



# Negotiation-support toolkit for learning landscapes

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Perdana A, Budidarsono S, Kurniawan I and Roshetko JM. 2013. Rapid market appraisal (RMA).  
In: van Noordwijk M, Lusiana B, Leimona B, Dewi S, Wulandari D (eds). *Negotiation-support  
toolkit for learning landscapes*. Bogor, Indonesia. World Agroforestry Centre (ICRAF)  
Southeast Asia Regional Program. P.52-54.

# 7 | Rapid market appraisal (RMA)

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The Rapid Market Appraisal (RMA) has been designed to analyze value chains from farmgate to consumers, the role of various people involved in adding value, and their bargaining power used to capture part of the end-user value. This information can subsequently be used to 1) raise awareness with farmers about the importance of market information; and 2) guide interventions aimed at improving the efficiency of marketing systems and generating benefits for participants.

## ■ Introduction: market opportunities for enhancing local livelihoods

The development of market economies and rural infrastructure has expanded commercial opportunities to many farm communities. However, traditional tree management often leaves communities unprepared to produce reliable quantities of high-quality products that meet market specifications. For example, Predo (2002) found in the Philippines that tree farming was more profitable than crop production but uncertain marketing conditions were a deterrent to planting trees. Smallholders generally have weak market links and poor access to market information. They typically sell products through traders and are unaware of the final customer and the quality requirements in the value chain. Farmers tend to produce and sell agricultural products according to local norms, competing with neighbours for a small part of the market. Market agents spend considerable time and other resources searching for, collecting and sorting smallholders' products of small quantity and various qualities. The status quo of this farmer–market agent interaction tends to be entrenched and it is not easy to shift towards more informed producers with greater bargaining power along the value chain but examples abound that it can be done. The starting point has to be awareness of the current system, collective action for change and a policy environment that is conducive.

The Rapid Market Appraisal (RMA) strengthens awareness regarding the importance of market information (Young 1994). It is a tool to understand how products (commodities) flow to end users and to understand how commodity systems are organized, operate and perform. Through an RMA, farmers will begin to see the importance of customers' views and market information and specifications. It can inspire farmers to develop new understanding regarding the commodities they produce; and to evaluate commodity marketability by seeking input directly from customers and market agents. Farmers will become aware of the advantages they have, the barriers they face, and in what state of competition they are in (Perdana et al 2012). The information can also inform higher-level policy in supporting fair and efficient value chains.

RMA is a quick, flexible and effective way of collecting, processing and analyzing information and data about markets. RMA is also an efficient method for acquiring knowledge about marketing systems to inform production and marketing strategies, policy (He 2010) and the design and implementation of relevant interventions. It is a process for discovering market opportunities and how to capture them through focus on an entire value chain (Nang'ole et al 2011).

## ■ Objectives of RMA

- ① To analyze the existing value chain from farmgate to consumers and the current roles in adding value and the bargaining power to capture part of the end-user value.
- ② Raise awareness with farmers about the importance of market information.
- ③ Help producers to understand how commodities flow to end users and how markets are organized, operate and perform.
- ④ Guide interventions aimed at improving the efficiency of marketing systems and generating benefits for participants.

## ■ Steps

RMA comprises a range of simple methods and tools for collecting quantitative as well as qualitative information. Such methods avoid the costs and delays of formal questionnaire surveys, which have often failed to provide timely and sufficiently detailed information.

Flexibility is one of the main attributes of an RMA. There are no fixed rules regarding the size and composition of the team involved, which will depend on the resources available, the characteristics of the location, and the objectives of the survey. Likewise, the number and type of markets visited, and the number and type of 'key informants' selected, will vary according to the purpose of the RMA and the resources available. Similar comments can be made regarding the time required to collect and analyze information.

The method follows the steps below.

- ① Define objectives
  - a. Determine what products will be assessed, identify and clarify information needs, specify objectives jointly with farmers and community representatives
- ② Appraisal planning
  - a. Design the survey, sampling method and questionnaire
- ③ Collection of available information
  - a. Select enumerators
  - b. Conduct in-depth interview, market observations, focus-group discussions, secondary data collection, data cross-checking
- ④ Data analysis (product-based)
  - a. Identify market structures and characteristics in relation to the production system, harvesting, post-harvest processing and marketing practices
  - b. Characterize the product flow along the value chain, identifying added values, chain actors and their roles, price structures and margins for each of the chain's actors
  - c. Analyze constraints and opportunities for change
- ⑤ Share initial results and prioritize 'action research' by farmers' groups who want to try and change the status quo
- ⑥ Share results at higher policy levels to discuss options to remove bottlenecks and facilitate the value chain to further develop

## ■ An example of RMA in agroforestry

The example is taken from an RMA activity (Tukan et al 2006) focusing on improving the market chain of bananas grown in farm gardens by linking farmers to markets in West Java. The RMA started with informal visits to make observations in the study area and hold discussions with key farmers and other stakeholders. The information derived from these visits and knowledge gained from secondary information was used to design the market survey. After selecting enumerators and producing a reliable questionnaire, the survey was then conducted applying snowball sampling, which can take the enumerators from farmers all the way to the trading companies, and even consumers. The information sought was key market actors and their roles, values added at each node, prices of sales and profit margins at each node, and obstacles and opportunities faced by each market actor. The information was then cross-checked by direct observation and focus-group discussions with relevant stakeholders in the project area. The cross-checking process continued until the findings were clear, consistent and complete. The output was a thorough value chain of banana. A draft summary of the output was then shared with stakeholders in a formal workshop. This provided an opportunity for additional cross-checking with larger groups. Any inconsistencies or gaps in the information were identified and addressed through further field investigation. A summary of farmers' marketing practices was finalized. It included detailed priority species, marketing channels and agents, farmers' market roles, marketing problems and opportunities. Subsequent to the RMA, work plans were developed consisting of intervention recommendations of what farmers, market agents and other stakeholders could do to improve the production and marketing of smallholders' bananas.

## ■ Key references

- [ILO] International Labour Organization. 2000. *Rapid market appraisal: a manual for entrepreneurs. FIT Manual Series*. Geneva: International Labour Organization.
- Nang'ole EM, Mithöfer D, Franzel S. 2011. *Review of guidelines and manuals for value chain analysis for agricultural and forest products*. ICRAF Occasional Paper No. 17. Nairobi: World Agroforestry Centre





The landscape scale is a meeting point for bottom–up local initiatives to secure and improve livelihoods from agriculture, agroforestry and forest management, and top–down concerns and incentives related to planetary boundaries to human resource use.

Sustainable development goals require a substantial change of direction from the past when economic growth was usually accompanied by environmental degradation, with the increase of atmospheric greenhouse gasses as a symptom, but also as an issue that needs to be managed as such.

In landscapes around the world, active learning takes place with experiments that involve changes in technology, farming systems, value chains, livelihoods' strategies and institutions. An overarching hypothesis that is being tested is:

Investment in institutionalising rewards for the environmental services that are provided by multifunctional landscapes with trees is a cost-effective and fair way to reduce vulnerability of rural livelihoods to climate change and to avoid larger costs of specific 'adaptation' while enhancing carbon stocks in the landscape.

Such changes can't come overnight. A complex process of negotiations among stakeholders is usually needed. The divergence of knowledge and claims to knowledge is a major hurdle in the negotiation process.

The collection of tools—methods, approaches and computer models—presented here was shaped by over a decade of involvement in supporting such negotiations in landscapes where a lot is at stake. The tools are meant to support further learning and effectively sharing experience towards smarter landscape management.

