production came to an end, when the response from clients was modest and did not justify the costs (electricity for thickening the pulp and sugar). Neither RAS nor the women have taken additional promotion efforts in order to achieve a change of consumer habits. The second venture consisted in the joint design and construction of an improved solar-dryer where 48 families from two villages dried 830 kg of dried fruits.

The RMA methodology as an extension tool

RAS Jalalabat carried out three other appraisals in the same year and another in 2003.

Cotton: The main focus was on margins between the cotton field and the ginnery. The margin of 30 to 60 percent is an opportunity for people who invest cash to make a good deal in a short period of time. For indebted farmers it is a poor sales opportunity, a starting point of another year dependency on foreign capital. As outcome of the RMA, RAS Jalalabat managed to optimise the cotton collection in Bazar Korgon Rayon, while forming seven groups (154 tons of cotton sold; additional income 3.5 Som/kg cotton seed or 12'800 USD all together; in 2003 the number of groups increased to 15).

Honey: Following the itinerary of honey from producers to buyers brought few new insights. Honey is produced and consumed all over Kyrgyzstan and the neighbouring countries. The hypothesis, whereby more rationalised and therefore cheaper production would contribute to increased profit, has not been followed pursued.

Down: Limited to a small producing region, the study resulted a catalogue of recommendations for down producers. In addition RAS worked out together with a producers' co-operative a project proposal, foreseeing a simple local processing, i.e. creating added value and a few jobs. The financing of the project is still pending.



Degustation action by RMA team at the Jalalabat bazaar, Southern Kyrgyzstan

Silk: The rather producer-based study initiated a re-orientation of the cocoon producers' groups towards increased quality management in production, rather than further developing vertical integration. The amount of dried high quality cocoon could be tripled within a period of one year to 861 kg. Another consequence of the silk "renaissance" in Jalalabat is the increased interest of donor organisations: Nine groups received financial support from ACTED, a French NGO.

Tomatoes: Comparing tomato production, processing and trade in the Southern and Northern part of the Kyrgyz Republic, the RMA revealed a window of opportunity for southern products on northern markets. As a

consequence farmers sold for one month 96 tons of tomatoes, generating an additional income of 3'400 USD.

2.1.6 Lessons learnt

RMA methodology is learning by doing, increasing significantly the proficiency and confidence of RAS staff in applied marketing. The participatory approach and working in a multidisciplinary team made clear that the achieved result is more than the sum of individual, partial studies.

RMA revealed the role and the limitations of an extension service in a business environment. Traders often have reservations about talking openly about their activities. The reasons are manifold and are often rooted in informal trade practices. Here optimal ignorance is of utmost importance, in order not to spoil relationships with future partners.

When it comes to advisory support for producers or traders, RAS staff often focuses on individuals. Groups, associations or co-operatives are extremely difficult to form, although co-operatives are a central factor in a nuclear production and sale environment. Only co-operation will result in increased quantities, and a diversification of roles and responsibilities and make possible mutually controlled quality standards.

Marketing investigation is a vast field, which often becomes an Odyssey, especially in a small developed market economy like the one in Kyrgyzstan. Attending one RMA does not enable advisors to carry out further studies on their own. Repeated coaching from expatriate side or an experienced local specialist is required.

In the extension context a rapid market appraisal should be an entry-point for joint planning and actions rather than being an end in itself. If a RMA mandate is given to a regional centre, then automatically the allocation of funds and personnel resources has to follow.

2.2 RMA case study Vietnam: Animal husbandry in Cao Bang Province

2.2.1 Background

In 1995 Helvetas signed a collaboration agreement with the provincial people's committee on the first phase of the Cao Bang Rural Development Programme (CBRDP), covering three districts of the Cao Bang Province. This province is situated in the North of Vietnam, bordering China. The focus of the programme is on generating income for rural people through increasing the agriculture and forestry production output by supporting the extension service system of the districts. Various participatory appraisals during the starting phase of this programme showed an income potential in **animal husbandry related activities**, but proper information was lacking.

