

Understanding Zambia's Domestic Fresh Produce Value Chains

Main Patterns in Assembly,
Wholesaling and Retailing in Lusaka
and Ndola

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Main data sources

- Stakeholder consultations
 - Government institutions (MACO, MLGH)
 - City Councils of Lusaka and Ndola
 - Donor funded projects (UMDP, PROFIT)
 - Private sector traders and processors
 - Freshpikt, Freshmark, Shoprite Mgrs, Melissa, etc.
 - Farmers

Main data sources cont'd

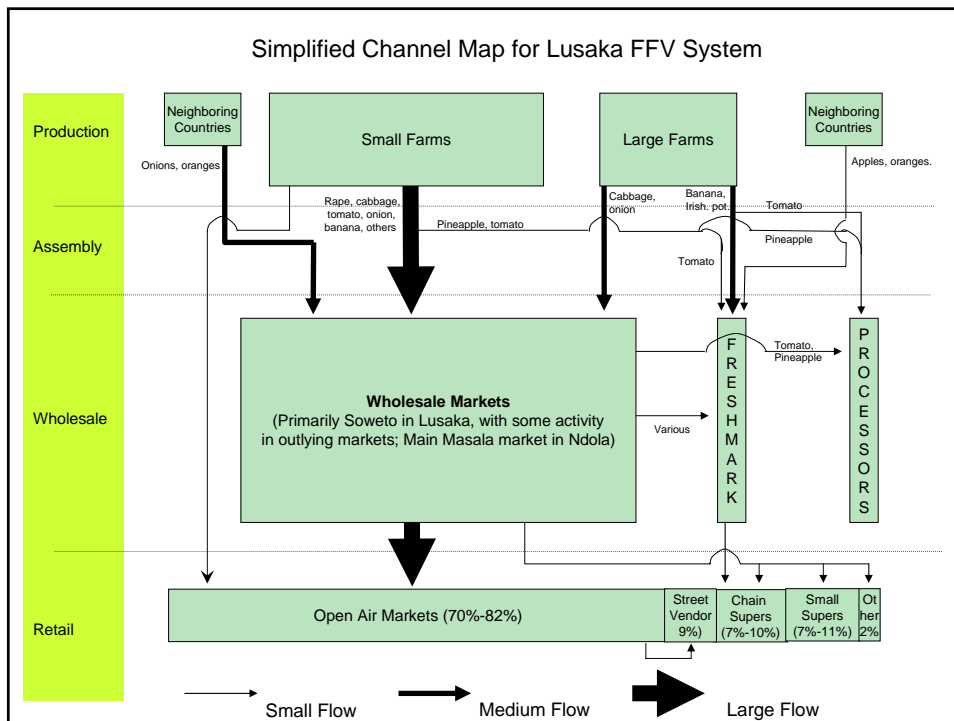
- Interviews with
 - Large farms (6) in Lusaka
 - First sellers (31) in Lusaka Soweto market
 - Some traders, some farmers
 - Retail traders (107) in markets, and
 - Urban consumers (235) in Lusaka and Ndola
- Analysis of household survey data for smallholder marketing

