

MASDAR

CAPABILITY STATEMENT IN MARKETING



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MASDAR EXPERIENCE IN MARKETING AND SUPPLY CHAIN DEVELOPMENT

1. INTRODUCTION

In MASDAR's experience, a recurrent constraint to economic expansion, and particularly rural economic expansion, is access to markets. Market access has two key dimensions, that of infrastructure and information. It encompasses physical access in terms of proximity and the availability of important infrastructure (communications, market facilities, storage, transport etc).



Strengthening market linkages has been important on many MASDAR projects (photo from Kano, Nigeria).

Market access also encompasses knowledge and information on market requirements, demand trends, prices, service availability and much more. It is often the absence of market knowledge that provides the opportunity for external actors to take increasing control of local business opportunities. Innovative approaches are required to ensure an effective and constant flow of up to date information from producers to their potential buyers and customers – whoever and wherever they may be.

2. MASDAR CAPABILITY

MASDAR has highly relevant experience in improving markets, market information and supply chain development and several of our current projects address this issue as a major objective.

On the IFAD funded **Smallholder Enterprise and Marketing Programme (SHEMP)** in Zambia MASDAR is supplying the entire management team for 7 years.

The overall objective of SHEMP is to improve smallholder incomes by improving their access to inputs and services from the private sector and to create markets for their outputs.

The major activities of SHEMP are:

- To facilitate formation and strengthening of farmer enterprise groups
- To improve access to input and markets for produce by improved market linkages,
- To promote diversification in production and marketing;
- To improve the policy/legislative framework for market linkages; and
- To facilitate a cost-effective, and competitive network of agribusiness and trading enterprises.

The Programme is National but concentrates in focal areas that allow for the most effective application of the Programme's market linkage mechanisms. They are not specified in terms of administrative boundaries but rather by the application, through an interactive process, of the following criteria:

- Concentration of economic activity
- Concentration of smallholders / outgrowers producing marketable surpluses,
- Accessibility.

The Programme works in seven focal areas, located in Southern, Central, Lusaka, Copperbelt and Eastern provinces where there is heavy concentration of trading/agricultural activity. Focal Area planning is achieved through a decentralised participatory approach of elected Stakeholders who constitute the FARG (Focal Area Resource Group).



Poultry Market : Zambia

The main results expected from the different Programme activities at the end of the 7- year period are presented below:

Sub-Components	Expected Results
1.1: Formation / Strengthening of groups and associations	<ul style="list-style-type: none"> • About 1,200 enterprise groups formed or strengthened to a self sustainable stage.
1.2: Strengthening local NGO capacity	<ul style="list-style-type: none"> • Four local Zambian NGOs trained and associated support provided to allow them to become viable and sustainable organisations for the formation and training of smallholder enterprise groups and associations
2.1: Access road improvement	<ul style="list-style-type: none"> • Spot improvement and enhanced maintenance of some 1300km of feeder roads, using labour intensive methods
2.2: Support for smallholder market intermediaries	<ul style="list-style-type: none"> • Feasibility studies completed • Business plans for commercialisation of remaining GRZ agricultural assets prepared • Access by small traders to finance facilitated • Local agents able to provide inputs to smallholders cost effectively • Market intermediaries and distributors better able to service smallholders • Women's market linkage initiatives piloted • Agribusiness companies adhering to a code of conduct • Smallholder production better matched with market requirements
2.3: Support for market diversification	<ul style="list-style-type: none"> • Some 15 market research contracts into new smallholder crop/other enterprise possibilities entered

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Sub-Components	Expected Results
	into <ul style="list-style-type: none"> • Training/Extension manuals prepared • Inward buyer missions for potential buyers of export crops and promotion of local market opportunities organised • A series of market diversification workshops held in the focal areas • Contracts for farmer level research and the associated trials issued
3.1: Policy/legislative support	<ul style="list-style-type: none"> • Key policy/legislative issues and options identified • Consensus on priority issues/legislation achieved • Draft legislation and regulations prepared • Senior policy makers educated and trained in the implications of policy decisions • An improved policy and legislative framework for rural financial services promoted
3.2: Technical / management support for programme implementation	<ul style="list-style-type: none"> • District roads engineers trained and operational in support of the Programme's road improvement sub-component • Market information more readily available to smallholders and market intermediaries • Extension workers trained in market dynamics of agricultural enterprises • Short-term technical, procurement/financial and management support provided to assist in the coordination and implementation of the Programme
3.3: Programme management	<ul style="list-style-type: none"> • A professionally run programme incorporating sound financial, contract and procurement management, a strong planning and monitoring capacity, with the ability to effectively coordinate different stakeholders

