



5. Participatory Market Chain Approach (PMCA)

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Approach & Tools

How to engage smallholder farm communities in markets



Why Participatory Market Chain Approach?

- Powerful supermarkets or agro-industrial companies determine ‘the rule of the game’ and are only interested in larger farmers
- Lack of market knowledge (assets), lower profits, high competition on traditional markets resulted in the marginalization of the smaller farmers

How to reverse the trend?

- **Collaboration** among farmers and with companies
- **Innovations** that improve efficiency or create added value and higher consumer prices



What is PMCA?

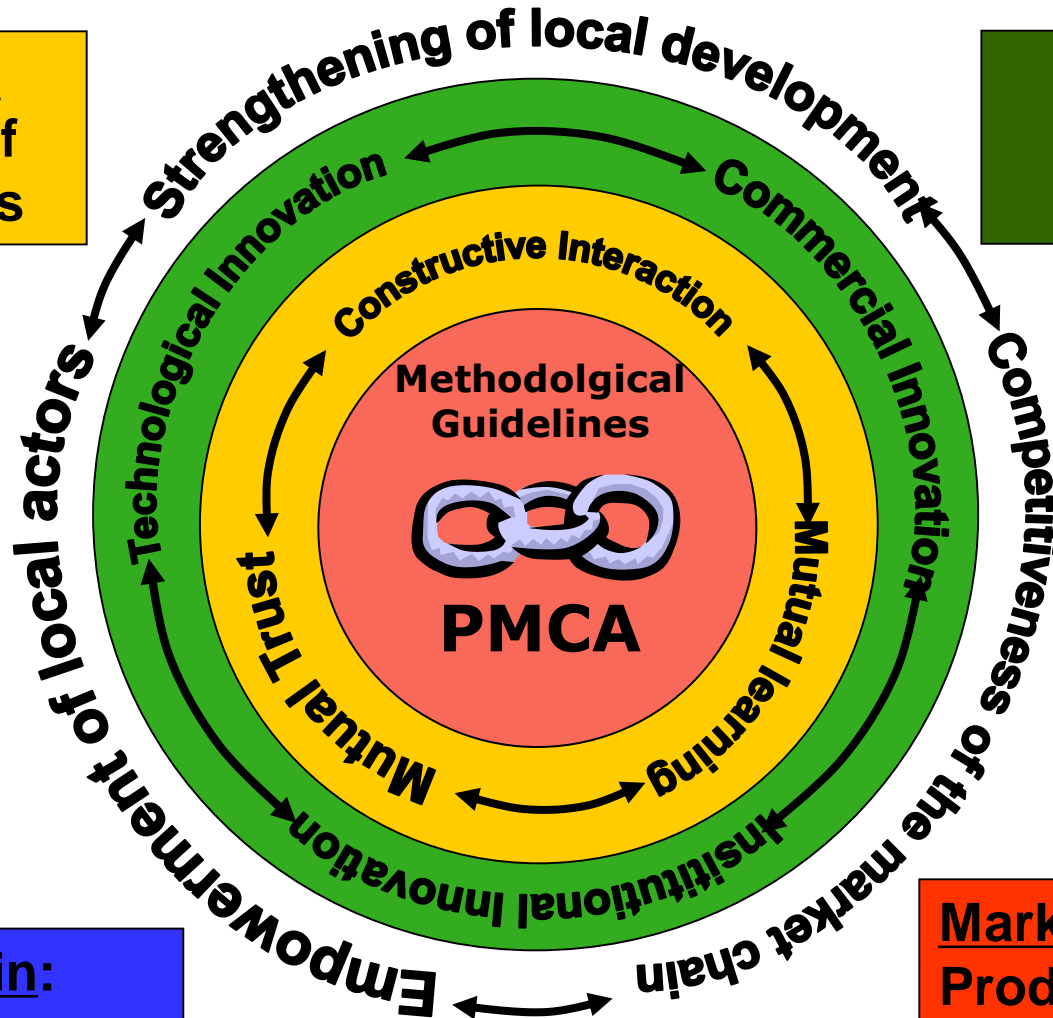
= Participatory Market Chain Approach

PMCA is a method that involves different actors who are systematically linked to a chain in a process of research and development (R&D) in order to build trust and promote innovation and competitiveness of a sector