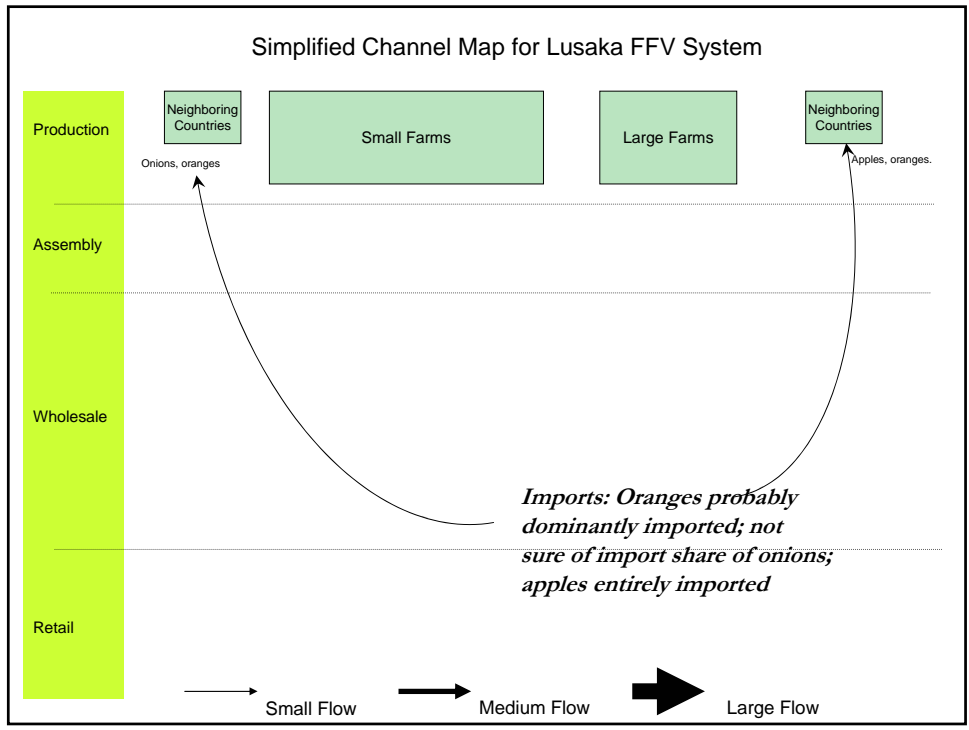
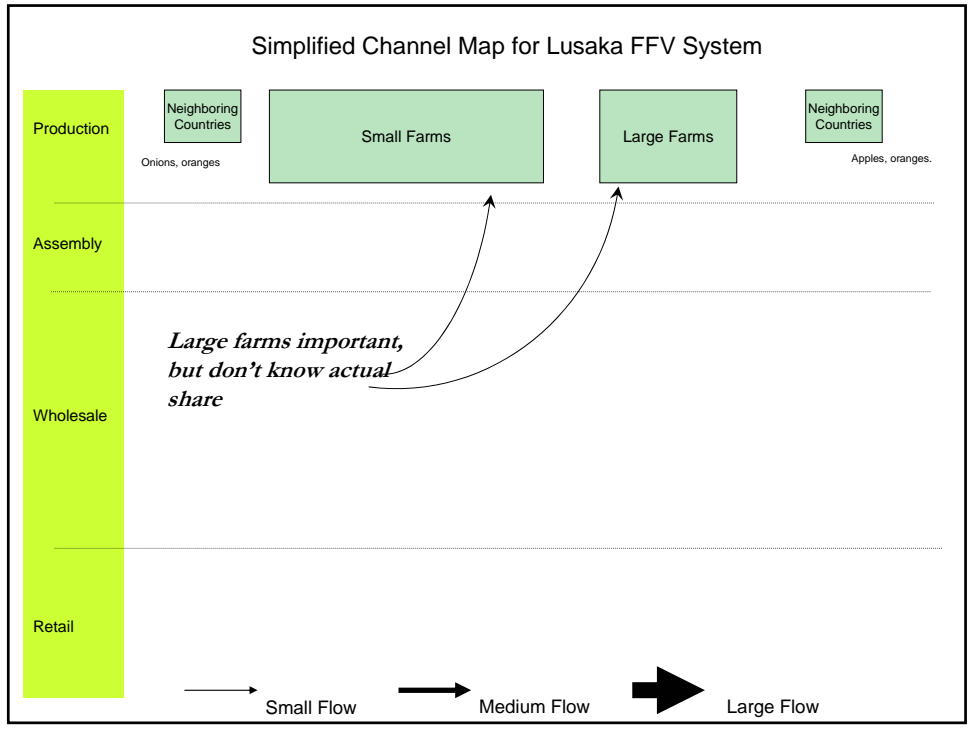
Overview of Wholesaling and Retailing

