

# **Implementing effective policies to enhance market access and improve smallholder integration in tropical superfruit value chains**

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[www.itfnet.org](http://www.itfnet.org)  
Linking people, technology and market

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# Definition of Value Chain in Agriculture

- A sequence driven by consumer demand and marked by value growth and coordination at each stage of production, processing and distribution

It carries with it a range of support functions such as input supply, financial services, transport, packaging, market research and advertising.

The actors consist of input providers, smallholders, processors, packagers, distributors and retailers.

(adapted from <http://pore.cta.int>)

## Main features of value chain

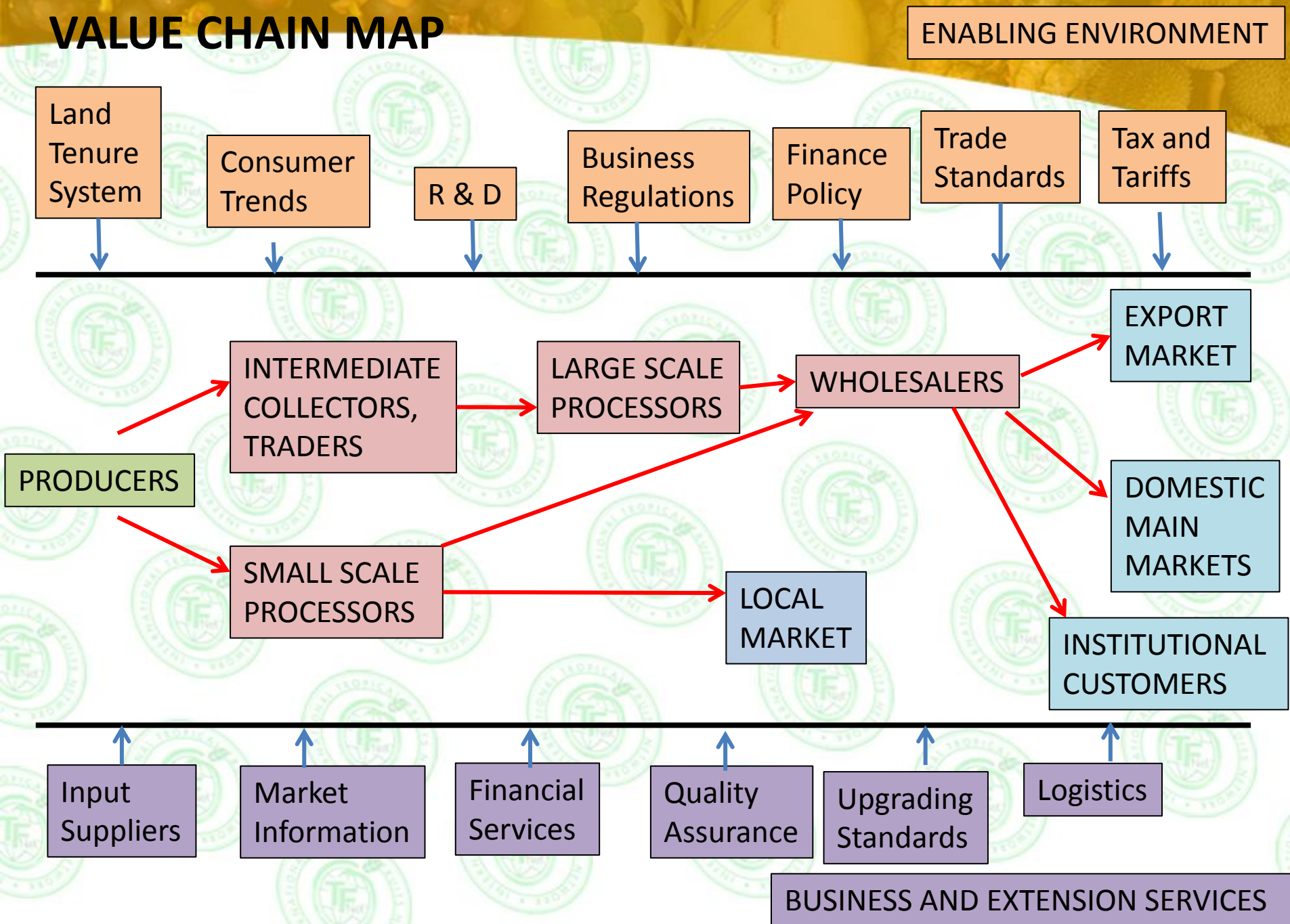
- Coordination of all links in the chain
- Added value at each stage
- Market-led approach, responding to local, national and International consumer demand



Value Chains can be mapped or analysed  
Through value chain analysis to identify  
(through surveys, interviews, meetings):

- Who are the key players (actors)
- How the sequence works - links between the actors
- Factors influencing chain performance which includes the enabling environment – policies, institutions, service providers

# VALUE CHAIN MAP



(Adapted from: Hellin, J and Meijer, M. Guidelines for value chain analysis)







# Key requirements for smallholder integration into the value chain

- Smallholder be given opportunity to enhance market access
- Smallholders play a more active role in chain
- Government provides enabling environment



## Some key issues influencing integration of tropical fruit smallholders into the value chain

- Low productivity – traditional agriculture,
- Low quality produce – low prices, no grading
- Limited expansion, no credit facilities
- Seasonal price fluctuations (glut)
- Lack of market information
- Lack of infrastructure
- Lack of Post harvest facilities
- Lack of access to technology

# Access to technology - Value addition in tropical fruits

- Improved quality – better varieties, technology
- Better post-harvest management
- Sorting, Grading and Packaging
- Certification
- Processed products



## Case study 1 – Rambutan in Vietnam

- Rambutan growing areas in Ben Tre and Tien Giang total 6,300 ha
- 80% is grown with local variety
- The 10% mixed variety and only 10 % with Rong Rein, a variety which commands a better price
- Lack of infrastructure - proper collection centers
- Logistics
- A gradual shift in the type of variety grown and
- infrastructure development











## Case study 2 – Mangosteens in Indonesia

From farmers surveyed (West Java):

- 14 % sell according to grades, 83% sell mixed grades (Grade A – USD 0.80 / kg. Mixed Grade – USD 0 .40)
- 68% price determined before harvest (contract), 32% on the spot price
- 88 % no access to credit facilities
- 50% wanted direct access to wholesalers and markets
- 91% - require capacity building in GAP and production technology

**Focus on improving fruit quality, grades, credit availability and Capacity building activities**











# Key policy areas to improve smallholders integration and enhance market access

- Access to technology
- Access to credit facilities
- Access to marketing skills
- Access to market information
- Private sector involvement
- Provision of logistics and infrastructure
- Public private partnership
- Institutional – formation of cooperatives
- Overall objective to increase income and improve competitiveness

# Policy directions

Fundamental policy directions to integrate smallholders into the tropical fruit value chain are:

- Scaling up productivity of labor and land, agricultural research, extension , institutional development
- Provision of credit facilities
- Promoting specialization and diversification;
- Marketing information system
- Applying modern agricultural technologies for increased production and productivity; and
- Encouraging private sector to increase its share of investment in agriculture.



# Conclusion

- Value chain mapping important to identify chain performance, gaps and the enabling environment in tropical fruits value chain
- Requirements to integrate smallholders into tropical fruit value chains are: better access to the market, active role of smallholders in chain (upgrade) and enabling environment
- Policies formulation to address key issues such as technology transfer, providing market information, credit facilities, infrastructure development, private sector involvement and institutional development



THANK YOU