PMCA - Basic Concepts

Participation:
Involvement of
different actors

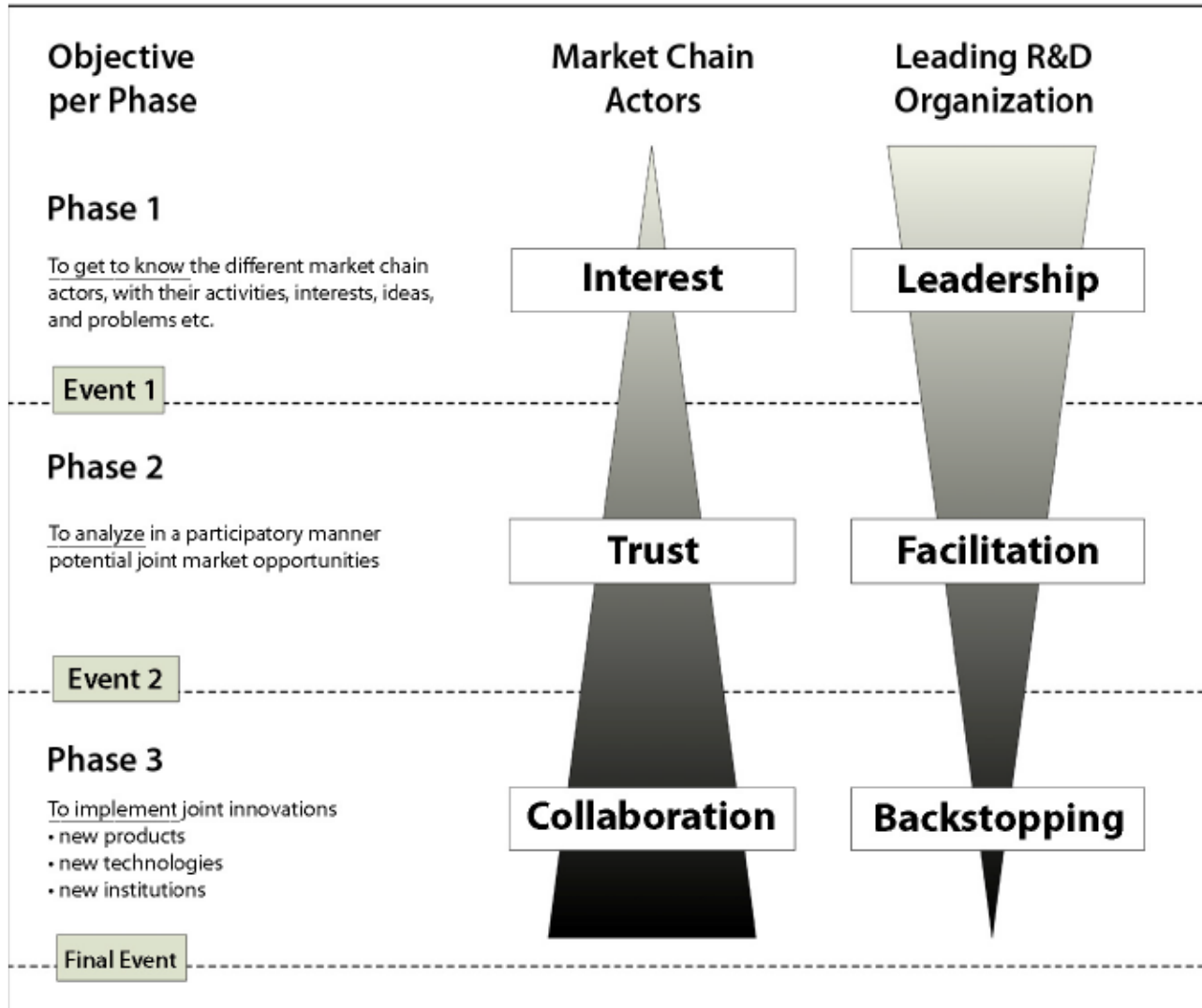
Innovation:
Change for the
better



Market Chain:
producer ↔ consumer

Marketing:
Produce according
to the demand

PMCA – Concepts & approach





Useful Tools and Documents of PMCA

Objective per phase

Useful tools

Phase 1

Meet the chain actors, learning about their activities, ideas, problems etc.

Tool 1 Impact filter

Tool 2 Theatre play about the market chain

Phase 2

Participatory assessment of new market opportunities

Tool 3 Rapid Market Appraisal

Tool 4 Quantitative Market Study

Tool 5 Focus Group Discussions

Tool 6 Development of a marketing

Tool 7 Business plans

Phase 3

Implementing activities to launch joint innovations and new products in the market

Phase 1

Meet the actors and learn about their activities, interests, problems and ideas

- **Step 1**
Rapid assessment of the value chain to identify market opportunities



- **Step 2**
Formation of thematic groups for each identified market opportunity



- **Step 3**
Planning and holding first event to a) bring all actors together b) present results of initial value chain assessment c) develop joint vision d) conduct theatre play e) define workplan for thematic groups



→ **Implementation in Perú**

Phase 2 Discuss and assess joint opportunities per thematic group

- **Step 1**
Assess strenghts, weaknesses, opportunities and threats of the market idea
- **Step 2**
Conduct exposure visits and RMA to understand market demands
- **Step 3**
Systematic analysis of options and making value chain map
- **Step 4**
Develop business plan including all information
- **Step 5**
Planning and holding second event were initial findings are shared with wider audiance