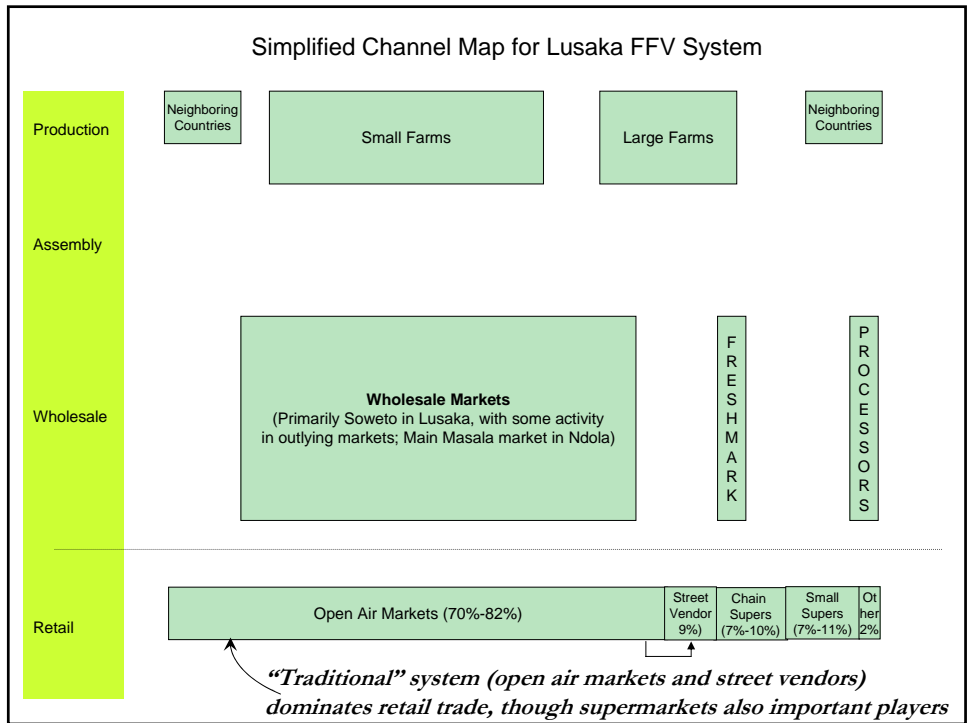
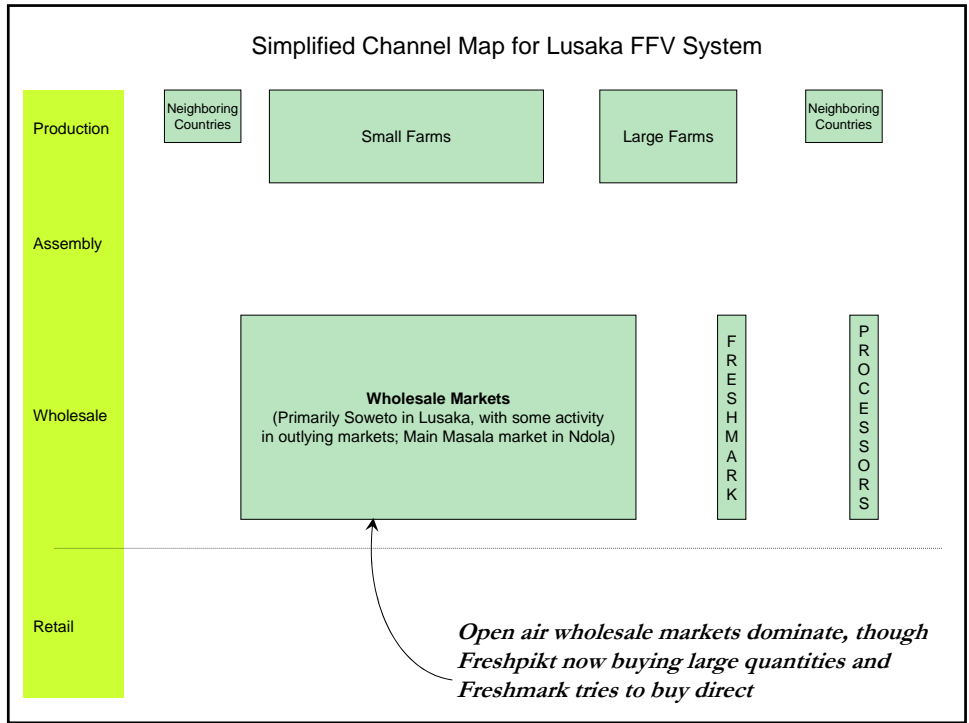
- Smallholders probably dominate production and marketing into smaller urban areas
 - But only 17% sell, compared to 70% in Kenya and 25% in Mozambique
- Large farms located close to Lusaka and Ndola play a major role in supplying those cities
- Much of produce comes from within 20-30 km of the cities
- But regional trade also important
 - Onions from Malawi, Tanzania, RSA
 - Oranges from Zimbabwe, RSA
 - Apples, other fruit from RSA
 - Exports to DRC