As a first step, a survey with emphasis on animal health was carried out in 1996 in the Nguyen Binh District of the Cao Bang Province. The aim was to assess major constraints and potentials in the animal husbandry sector in order to recommend effective and technically sound actions to be supported by the CBRDP. This survey was complemented with topical PRAs in selected communes of the same district. All this information gathering showed one essential bottleneck: **Farmers in remote regions were lacking information on what the local (inner- and inter-district), regional (inter-province) or even international (China) market needs were and how they could be serviced in such a way as to raise income at farmer level.** At the same time, the Vietnamese Government opened up its restrictive policy towards market economy, allowing people to get better access to regional markets. However, the market links and channels along the Chinese border area remain a sensitive issue and are partly kept restrictive by provincial authorities. Based on those consideration, Helvetas decided to invest in exploring markets for potential animal husbandry products. In January 2000, an experienced consultant from New Zealand was contracted for 25 working days to conduct a Rapid Market Appraisal on animal husbandry products in Cao Bang and related market places.

2.2.2 Objectives

The main **objective** of the survey was to assess the market situation of economically relevant domestic animals, of products of animal provenance and of the inputs used to produce domestic animals in the Cao Bang province and in neighbouring areas. Such a market survey was seen as a necessary interface between the well analysed farming system and the yet poorly understood market system, and was aimed at generating knowledge and information to be used in production planning at district and household level. To provide farmers and extensionists with realistic market information related to animal husbandry was another expected result of the market survey.



"Body Scoring" - Among farmers in Bac Ha market, Lao Cai Province, Vietnam

While introducing the RMA methodology, it was anticipated that project and government staff involved in the survey would increase market awareness and develop a certain level of marketing competence. This capacity building component was enhanced by initial training inputs and regular coaching during and after the mission.

2.2.3 Methodology

An experienced RMA consultant was working with a multi-disciplinary team of local specialists who were eager to learn about the RMA methodology. Short theoretical inputs on the RMA methodology were provided by the consultant at the beginning, during (on-the-job) and at the end of his mission. Important skills of the team members, such as interviewing, mapping, designing flow diagrams, etc., gradually developed on-the-job. Co-ordination of the process and continued coaching of the team were ensured by the consultant. Key tools used for assessing the market system and mechanisms were: direct observation, semi-structured interviews, seasonal calendars, ranking methods to determine quality preferences, Venn diagrams to analyse relations between market players and flow diagrams to understand trade flows.

2.2.4 Results

1. **Awareness of how to assess complex market systems:** RMA proved to be a participatory and efficient means of gathering information in complex but poorly understood market systems. It brought the information gatherers to the source of market information (traders, market participants, costs and price structures/changes), and it complemented their rapid rural appraisal knowledge that was already used to study farming systems.
2. **Involved people at various levels could be sensitised on the need to analyse markets prior to changes at production level:** Farmers, dealers and government staff of the province could be made aware of the need to get market information in order to improve production and processing and thus, increase income at farmer/village level.
3. **Structured information gathering increased transparency:** The survey revealed that supplies of cattle into the Hanoi market are dominated by animals from the Cao Bang Province. This supply also includes cattle imported from China via the green border of Cao Bang Province. Further analysis showed that those imports play an important role in stabilising prices at Hanoi market level as Chinese imports are a sort of a buffer for supply and demand.
4. **Product variety was assessed and different product chains mapped:** Cattle and buffalos were identified as the most promising animal husbandry products for Cao Bang export. Other animal categories were assessed too, but with lower intensity, as they were traded by different market players and through different channels (pig, poultry, dog). The diverse results clearly raised the value of the survey.
5. **Sources for future information gathering were located:** Some traders reported that they had been in their job for just over a decade explaining that the present market system is very recent and still evolving as Vietnam is in the process of becoming an open market economy. Nevertheless, well developed marketing channels and trading relation-

ships were observed with a wide range of quite specialised market actors. These included commune, inter-commune, and downstream traders (both local and outsiders), butchers, transporters, procurement agents, sales agents, market operators, and slaughterhouses.