MASDAR are working with major European food supermarkets to establish fresh vegetable and fruit outgrower schemes for daily export to the UK by air from Lusaka. Quality standards and codes of conduct have been established between the outgrowers and the nucleus estates to facilitate this process. High quality information on prices, location of inputs and market outlets are vital to the smallscale producer. MASDAR has put in place market fora and information gathering and dissemination procedures using FM radio, notice boards and the extension service.



Vegetable Stall - Zambia

In Uganda, on the **North West Smallholder Development Project** MASDAR supplied both a long term marketing specialist and an infrastructural engineer with the objectives of expanding market opportunities, enhancing the market value of commodities, reducing market losses and enhancing women's access to marketing opportunities. The key activities undertaken were:

- i) Improving the infrastructure of priority markets. The objective was to reduce marketing losses, improve hygiene and generally improve marketing opportunities. Facilities being improved on 22 markets include slaughter slabs, fencing, roadways, market stalls, solid waste management, toilets and drainage.
- ii) Establishing a Market Information service. This covered 27 key markets in 5 districts and will provide weekly price summaries of major food crops and animal products.
- iii) Training Market Information Analysts. The objective was to have a core of analysts available to analyse, interpret and translate the information obtained from the MIS and disseminate it as widely as possible.
- iv) Supply chain development. This component included training of marketeers, in marketing skills (book keeping, grading, storage, selling) and linking sellers with a wider range of potential markets and thus developing the supply chain.

On a similar programme in Cameroon, on the **South West Development Authority**, a MASDAR marketing specialist developed a Market Information System on a provincial basis, designed to collect, collate and disseminate market prices within twenty four hours. The regular radio broadcasts of market prices greatly facilitated the sale of farmers produce at an optimum price.



Smallscale crop and livestock markets exist throughout Africa. An appropriate Market Information System will enable producers to get a better price for their products.

The development of Market infrastructure was also an important component of the **Integrated Rural Development Project for Livestock** in The Gambia. Amongst the infrastructure developed by a MASDAR engineer were four slaughterhouses, two milk processing units and a variety of facilities for drying and processing hides and skins which benefited 5,000 cattle-owning families.

On another project in The Gambia, the **Peri urban Smallholder Improvement Project**, MASDAR marketing specialists are currently undertaking work to improve the marketing of both horticultural and livestock products. This includes setting up guidelines for the location of wholesale markets, evaluating sites for roadside stalls, developing market infrastructure and improving market information.

In Tanzania on the **Agricultural Marketing Systems Development Programme** MASDAR is currently supplying two staff to support the Project Management Unit. The programme has four main components, the second of which is concerned with “producer empowerment and market linkages”. The objective of this component is to “increase the benefits that smallholder farmers and small-scale traders/processors obtain from interacting with the market in an organised and sustainable manner”. Under this component, four sub components are concerned with:

- Organisational Strengthening – through group strengthening and support to producer groups
- Market Information – through strengthening of the national market information system, and building commercial links with business information service providers
- Producer Group Market Access – through business training, technical training and farmer exchange visits
- Trader and Processor Market Access – through business advisory services, market-led pilot linkages and technical support

An important component of the **RESAL** project managed by MASDAR in Malawi & Mozambique was to encourage the exchange and utilisation of market information on a regional basis. Market information systems within the region as well as commodity exchanges needed to be brought into contact with each other with the ultimate objective of establishing a web-based market information network. Since 1999 **TradeInfo-Africa** has published a regular monthly bulletin providing regional analysis of market information, including prices from selected retail markets plus the spot and forward prices from the regional commodity exchanges.

