

# SOLVING THE PROBLEM OF RURAL MARKETING -

## AN EXAMPLE FROM PERU

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### INTRODUCTION

Papua New Guinea could home-produce most of its food needs. However, the target of self-sufficiency (producing all our own food) is still a long way off.

One reason for this country's failure to produce enough food is the change in the way people live over the last 10-15 years. Until recently, most people grew their own supply of staple foods. Today many people no longer do this. As a result, staples have become marketable (can be sold for money). Growing food is becoming more commercial and competitive, but at the same time, marketing systems for fresh produce are still undeveloped.

There is definitely better marketing for imported foods such as rice, flour and tinned food. So, in the growing demand for food, local produce is in unfair competition with goods produced specially for marketing.

Problems with marketing can only slow down better production.

In this article a project in Peru, South America, is described. A marketing system was set up in a rural area, with help from the local farmers. Although the project is 'Back-to-front' (that is, a marketing system was set up



*The position of the Piura region in Peru, and (inset) the position of Peru.*

before there were goods to sell), it is working well and fits in well with the traditional way of life.

### SETTING UP THE PROJECT

This 'back-to-front' marketing project was started in the Andean region of Piura, in Peru. This is a mountainous area, isolated from the main economic centres. Agricultural methods are traditional. The area has all the problems of an underdeveloped, poor and isolated region.



The people there see that their most serious problem is marketing their products.

Before the project started, the sale of any surplus (extra) food production by the farmers was controlled by middlemen. Farmers were forced to buy goods from these people at high prices, in exchange for their farm products. There were no places for storing surplus production. Also there was no Farmers Association where the farmers could get together to solve the problems which faced them all.

The project started after regular contact and discussions between the farmers and the Piura Planning Institute, which is part of the local government organisation. The National University of Piura was asked to design a project to deal with the main problem of marketing. So, in 1976 a project was drawn up within the framework of an Integrated Development Project for the area concerned.

#### HOW THE PROJECT WORKS

This project brings back into use a very old tradition of tambos, and adapts it to a present day need - hence it is called the Tambo project. Tambos are traditionally community meeting places along main routes. Today they are basically community centres providing social organization for the peasants. They are designed as training and extension centres where farmers can buy agricultural goods (e.g. fertilizers, tools, seeds) and sell their surpluses. In the project, each tambo will have a storehouse.

The tambos are run by the farmers themselves.

All the basic work needed to set up this marketing project is being done through another very old tradition - the mingas, i.e. the free contribution of one week's labour per month per family, in collective work. Thus the farmers are building the tambos and storehouses, and carrying out road building and road improvements.

Although F.A.O. agreed to help financially, and approved the plans for setting up the tambos in 1979, it had taken almost four years before this to obtain full approval. In spite of this, the farmers started working on the project before it had been approved. They could see that they had a real and urgent need and this was enough to push them into action.

Once the collective work began, a peasants association was formed. The association was very necessary because:

1. It formed a permanent and active body responsible for the administration of the tambos.
2. It stood up to the private interests who held economic power in the region.
3. It took on the role of distributing goods to the various economic centres.

In 1980, the officers of the peasant association met with members of the University and the permanent team who looked after the project. This meeting led to the setting-up of the first inter-disciplinary team to work in the area.

The agricultural people in the team were able to help farmers to improve production. Since marketing outlets were already



organised, the farmers could feel safe about the sale of their surpluses.

The results of the training for the farmers were quickly seen in successful harvests of maize, beans, peas and potatoes. Livestock rearing also benefited because of better rearing and health care. Overall, the agricultural development in the region has been much improved by the market outlets, run by the people themselves.

The Tambo project is progressing so well, that it has been adopted by a state agency (ORDENORTE) as an experiment in regional planning. As a result, this type of 'back-to-front' approach to rural development, has been accepted.

Participation from the people and local initiative (ideas) are now giving rise to regional and national policy decisions. The University itself became a 'pupil' of the people. It changed its Integrated Development Projects to take more action on a smaller scale, rather than a large scale economic approach.

#### SOME LESSONS FOR PAPUA NEW GUINEA

The Tambo project is concerned with solving the problem of marketing. The effort in this was used to start off a bigger Integrated Development Project in the area. Perhaps a few lessons could be found in it which are relevant to Papua New Guinea.

##### 1. Marketing before production?

There is a definite increase in the effort to grow more food in Papua New Guinea. New techniques in agriculture - mechan-

ization, improved cultivars, pest and disease control, etc. are being introduced. However, these efforts may not be successful if no proper arrangements are made for distributing and marketing the produce.

For example, Enga Province is already a large producer of vegetables in Papua New Guinea, and has the potential to produce much more. There has been much encouragement for farmers to set up business groups to grow more vegetables, but not for business groups to market them.

Farmers already find it hard to sell their produce because of the difficulty in reaching the main towns. There are no storage facilities at either production or marketing sites. Also there are no refrigerated vehicles to transport produce from the cool climate of the highlands to the hot, humid coastal region.

At the same time we see fresh food from overseas sold at very high prices in, for example, Port Moresby supermarkets. The same varieties are grown in the Highlands. It might be better for this country to transport home-produced vegetables to the main centres and sell them at profitable prices. Transport costs are high, but then so are the costs of transporting produce from overseas.

The Peruvian example points to a lesson in setting up a marketing system as a first step towards improved production. Storage facilities enable some control over production and distribution. Without suitable storehouses it is impossible to regulate supply, as if produce is not sold at once, it goes to waste.



## 2. Using traditions in development

Papua New Guinea, as well as Peru, has many very rich social institutions which could be used in rural development. There is the Papua New Guinean version of the 'mingas' (voluntary collective work). There is perhaps a need to make more use of these traditions, rather than allowing people to become dependent on help from outside the community.

## 3. Farmers' Associations

If we see Agricultural Extension work as passing on useful information to as many people as possible, as quickly as possible, then the present one-to-one approach is not really good enough.

Farmers' Associations could help here. Advice and information could be passed on through the Association to all the farmers involved. Farmers could get together and talk about problems together.

Farmers' Associations would be a useful way to start an organised education programme. Also, perhaps more solidarity (supporting each other) amongst farmers would help make rural areas as attractive as urban areas to live in.

## FURTHER READING

Zabale, Ana (1981). A 'back-to-front' project in Peru. *Ideas and Action*. No. 140 (1981 Issue 2). F.A.O., United Nations, Rome.