6. **Increased awareness on the risk of endemic animal disease:** particularly regarding foot and mouth disease, a disease imported from China in recent years. The RMA survey made the intensive trade from China known to provincial decision makers and thus helped to restrict illegal cattle trades from China. The measures imposed could not prevent epidemic disease from spreading but did sensitised local authorities.



Lookout for a buyer - Bac Ha Market, Lao Cai Province, Vietnam

2.2.5 Impact

1. The results of the study were presented at district and provincial level. The results (information, knowledge and recommendations) became the “ingredients” for the animal husbandry development plan of the Nguyen Binh District. This plan was elaborated in a participatory manner and sanctioned by the higher authorities (May 2000).
2. Specific market information was disseminated through formal and informal extension activities within the district.
3. In 2001 the provincial authorities of Cao Bang elaborated a cow breeding development strategy 2002 to 2010 with the active involvement of a former RMA team member who works under the Cao Bang provincial authorities. Some of the RMA outcomes at district level became elements for the provincial strategy on cow breeding.
4. The RMA method was not deepened any further by the CBRDP itself as the project has changed its development objective over the years. As market competence is still in high demand in Vietnam, the RMA methodology has the potential to develop into a competence niche for local consultants and might be addressed by Helvetas through developing or adapting specific RMA training. The Cao Bang market survey is presently used as a case study in training for provincial “market facilitators” in a recently initiated project, named the “Extension and Training Support Project” (ETSP). The project is financed by SDC and implemented by Helvetas in three provinces of Vietnam.
5. Through various informal channels the RMA results and recommendations also found their way to traders and farmers at village level. This knowledge can be tapped and is now being used.

2.2.6 Lessons learnt

1. Training and coaching on-the-job proved to be effective in the case of the Cao Bang RMA survey. The time spent on the initial training (2.5 days) was considered as too short because most of the participants were short of basic market knowledge/understanding, as it is often the case in countries that were previously governed under planned economies.

2. Not all the RMA team members had the necessary market feeling. Unorthodox but relevant selection criteria and principles should be applied to compose the RMA teams (hands on market experience is as important as academic records of RMA team members).
3. Where RMA is newly introduced, local team members should develop a common understanding on market systems. They should be directly involved in the survey design. As a thumb rule, a five-days-training is appropriate prior to a market survey. Of that, two to three days should be devoted to providing a good understanding of market systems and mechanisms. The remaining time should be used to develop RMA skills and elaborate a proper survey design including the formulation of objectives, output, key questions, hypothesis and a detailed action plan.
4. Reflection on the process and sharing of results are crucial at critical stages in the process and will increase the accuracy and quality of the survey output. The analysis and interpretation of accumulated data is the most difficult part for inexperienced RMA team members and requires clear guidance and support of an expert. A good analysis will lead to concrete, feasible and practicable interventions.
5. RMA is considered to be a participatory market analysis method that highlights facts and trends of a market system and reflects perceptions of market actors. It is as such not a scientific research method and its results are not "scientifically" proven. There is a risk that the credibility of findings/recommendations towards local authorities is reduced. Therefore it is important to involve representatives of relevant government or research institutions in the RMA teams and/or process.
6. Due to its "rapid and participatory" nature and the capacity building component, the cost-benefit ratio of the method is positive even though an international consultant is involved. The development of local RMA expertise is important to make RMA more accessible and affordable in future.
7. Special attention should be given to involve the right set of stakeholders (a mix of market actors, development agents and local decision makers) when translating RMA findings and recommendations into concrete and feasible market development interventions. This interface is crucial to increase the impact of RMA.

