

#### **Better Understanding of Market Information** to Penetrate the VAF Market for Small-scale Farmers



Agroforestry and Sustainable Vegetable Production in Southeast Asian Watersheds - SANREM Project

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#### Background

The common problems faced by the small-scale farmers are lack of market information, remote location and poor accessibility to production resources. Generally, Nanggung Sub District, Bogor has relative good accessibility and close to the market. However, their unique landscape has placed the production area in unfavorable condition. The farmers were not well informed about the vegetables market. Most of farmers are not market-oriented in their decision on agriculture activities. To enter in a competitive market, the farmers have to hold reliable market information to minimize their risk. Better understanding on market information of selected vegetables is first step to develop and penetrate the VAF markets for small-scale farmers in Nanggung.

RMA (Rapid Market Appraisal):

"Iterative and interactive research methodology which is used to better understand complex market system in the short time"

## Why RMA is important?

#### They enable us to:

- Identify market outlets for surplus produce,
- Change production orientation into 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.

#### Benefits

Benefit of Using RMA (Rapid Market Appraisal) Results:

- 1. Improves farmer understanding of their marketing environment.
- 2. Empowers farmers to negotiate for better prices.
- 3. Reduces farmer's risk.
- 4. Indicates which crops are fetching a better price and why.
- 5. Provides information on reason for premium prices.
- Indicates new market options.
- 7. Informs producers and traders about new market options.
- Provides real market signals.



# Steps in RMA

Planning the Market Opportunity Survey by Selection of Existing Products

Developing of Survey Plan





7. Development of marketing plan



Share and discuss finding with farmer's group



Identify, select and conduct semi-structured



5. Visit best practice farm management



#### **Objectives**

- 1. To assist farmers in obtaining and using accurate market information.
- 2. To facilitate the farmers group in selecting and producing the most marketable VAF.
- 3. To link the farmers with potential traders and enter the market.

Obtaining good market information will guide farmers to make decision on:

"What, when to plant, and where and how to sell the VAF products?"







- The RMA result recommended the farmers to develop Katuk and Kucai as prospective and marketable vegetables.
- Katuk (Sauropus androgynus) and Kucai leaves (Allium odorum) require low capital investment, can be grow under the shading (20-25% for Katuk), and promise good return for the farmers.
- These vegetables have also good and stable market demand. The price was relatively stable for the last 12 months.
- The price per unit is relatively higher than existing vegetables are planted by the farmers.
- Based on farmers' experiences in other area, the yield of Katuk is 4-5 tons/ha and can be harvested 5-6 times per year (planted in open area with cassava as intercrop). Through this system a farmer can also produce 8-10 tons of cassava
- The yield from Kucai is 7.6 tons/ha and can be harvested 7-8 times per year (planted in open area, monoculture).
- The crops can be harvested for 5 years before replanted the new seeds.
- The cost-benefit analysis showed these farming systems will contribute to household income about USD 1,049/ha/year from Katuk and USD 2,867/ha/year from Kucai.
- There is opportunity for women group to earn US\$ 2 per day in sorting, grading and packing the Katuk.
- Farmers agreed to establish Katuk and Kucai's Production Plots in Nanggung.
- Farmer's groups are facilitated by World Agroforestry Centre have deal with trader to harvest and pick up the production at the farmer's gate at an agreed quantity and quality, and the price will follow the market.

## **Current Progress and Next Action**

- Production demonstration plots have been established in three selected villages.
- The project has distributed 60.000 of Katuk's seedling (cutting stem) and about 150 kg of Kucai's seeds to farmer partners and to be planted in
- For now, farmers will follow existing marketing channel as a strategy to penetrate the market and collect in-depth market information to improve and innovate the marketing decision in the future.
- Commercially oriented, production and profitability data from the plots will be evaluated and disseminated for broader farmers' adoption
- The data from the plots is essential as no reliable production data currently exists for Katuk and Kucai under the conditions common to farmers in Nanggung. The marketing action plan will be complemented by an in-depth marketing channel assessment.