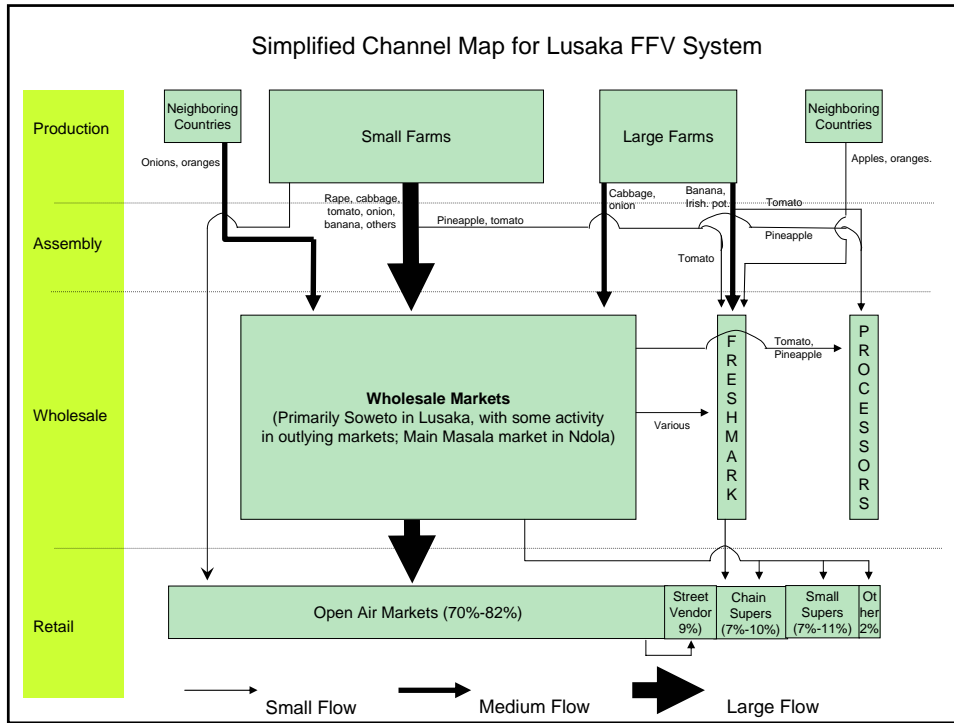
Overview of Wholesaling and Retailing (cont'd)

- Very large open air wholesale markets are hubs
 - Soweto, Main Masala
 - These are also large, diversified retail centers
- Retail open air markets dominate

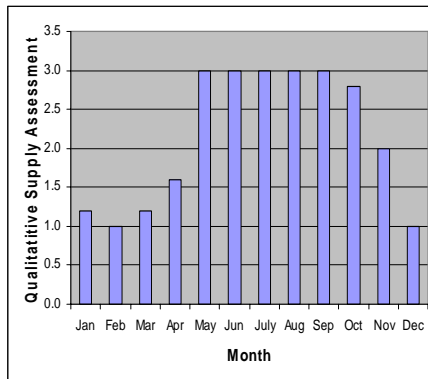








Marketing Seasonality



- Qualitative assessment of seasonality for rape, tomato, dry onion, cabbage, orange, banana in Lusaka and Ndola
- Example of rape in Lusaka to the left
- Peak season tends to start and end one month later in Ndola

First seller characteristics-Soweto

- ❑ Both male and female
- ❑ More perishable items (tomato, rape) tend to be sold directly by farmers
- ❑ All cabbage, dry onion, banana and orange (less perishable items) sold by traders, not farmers
- ❑ Farmers more likely than traders to sell through brokers
 - Extra cost for farmers, who don't know market as well
- ❑ Brokers a controversial actor in the market
 - Their role and value need to be better understood
 - Mixed reactions of smallholder farmers