2.3 RMA Case Study Kyrgyzstan: Linking Kyrgyz horticultural producers with the Siberian markets

2.3.1 Background

In 1991, the Soviet Union broke apart and the comparatively small, landlocked Republic of Kyrgyzstan became an independent state. The former command economy and, with it, market links from the agrarian Kyrgyzstan to the urban centres in the former Soviet Union disappeared at once. The rural inhabitants obtained the land of the former vast agricultural enterprises, the Kolkhozes and Sovkhozes. Former tractor drivers, nurses, milkmen and teachers etc. suddenly became farmers without having specific knowledge and skills. They faced a very limited domestic market and interrupted export channels and were forced back to almost subsistence production.

Traditionally Kyrgyzstan exported fruits and vegetables to the large industrial areas in Siberia (Eastern Russia), around 2'000 kilometres north-east of Kyrgyzstan. The transport routes pass through Kazakhstan and, since the independence, harassment by police and custom officials was not unusual.

In 1996, in the limited area of two districts in Kyrgyzstan Helvetas began to experiment with the development of a rural advisory service. The aim was to support the new farmers in their endeavours to produce, process and market agricultural products. In 1999 the experience of the Helvetas initiative and others was used to create a new countrywide Rural Advisory Service (RAS). Through the Kyrgyz Swiss Agricultural Project (KSAP), Helvetas supported this new service substantially with technical assistance and finance.

2.3.2 Objectives

In 1999, Helvetas decided to launch a market exploration for the export of Kyrgyz agricultural products to Siberia with the following objectives:

- Assess the marketable surplus and the market potential for selected commodities.
- Establish communication channels between producers, wholesalers, traders and destination markets.
- Plan trial sales, assess the risk of such sales and facilitate such sales.
- Familiarise RAS marketing specialists and a local marketing company with such market explorations so that they could repeat the process independently.

2.3.3 Methodology

With the breakdown of the Soviet Union market data recording had collapsed and informal marketing systems were prevalent. In such a situation it was impossible to research effectively using traditional Market Systems Research methods when trying to understand volumes, origins, trends and margins. Therefore the market survey was based on Rapid Market Appraisal (RMA) market research methodology, which can be used to understand complex market systems, in circumstances where there is little market information. RMA methodology was particularly indicated because:

- There is a wide variation in horticultural produce on any market, the produce will vary in quality, origin, season and variety. Such characteristics will make horticultural markets volatile as different crops and regions compete for the same market share. There is also a high degree of produce substitution and seasonal influences exist.

Two farmers, two lorry drivers and one market resource person are waiting for the first customers. Selling whole sale reduces the time to rent the space for the lorry in the bazaar tremendously (less time → lower rent payment for the place)





Fruit production from Eastern Kyrgyzstan, pears and apples from Karakol...



...vegetables from Southern Kyrgyzstan, onions from Jalalabat (Southern Kyrgyzstan) produced for the Siberian market

- The information and data available for the Siberian markets was minimal and unreliable, its validity could be questioned. RMA is used to substantiate or negate secondary data, by obtaining the views of the private sector within the marketing chain in semi structured interviews and team observations.

Helvetas composed, for this venture, a team consisting of

- a short-term expatriate marketing specialist with experience in RMA methodology and fruit and vegetable markets,
- a private Kyrgyz consultancy company with experience in market research,
- staff of the Rural Advisory Service at provincial and central level.

The local consultancy company were required to study the available secondary literature in advance. In a one-week training programme the international consultant trained the local team in RMA principles and techniques. After that, in September 1999, the team went to Siberia for one week to assess the destination markets. After returning the team analysed and presented the findings in a workshop and a report. Subsequently, Helvetas contracted the local consultancy company to push for the planned trial sale. One year later only this trial sale materialised (November 2000).

2.3.4 Results

The market exploration concluded:

- There is a market for Kyrgyz garlic, onions and apples; interested wholesalers were identified in Krasnoyarsk and Novosibirsk, two major towns in Siberia.
- Windows of opportunity for sales were identified for onions in October, from February to April and for early harvested onions in May; for garlic in February/March and for apples from Mid-October to December.
- Conditions for a successful sale were high quality produce and improved packing.
- The most convenient and profitable method of transport was by rail.