The MASDAR group is also playing a major role in the institutional strengthening of **TongaTrade**. TongaTrade was inaugurated in January 1997 and has been established to facilitate and promote the export of Tongan products in overseas markets. TongaTrade is being jointly funded by the Government of Tonga and the Asian Development Bank during the initial establishment period of two years. The initiative to establish TongaTrade developed from the realisation that Tonga was in a very vulnerable position as an exporter of agricultural products and subject to a boom or bust approach. The principal goal of TongaTrade is to identify markets which are appropriate to Tonga's productive capacity and to develop an environment which encourages private sector investment in export industries. It is proposed that at least 50% of the annual funding for TongaTrade is provided by the private sector within two years after the start of the TA.

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The overall objectives of TongaTrade are to promote the growth and competitiveness of Tonga's exports of goods and services, through the following activities:

- Help with the identification of market opportunities for Tonga
- Serve as the onestop trade information centre
- Collect and disseminate trade information materials
- Act as liaison between buyers and sellers
- Provide a showcase for Tongan products
- Organise trade missions and participate in overseas trade missions
- Arrange seminars and workshops for Tongan exporters
- Maintain an uptodate database of names and addresses of overseas contacts Assist Tongan producers and entrepreneurs with overseas market development activities

The trade information system developed by MASDAR, which relied heavily on WWW and Internet technologies, comprised the following components:

- Trade Contacts
 - Company Information
 - Directories
- Opportunities World Trade Organisation
 - Buyers Demands
 - [Sellers Offers]
- Market Information
 - Market Prices
 - Market Characteristics
 - Distribution Channels
 - Competitors
 - Trade/Investment Regulations
 - Quarantine/Labelling/Packaging
 - Export Incentive Schemes/Preferential Trade Agreements
- Other Business Opportunities
 - Joint Ventures
 - Investment
 - Cooperation
- Trade & Production Statistics
 - Production
 - Imports
 - Exports

MASDAR has also assisted in the restructuring of the **Windward Islands Banana Industry**. The Windward Islands have been a traditional supplier of bananas to the UK, and enjoy a preferential access quota to the European Market of 294,000 tonnes. Their market share has been seriously eroded as other suppliers have responded to the challenges of the single European Market by improving the quality of their product and the effectiveness of their market penetration.

It has been recognised that the information systems of the banana growers' associations (BGA) and of WIBDECO "are in need of upgrading in order to provide better management and financial information"; and the technical

assistance team therefore included the provision of services by a number of information specialists.

MASDAR supervised the information systems components of the project, which involved the introduction of new systems in the following areas:

- Grower Management, including the introduction of bar-coding to allow each individual box to be followed through the marketing system from reception in the Windwards to sale in a UK supermarket.
- Inventory Control
- Financial Accounting
- Extension Management
- Office Automation

MASDAR facilitated the establishment of over 900 small private sector agro-industries in Nigeria when it managed the **Rural Agro Industrial Scheme**. The scheme aimed to encourage and support small-scale private investment in the agro industrial sector through the identification of potential projects, the production of feasibility studies and financial appraisals and the provision of technical and managerial assistance. Marketing played a key role and 5 long term MASDAR consultants ensured that marketing considerations were emphasised in all approved business plans.

As a result of a major MASDAR study for the AfDB in Ghana, looking at ways in which Agro Industries can be stimulated, the AfDB and Ghana government have agreed on a major new project entitled **Export Market and Quality Awareness Programme**.



*Potato grading prior to restructuring :
Eastern Europe*

On several projects in Russia, MASDAR has supplied marketing expertise. With the collapse of centralised control, the food chain from farm to retail had fragmented and there were gross inefficiencies in harvesting, handling, transport, storing, processing and marketing of food commodities. On the **Fruit and Vegetable Transport and Marketing Project** in Samara, MASDAR consultants assisted in the planning and implementation of a fully functional wholesale market whilst in

Ekaterinburg on the **Fresh Produce and Animal Feedstuff Distribution and Marketing Study** a team of 30 consultants reviewed the whole chain of supply and distribution. A major component was the identification of key problems and the quantification of losses in the distribution chain from the “farm gate” to the consumer.

3. INDICATIVE STAFF

MASDAR maintains a database of over 3000 consultants many of whom have considerable experience in marketing and in the development of Market Information Systems.

