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WORKING METHODS PAPER ESFIM INDIA

Felicity Proctor, Bart Doorneweert and FFA

1. THE ESFIM PROGRAMME IN INDIA

The overall objectives of the programme Empowering Smallholder Farmers in Markets (ESFIM):

Specific Objective Research support to eleven national farmers' organisations that strengthen their capacities to formulate feasible, evidence-based propositions for changes in key elements in the institutional environment that empower smallholder farmers in markets.

Activities NFOs from the selected countries will steer a research partnership for empowering their smallholder farmers in markets using research support of European and local researchers to feed discussions on smallholder market access within a farmer driven platform that holds a sequence of thematic participatory workshops.

Outputs NFO's will have a pro-active lobby agenda related with smallholder farmers in markets, and a set of written technically sound propositions for changes in specific key elements in the institutional environment to empower smallholder farmers in markets.

Results NFO's will be capable to more effectively voice their specific policy requirements related to policies and institutions that can empower smallholder farmers in markets, and develop an interface to link up with researchers that can support them in executing their research activities.

Specifically in the case of India and working in partnership with the Federation of Farmers Association (FFA), Andhra Pradesh, India, the ESFIM programme will address:

1. Understanding and building small-scale farmer inclusion in supply chains including models of economic based farmer organisations
2. Preparation of policy notes on topics of priority interest

This working paper focuses on the first activity that of understanding and building small-scale farmer supply chains including models of economic based farmer organisations.

2. ANALYTICAL FRAMEWORK

The framework for the analysis of innovation leading to secure inclusion of small-scale farmers in market chains[1] is as follows:

1. Strategies of agri-processors, intermediaries, wholesalers and retailers operating in changing and modernising markets result in specialisation of wholesalers, centralisation of distribution, consolidation of preferred suppliers and more stringent private grades and standards, and in certain cases internationalisation of procurement.

2. The emergence and continuous restructuring of agricultural product markets provides concrete incentives (evolution of the attributes of the product and of the conditions of the commercial transaction) to suppliers including small-scale farmers to undertake successive and continuing change in the areas of technology, management and inter-firm organization, all of which have financial and organisational implications.

3. The capacity of small-scale farmers to enter into these markets and to keep up with this continuous stream of change defines their inclusion or exclusion in the supply chain.

4. Public policy, private business models, collective action by smallholders, and/or intervention by development agencies or NGOs, can change the set of incentives facing the small-scale farmers and/ or strengthen the small-scale farmers' capacities in facing these incentives.

[1] the framework and associated methodology has been developed and adapted from:
Berdegué, J.A., Peppelenbos L. and E. Biénabe (2006) A method for the analysis of innovative practice in connecting smallholder producers with dynamic supply chains. Resource Paper for Component 2 of the Regoverning Markets programme www.regoverningmarkets.org unpublished

5. Market inclusion by small-scale farmers can take different forms, from participation as individual suppliers of raw material with or without formal arrangements such as contract farming, to collective action with other farmers to meet basic demands for volume and consistency of supply, to becoming a specialized supplier on the basis of value-adding activities, to becoming co-owner of a supply chain or one of its segments.

Against this framework this study which will comprise a set of case studies which will analyze a set of closely-linked 'innovations' which demonstrate farmer - market linkages in practice.

These innovations are specific arrangements and build on public policies, business models, collective action strategies by small-scale farmers, or strategies and methods of development agencies or NGOs that play a positive role in supporting small-scale farmer market participation.

The term 'innovations' is used because they countervail the tendency that small-scale farmers are either not included or excluded in markets including those supply chains which are evolving in complexity.

In this framework, market inclusion or exclusion is not defined in terms of the farmers' situation at a single point in time, but rather in terms of ***the capacity of the small-scale farmer to sustain their participation in a given supply chain and as the market evolves and becomes ever more challenging and competitive.*** Hence, it is necessary to analyze the problem from an evolutionary or **'historical'** perspective.

The case studies should therefore provide a simultaneous, "side-by-side" analysis of a given supply chain and the "innovation", as they evolve together through time.

Using this framework, the case studies will seek to answer six sets of questions:

1. The context: What is the level of status of the market in the specific context of the innovation and to what extent does it trigger inclusion or exclusion of small-scale farmers? What are the incentives faced by small-scale farmers in this context in participating in this markets? What are their major needs, risks and opportunities?
2. The innovation: What are the main characteristics of the innovation, both at the level of the supply chain and of directly relevant meso and macro trends, policies and institutions?

Who are the actors driving the innovation and their strategies? What are the relationships and organisational arrangements among farmers participating in the innovation and with farmers not participating?

3. Evolution: How did the innovation emerge over time, what triggered the development of the innovation and how did its evolution lead to greater inclusion of small-scale farmers. What were the critical stages and the critical factors in the evolution of the innovation? How did the innovation change the incentives faced by farmers and their capacity to respond to them? How did the strategies of the different actors involved in the innovation evolve? How did the relationships among farmers evolve?
4. Costs and benefits of small-scale farmer inclusion: What are the costs and benefits of the innovation with regard to the status quo situation, and how are they distributed across different actors in the supply chain? What did the small farmers gain or lose? Are these results sustainable?
5. Drivers: What explains the (greater) inclusion of small-scale producers? What were the key drivers in terms of policy principles, business models, collective action and donor or NGO support systems? Did the drivers for inclusion change over time?
6. What is the potential for up-scaling and/or replication? What are the key challenges?