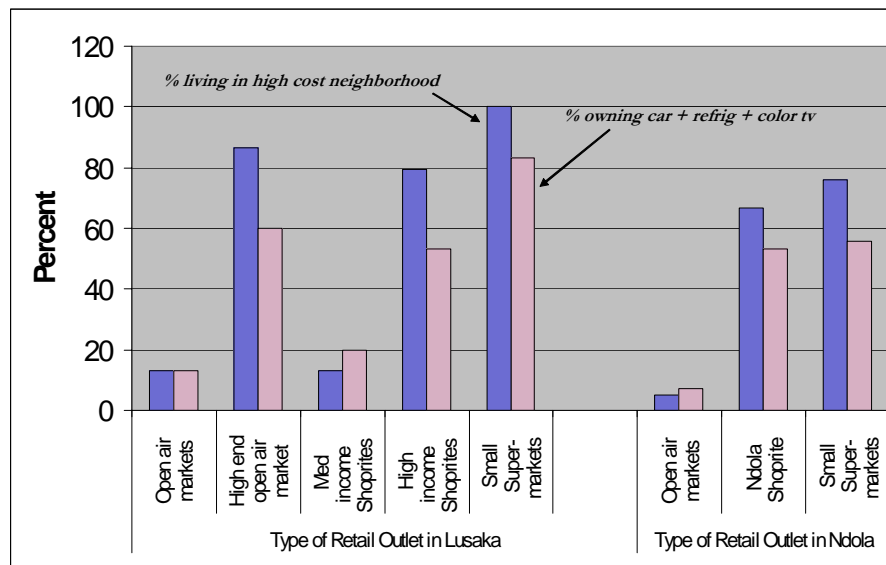
Retailing-System very diversified

- ❑ Open air markets (70-82%)—more in vegetables (up to 87%)
 - Very large wholesale/retail centers
 - Smaller markets serving mostly low/middle income consumers
 - Markets serving primarily high/middle income consumers
- ❑ Street vendors (9%)
- ❑ Small independent supermarkets (7%-10%)
- ❑ Chain supermarkets (7%-10%)
- ❑ Traditional Shops (2%)

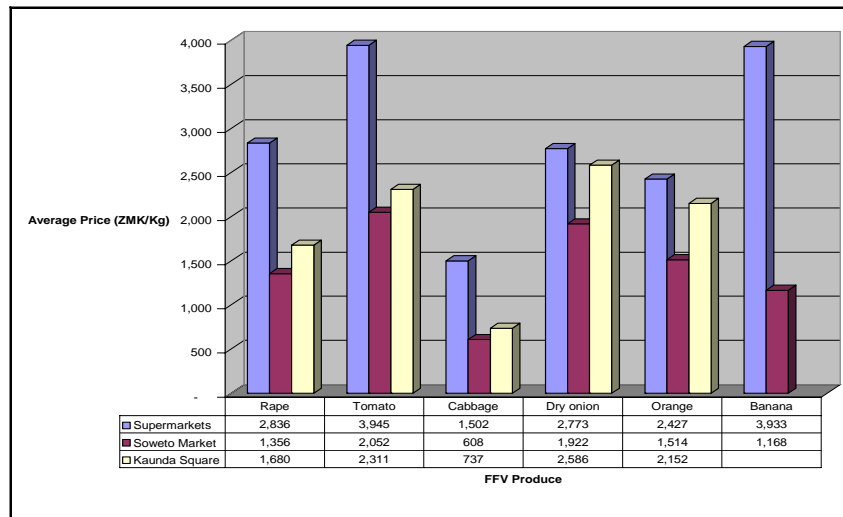
Retail trader behaviour

Market	Total # of traders interviewed	Share selling more than one FFV item	Average # of FFV items sold	Median weekly volume of four vegetable (kg)	Median gross value of sales per week over all four vegetables (ZKW)
Soweto	50	5/50 = 10%	1.2	Rape	132
				Tomato	215
				Cabbage	483
				Dry onion	74
Kaunda Sq. Stage 1	30	29/30 = 97%	4.2	Rape	37
				Tomato	50
				Cabbage	104
				Dry onion	10
Main Masala	27	22/27 = 81%	2.2	Rape	61
				Tomato	107
				Cabbage	107
				Dry onion	28

Consumer behaviour-key income indicators



Price comparisons



Conclusions & Programme Issues

- ❑ Unrealized marketing potential from smallholders?
 - Only 17% currently sell
 - New markets, properly linked to smallholders, could get great supply response
- ❑ Small scale traditional marketing system dominant (80-90%), faces typical problems
 - Congestion, poor sanitation, wastage, lack of market information, lack of value adding
- ❑ Points to need in hard and soft market infrastructure investments
- ❑ UMDP attempting to tackle these
- ❑ We'll come back to program issues in final presentation and discussion