

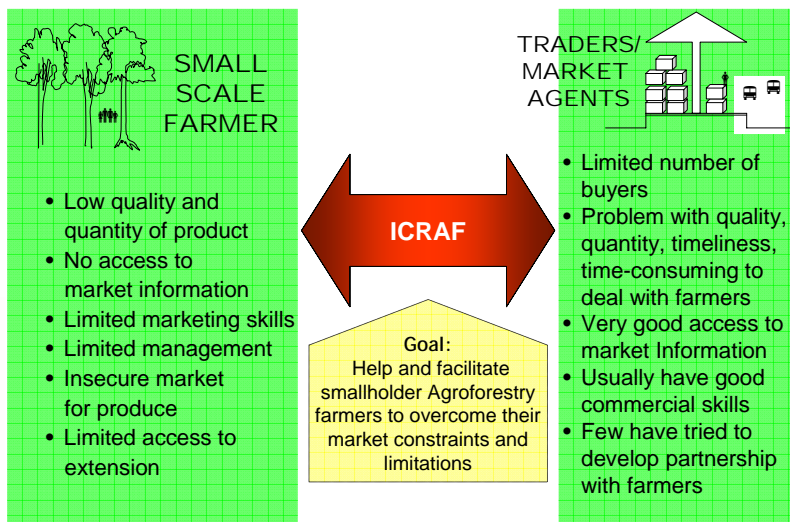
Background

Successful integration of Agroforestry and vegetable production on farmers' fields depends on the economic viability of the system. In order to compete effectively in commercial markets, small scale farmers must have better access to market information, be able to provide reliable quantities of high quality produce (either individually or collectively), good communication network, and appropriate market planning.

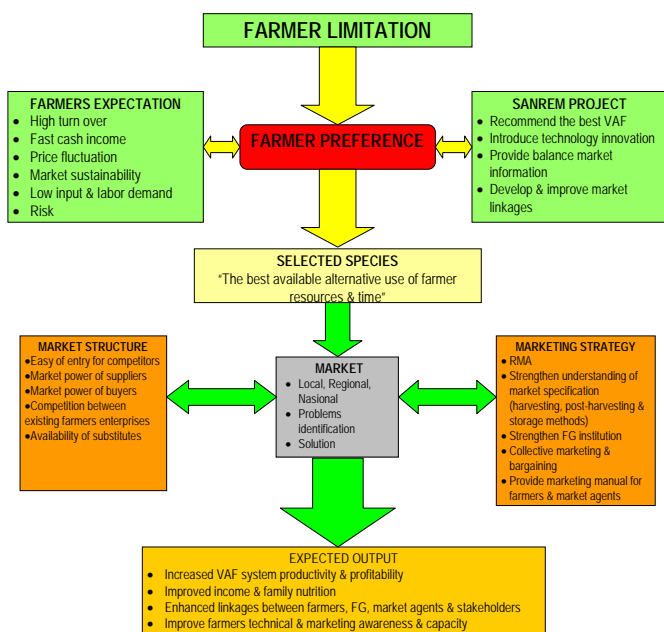
Objective

- Develop a market value chain at the local, regional and national level that builds upon existing marketing strategies.
- Develop interventions to overcome constraints and make use of opportunities

Existing Condition & Market Constraints



Research Framework



How to overcome the constraints?

COLLECTIVE MARKETING

ADVANTAGES OF THE STRATEGY:

- Increase their economies of scale
- Lowering transportation cost
- Raise and harmonize product quality
- Create incentive to increase production
- Assist farmers to access credit
- Facilitate the organization training & agricultural extension services
- Applying democratic decision making among the farmers



Income Scenario: Sold to Local Collector vs Wholesaler

Quality	No of Hand	Weight (kg)	Price (Rp/kg)	Income (Rp)
Grade A	3	6.0	1,700	10,200
Grade B	3	4.5	1,400	6,300
Grade C	2	2.5	1,100	2,750
			Total	19,250
			Cost	1,000
			Net Income	18,250

Assumption:

- Current price Rp10,000/bunch sold to local collector (regardless quality).
- Weight of a bunch of banana is 20 kg, 9 hands.
- Assumed in a bunch, there are 3 hands of grade A, 3 hands of grade B, 2 hands of grade C and 1 hand reject. Sold in 2 fingers based on grade & is packaged.
- Total cost of post harvest handling is Rp50/kg.
- Buyer will cover packaging material & pick up the banana at the village

Next Actions

- During 2007, we will focus on strengthen farmers' organizational and marketing skills to develop enterprises model for small scale farmers and entrepreneurs.
- Working with other teams in the projects to assist farmers applying appropriate management of their 'kebun'.