

Title Experiences with the "linking farmers to markets" approach in enhancing the performance of horticultural supply chains in the transitional economies

Author A.W. Shepherd

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Abstract

Horticultural supply chains are changing rapidly. Transactions are increasingly based on chains that involve coordinated links between farmers, traders, processors and retailers. It is against this background that donors, NGOs and government extension services ("linking organizations") are seeking to enhance the performance of supply chains, using the "linking farmers to markets" approach. This paper examines experiences in linking farmers to horticultural markets to reach some tentative conclusions regarding success factors. It considers examples of linkages promoted both by the private sector on its own and by linking organizations and then reviews in detail the linkage activities of the latter. Emphasis is placed on markets identified for linkages, on the capacity of the linking organizations, on the dangers inherent in subsidizing farmers and on the relationship between the private sector, linking organizations and farmers. As mutual trust between all actors in a supply chain is essential, this paper discusses how trust can be developed. Linking farmers to new institutional markets invariably requires farmers to be organized into formal or informal groups. Experiences with group organization are reviewed, as is the question of finance. Problems faced by farmers in maintaining linkages are examined and sustainability and scaling-up of horticultural linkage activities are considered. Broader issues also emerge. Working with farmers will have little impact if the enabling environment that governments provide is inappropriate for horticultural supply chain development. An unanswered question is whether linking organizations are actually increasing the size of the market or whether they are just replacing one group of farmer suppliers with a new set of "target beneficiaries". Finally, it needs to be asked whether limited resources would be better channelled towards activities likely to benefit a larger number of farmers.