The research team shared these main conclusions with the staff of the Rural Advisory Service. The idea was that the RAS advisors would then facilitate links between farmers and wholesalers on the Kyrgyz side as well as between Kyrgyz and Siberian wholesalers. With the support of the local consultancy company this should result in trial sales of the identified products during the identified windows of opportunity.

For the shipment of apples it was by then already too late in 1999. When the window of opportunity for garlic and onions arrived, prices had dropped at the destination markets and the deal was no longer lucrative. The experience showed that the RAS advisors were not in the right position to negotiate with the Russian wholesalers, and it took a while for the RAS advisors to identify amenable Kyrgyz wholesalers. In a general situation of mistrust it was at that time too early to think about marketing groups or even farmer marketing co-operatives.

A break-through occurred only months later when a Kyrgyz wholesaler who was closely connected with RAS and a specialist from the private consultancy company travelled to Siberia again, revived the formerly established connections and concluded pre-agreements. With the help of the local consultancy company, the wholesaler could get access to a credit. He then started to purchase, grade and properly packed apples from producers around the province where he is living. Eventually 60 tons of apples were shipped to Krasnoyarsk, with profit for the producers as well as the wholesaler.

2.3.5 Impact

The RMA identified market potential for three products onion, garlic and apple. When the actors were ready the prices of onions and garlic were already unfavourable and no deal materialised. The trial sale of the 60 tons of apple in November 2000 was a direct result of the RMA. However, there were at the same time other dealers with no connections to the RMA doing the similar business.

Mostly, Russian wholesalers came to Kyrgyzstan to procure apples and pears. The difference was that the identified Kyrgyz wholesaler collected apples from the clients of the RAS, including small producers.

In future years, the wholesaler continued to export pears and apples. In 2001 the same wholesaler was the driving force for the creation of a farmer owned company for the supply of agricultural inputs. Soon this company started to collecting pears from individual producers, pack them and export them to Siberian Wholesale Markets.

For the last few years, the volume of exported fruit from Issyk-Kul to Siberia has been more or less stable. Farmers use their private links to Siberia or sell their fruit to wholesalers. The best quality fruits produced in Issyk-Kul Oblast are exported: 60% go to Siberia, 30% to Kazakhstan, and 10% 2nd class products go to the domestic markets.

2.3.6 Lessons learnt

- **Development is not a linear process:** The initial results of the Siberian RMA were sobering. It took more than a year for a trial shipment to finally be made. For two out of the three identified products the RMA yielded no results at all. In the course of time, however in knowledge generated and the links established led to new market relations between Kyrgyz producers and the Siberian destination markets, as well as expanded market volumes.

- **Extension staff can not be more than facilitators:** One reason for the delay in tangible results being achieved was a misinterpretation of the role of the extension staff: After the visit to the Siberian markets in the course of the RMA the RAS staff continued to be in contact with the wholesalers there. Of course, however, they could never conclude an agreement. It took time for them to understand their role of facilitating links between producers, wholesalers on the Kyrgyz side and wholesalers on the Siberian side. Only when the Kyrgyz wholesaler had a direct contact to the Siberian traders the deal materialised.
- **A series of events is needed to anchor concepts of marketing in an extension organisation:** One of the objectives of the Siberia RMA was to enable the local consultancy company and the RAS advisors to repeat RMAs by themselves and to undertake their role as facilitators (see above). The Siberian RMA was not in itself sufficient to do that. As the other case study from Kyrgyzstan shows, it needed several more steps more until these concepts to be understood and applied by a critical mass of extension staff so that they could continue on their own.
- **Trust is the key:** In a situation with an insecure rule of law, long transport routes through third countries and a market economy in its early stages, trusting relationships between business partners is the key for successful trade relations. A RMA can initiate contacts. But eventually the traders themselves bear the risks of business transactions and it is for them to develop trust.

