Marketing for small-scale producers

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Foreword

Until the year 2000, new editions in the Agrodok series usually were about technical topics in small-scale and sustainable agriculture. This Agrodok on marketing is the first one in the series on a social-economic topic. The Agrodok is intended for small-scale producers.

Agromisa is grateful to CTA and Cordaid, who made it possible to publish this Agrodok.

We are grateful to all who have contributed to the coming about of this Agrodok. We would like to mention Martien Beek en Bert Hartevelt of IAC and Sasja Kamil and Ingrid van de Bouwdijk of Cordaid for their constructive support. Jane Aerts of Green Development, Corni Quist of SNV-Tanzania and Jur Schuurman of Agriterra contributed the illustrative cases.
Mamadi B. Jabbi made the lively African drawings and Arend Kortenhorst and Martin le Fèvre took care of the layout.

As usual it has been a long process to accomplish this Agrodok, we thank all those who have been patient to wait for it to appear. We hope your patience will be rewarded.

We hope that this Agrodok will be helpful to many small-scale producers. We encourage readers to write reactions to Agromisa, this will enable us to improve future editions.

Wageningen 2000,

Ad de Veld, author,
Marg Leijdens and
Wichert Koopman, editors.
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1 Introduction

Rural people in developing countries usually produce their own food. In addition to food, households also need money, to pay for clothes or school fees for the children, for example. Many households have set up other activities on the side, in addition to basic food production, to earn money. These activities vary from cultivating cash crops to making handicrafts or selling corn cakes at the local market (Figures 1-3).

Income from secondary activities is very important for many households, because it can help them achieve a considerably higher standard of living. Of course, these activities do have to be profitable in order to help the family’s income.

Every household that produces more than just food for its own consumption will have to become involved in trade. That is, their products will have to be sold. All activities that have to do with selling products are part of what we call marketing. This Agrodok is intended for small-scale entrepreneurs who want to earn money from activities other than the cultivation of food for their families’ consumption.

This booklet explains how the market works and how small-scale producers can best take advantage of the market to earn more money. The level of income earned from a secondary activity is also partly determined by the way the activity is managed. Planning and organisation of production is therefore discussed in the second part of this Agrodok.
Producing for the market looks appealing, but it does involve risks. A farmer who chooses to cultivate only cash crops, or other non-food products, endangers his family’s own food supply. Market-directed activities should therefore be seen as secondary. Food security for the family should always come first.

Marketing a product is different from producing it. Each activity requires very specific knowledge and insight. Someone who is a good producer may not necessarily be a good seller. A producer who wants to market his product will have to negotiate with traders or consumers. He will have to know about supply, demand, and pricing.

Of course, men and women are equally important as producers, sellers and traders. To keep the text readable, however, we have used the masculine pronouns ‘he’ or ‘his’ when discussing the roles of the entrepreneur, middleman, trader etc. Such generalisations are meant to be inclusive, referring to both men and women.