⇒ Implementation in Perú

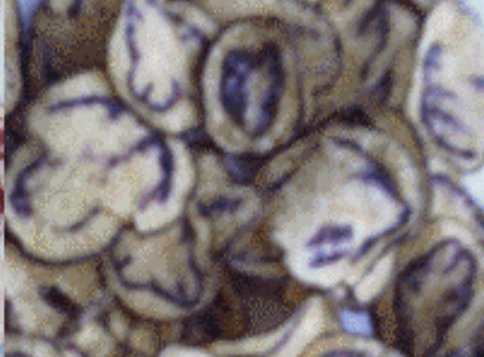
Phase 3 Implement the proposed market innovations

- **Step 1**
Agree on action plan to realize innovation
- **Step 2**
Design and develop the concrete innovations
- **Step 3**
Plan and hold the final event where thematic groups display their innovative product, packaging or market solution



⇒ Implementation in Perú





Jalca Chips®

Jalca Chips

native potato snack

*From potatoes grown
in the high Andes, at over
11,000 ft / 3,300 m*

100% NATURAL
no colors added
no preservatives



BOOKMARK INSIDE

Product of Peru

Rich in Antioxidants

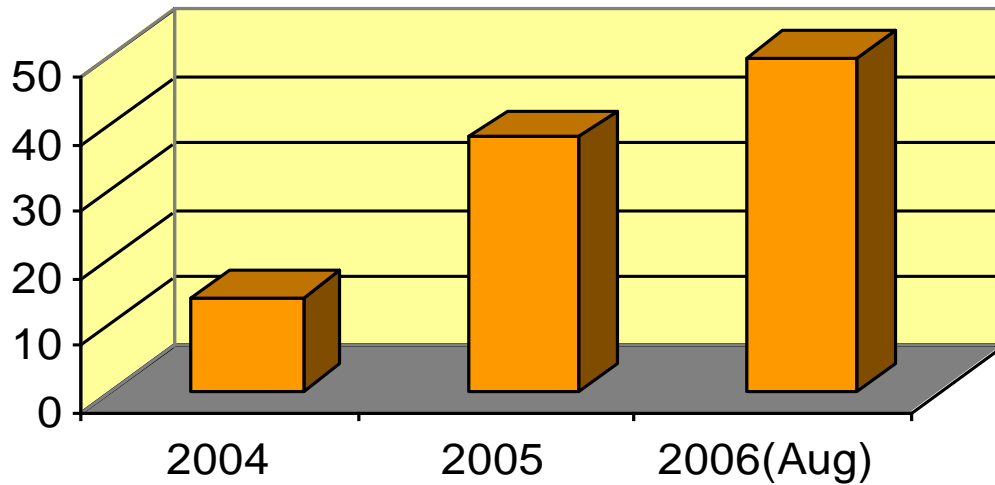
*Net weight
2 oz / 56 g*

T'ikapapa

Washed and cleaned gourmet potatoes for higher-end supermarkets, hotels and restaurants



Tikapapa sales per year (MT)



2004: 14 MT were sold
2005: 38 MT were sold
2006: 50 MT were sold (August)







Challenges and conclusions

- PMCA has been used and tested in several countries including Peru, Bolivia, Colombia, Ecuador, Uganda, Indonesia
- Several research papers showcasing results of PMCA
 - Bernet et al. 2006 PMCA User guide
 - Devaux et al. 2008 Collective action for market chain innovation in the Andes
 - Cavatassi et al. 2009 Linking Smallholders to the New Agricultural Economy: An Evaluation of the Plataformas Program in Ecuador
 - Devaux et al. 2016 Innovations for inclusive value chain development

Challenges:

- Coordination, building trust and keeping companies interested



What is already done by others?

- CIP/CIAT: Participatory Market Chain Approach - <http://cipotato.org/publications/pdf/003296.pdf>
- GIZ: Value links - <http://www.valuelinks.org/>
- DFID: Value chains for the poor <http://www.valuechains4poor.org/>
- FAO: Contract farming - <http://www.fao.org/ag/ags/contract-farming/library/en/>
- SNV/Agriprofocus: Gender in value chains - <http://genderinvaluechains.ning.com/>
- UKAID/SDC/SIDA: Markets for the Poor Hub- <http://www.m4phub.org/>
- SDC: Market approaches to development - <http://poverty.ch/>
- ILO: Value chain development <http://www.ilo.org/empent/areas/value-chain-development-vcd/lang--en/index.htm>
- USAID: Microlinks <http://microlinks.kdid.org/good-practice-center/value-chain-wiki/costaleo-value-chain-analysis-example>

CGIAR - Clearing house for Value Chain Tools

Participatory market Chain Ap... +

general.tools4valuechains.org/tool/participatory-market-chain-approach-0

clearing house

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PARTICIPATORY MARKET CHAIN APPROACH



Center (ownership):
CIP

Primary contact:
Andre.Devaux

Tool typology:
Innovation in business models