Conclusions

RMA is known since years. But the knowledge did not spread sufficiently from one programme to another. This tool kit shall help to make a change in this. To do so, we draw the following conclusions for the future:

3.1 Paradigm shift

- RMA is based upon a paradigm shift in development co-operation. Instead of the famous “farmer first” (Robert Chambers, 1980), view, RMA follows a “consumer” or “client first” approach. The demands and requirements of the clients are the starting point. The “client is the king”.
- The second part of the paradigm shift is that instead of starting with a problem, RMA starts with potential. Usually development projects base their interventions on problem analysis (logical framework, goal oriented project planning). With RMA we are looking at potentials and explore how best to tap them.
- Of course, whilst saying this the underlying development objectives (improve livelihood of rural disadvantaged people or similar) remain valid.



Selling roasted chicken at a street crossing in rural Laos near to a chicken production farm

3.2 RMA as the entry-point

- As with PLA (participatory learning and action), RMA is no more than an entry-point. RMA is not an end in itself, but an initial kick-start that leads to joint planning and implementation of ideas.
- It is natural that not all ideas generated in a RMA materialise. As the case studies show, the routes which the ideas are taking might be confused. There are rarely straight paths to an objective. There are sidelines and desirable and undesirable side effects.

3.3 From RMA to Market Development

- RMA generates activities and market interventions targeting the various actors in a market system.
- Local ownership for the RMA process and in particular for the follow-up activities is required to ensure the interface between RMA (entry-point) and market development (market intervention) to make RMA a worthy investment.
- When initiating RMA one should already be prepared to deal with possible market interventions through a variety of Rural Business Development Services.

3.4 RMA needs coaching process

- Experience shows that the introduction of RMA needs a coaching process for prolonged periods of time. Market orientation is new in many developing countries, particularly in those which have a communist past. A change in the way of thinking is required. Practical local examples of successful initiatives need to be shown to local entrepreneurs to gain confidence and generate interest in future pilot projects.
- Single inputs fail. Repeated input from experienced RMA practitioners is required. Practical training and formal coaching are both essential.
- A sustained coaching process is even more important if one of the objectives is to capacitate rural service providers (such as an extension service or a development NGO). This will need repeated inputs and exercises.
- Only the introduction of RMA to a local rural service provider results in a favourable cost-benefit ratio. Local rural service providers must be able to replicate the exercise successfully themselves. Then only the initial costs (e.g. a foreign expert providing 3 to 4 weeks advice and training) will become beneficial.

3.5 Role of Rural Service Providers

- Rural service providers (development NGOs, extension services, development projects) cannot be more than facilitators in the process of connecting farmers/producers with markets/consumers.
- The actual deal is always between the producers and the consumers (on allowing for the various links along a commodity chain). They bear the risk and with this the responsibility. Service providers have always to be aware of this fact and thus the limitations of their role.
- RMA helps service providers to become sensitive to markets and their requirements.

3.6 Final conclusion: the triple purpose of RMA

- A RMA is a learning event for staff of a rural service provider.
- It generates market information for the benefit of producers, planners and clients. RMA often complements other production oriented appraisal methods, such as PRA.
- RMA initiates the joint action of producers to market their products, with rural service providers playing a facilitation role.

Earlier publications:

Publication No. 1

" 25 Steps to safe water and sanitation" , May 2000.

This publication describes the successful " community-oriented stepwise approach" , developed by Helvetas in Nepal in an integrated project which includes the construction of drinking water and sanitation facilities as well as the introduction of better hygienic practices.

Publication No. 2

" 10 key stages towards effective participatory curriculum development" , December 2001.

This publication describes a methodology to improve the quality of education and training through participatory approach. The information builds on the experiences of Helvetas in the Social Forestry Support Programme in Vietnam and other Helvetas-supported projects in Sri Lanka, Nepal, Bhutan, Lesotho and Kyrgyzstan.



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