Nick Freeland is a director of MASDAR with over 20 years experience in developing information systems for agricultural and rural development projects. With formal training in Systems Analysis he has had extensive experience in introducing information systems from Market Information to Food Security Analysis, from business planning to project M & E and from survey data processing to geographic information systems. He has recently set up Market Information Systems for TongaTrade, the Windward Banana Industry and the RESAL project in Malawi and Mozambique.

John Pratt is an agricultural marketing specialist with highly relevant experience in making markets work for the poor in Africa, Asia and the CIS. He was team leader and marketing specialist for MASDAR in Nigeria during the design phase of the Participatory Rural Development Project. Financed by the PTF he lead a team which thoroughly reviewed existing agricultural extension systems and proposed a village-based participatory alternative. He was Marketing Economist / Business Analyst on the Togliatti Food Distribution Project (Russia) which was widely viewed as one of the most successful EU Tacis programmes ever implemented.

Peter Baker is a post harvest and marketing specialist who has undertaken post harvest and marketing reviews in many countries identifying key storage, handling, grading, processing and marketing facilities. He has identified possible areas for intervention and has developed and then implemented appropriate projects. Peter has undertaken four long term assignments for MASDAR which have all involved a detailed analysis of marketing constraints affecting the small scale producer. On one of these assignments (Cameroon) he set up an efficient provincial Market Information System designed to collect, collate and disseminate market prices within twenty four hours. The key information was broadcast on a weekly radio programme and the MIS was integrated into a national early warning system for food security.

John Lynton Evans is an economist whose assignments over the last few years have become increasingly focused on various aspects of food security, to the extent that he is now one of the leaders in this sector. His consultancy missions have covered a wide geographical area, and have involved him, frequently as Team Leader, in food security issues ranging from strategic grain reserves, through agricultural marketing, to the logistics of grain distribution. Missions include the formulation of the second phase of the SADC Regional Early Warning System for Food Security and assistance to the associated national units in Namibia, Lesotho and Mozambique; marketing policy analyses in a number of emerging Eastern European economies; and studies of grain storage and logistics in Bangladesh, Pakistan, Ethiopia and Sudan. More recently, with another MASDAR consultant, he was responsible for the design and implementation of information system for a US \$1 billion Grain Marketing and Distribution Project in China.

Andrew Sergeant has extensive experience in the development of commercial opportunities for high value crop production, especially horticulture and floriculture. He has a wide understanding of horticultural production techniques in East and Southern Africa and marketing of high value crops in Europe. He has undertaken numerous marketing studies. He worked for MASDAR in Zambia where he established a code of practice for market intermediaries, ensuring fair and ethical business practise, and guidelines for equitable contracts.

Robert Taucher is a practical livestock producer with over 26 years consultancy experience much of it in livestock marketing in Africa. This has included assessing the capacity of abattoirs, identify transportation requirements and reviewing institutional support to the cattle sub sector. In addition he has considerable skills in M & E and MIS.

Nicholas Norvell is a marketing advisor with specialist and in-depth knowledge of warehousing and retail store management. He has pioneered much of the work on the use of negotiable warehouse receipts to facilitate grain marketing for small scale produces. He has undertaken over 20 major marketing consultancies throughout the world.

4. SUMMARY

Making rural markets work better is a key strategy in alleviating poverty. Important issues to be addressed include:

- What markets are important for the livelihoods of the poor (or should be important for them) now or in the future, directly or indirectly?
- How well do these markets currently serve the poor, in terms of ease of access, security of access and conditions of access?
- How do these markets fit into supply and value chains? How do these chains operate: where are the constraints, where are the high returns being made?
- What stakeholders are involved in these markets and what are their roles, their interests, their strengths, weaknesses, opportunities and threats (SWOTs)?
- What are the barriers to entry and the transaction costs and risks for different stakeholders?
- What is the institutional environment like and what are its effects on key markets – is it enabling or disabling? How could these be developed or modified to improve market access for the poor?
- How are these markets changing and how are they likely to change as a result of wider, external processes of change? What opportunities are there for support to wider process of growth?

MASDAR has considerable experience in improving markets throughout the developing world and has access to first class consultants with appropriate skills, these range from Infrastructural development to policy advice and the development of Market Information systems.

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