The next section will examine in further detail each of the elements of the analytical framework so as to suggest a methodological approach for answering the case study questions.

3. METHODOLOGICAL APPROACH

The approach should address the following

1 The innovation and its context
2 The supply chain and its segments
3 The history of the innovation against the evolution of the supply chain: explaining small-scale farmer inclusion or exclusion
4 Forms and costs/benefits of inclusion
5 The potential for up-scaling / replication

These elements are elaborated below.

3.1. The innovation and its context

The reference point and subject matter of each case study is an innovation or a set of closely-linked innovations set one of the following domains:

1. Public policies
2. Business models
3. Collective action by small-scale producers
4. Strategies and methods of development agencies and NGOs

Defining and recognizing the boundaries of the innovation is an essential step for clarity and consistency of analysis (Douthwaite and Ashby, 2005). This mapping is assisted by comparing the innovation against the status quo. It is important to describe the 'counterfactual' situation throughout the case study that is the general incentives facing small-scale farmers outside the innovation and then their needs, risks and opportunities. Whenever collective action is a key element in small-scale farmers' capacity to remain included in a market, a 'without collective action' situation of reference will be very useful.

The different types of actors participating in the innovation and the specific arrangements among them must be clearly identified and stated.

The innovation under study is located within its ***specific context and the wider meso and macro conditions*** that determine it and that influence the strategies of the supply chain actors e.g. the political and institutional environment, the macroeconomic environment, the position and perceived strategies of competitors.

In setting out the innovation and its context, the **case study should document** the types of incentives prevailing, accounting not only for incentives arising from the markets but also from the State and/ or civil society organisations. In addition particular focus should be given to the prevailing laws and regulations with govern the nature of collective action of farmers e.g. formation and regulation of farmer associations, cooperatives, etc and of contract law governing market trade and transaction e.g. contract farming, market access and regulation.

3.2. The supply chain and its segments

The **case study should document** the supply chain. This can be approached in two steps:

(a) Identification and description of the supply chain segments i.e. market chain mapping. Typically, the chain will include one or more of the following components:

i. Input suppliers; primary producers; first-stage processors or packagers (packing house, etc.); wholesalers, distributors and transporters; second-stage processors or packagers; retailers; consumers.

ii. Each segment should be described in terms of its mission, organisational profile, economic-financial profile, socio-cultural profile and vision of the chain.

(b) Organizational-institutional analysis of the supply chain. The main question is what role is played by the different chain actors in the different aspects of chain governance:

i. setting product standards and transaction conditions

ii. monitoring of the performance of suppliers in meeting these product and transaction conditions

iii. implementing support systems assisting suppliers to meet product and transaction conditions, and setting incentives and sanctions to reward or punish performance

iv. organizational-institutional barriers and opportunities which impact of the structure of the market chain

See Annex 1 for an illustration of a supply chain and examples of institutions which impact on the chain

3.3. The history of the innovation against the evolution of the supply chain: explaining small-scale farmer inclusion or exclusion

As stated above, inclusion or exclusion does not refer to static outcomes as observed in one point in time. We rather think in terms of the capacity of groups of small-scale producers to remain viable agents in rapidly and continuously changing supply chains.

As markets emerge and continuously trigger changes, the *attributes of the product* and the *conditions of the commercial transaction* –or contract[2]- are being redefined.

[2] We use the concept of contract as in Reardon et al. (2004). A contract exists if the two parties are cognizant of the governance mechanisms governing their transactions – i.e. the specification of a price, a set of product and transaction standards, and the potential sanctions (tangible or intangible) accorded on non-delivery. A contract can thus be simply an informal, verbal accord on these items, and the sanction can be as intangible as loss of reputation among buyers.

Reardon, Thomas A., Julio A. Berdegué, Mark Lundy, Paul Schütz, Fernando Balsevich, Ricardo Hernández, Edwin Pérez, Pilar Jano, Germán Escobar and Honglin Wang. 2004. Supermarkets and Rural Livelihoods: A Research Method. Regoverning Markets Programme (Phase 1). Available at http://www.regoverningmarkets.org/docs/Methods_paper_03Oct2004.pdf

There is a continuous evolution of the supply chains providing incentives to suppliers -including small-scale farmers - to undertake successive and never-ending changes in the areas of technology, management and value chain organization, all of which have financial implications.

It is likely that the innovation, which is at the centre of the case study, has evolved side-by-side with the evolution of the supply chain and in response to the varying conditions as imposed by the changing markets. Hence, in order to understand the 'why', 'how' and 'who' of the innovation, one has to describe the **history of the innovation** against the backdrop of the **evolution of the supply chain.**

Construction of innovation timelines (Duthwaite and Ashby, 2005)[3] is very useful to this end. Innovation timelines highlight the main events and the critical stages in the development of the innovation vis-à-vis the evolution of the supply chain. It stresses the changes in the incentives and the role played by each actor in responding to these changes.

Market inclusion is defined to mean ***the capacity of small-scale producers to sustain their participation in a given supply chain as it evolves.*** It is determined by the ability to undertake the technological, managerial and organizational changes (with their financial implications) required as a consequence of the continuous transformation of supply chains.

To explain market inclusion, the **case studies should document** for each critical stage in the innovation timeline:

(1) What were the changes in the attributes of the product and in the conditions of the commercial transaction, what were the specific drivers and how were the changes decided? Did some negotiation take place? Whose stakeholders were involved in it?

(2) What were the specific technological, managerial, organizational and financial changes that the small-scale producers had to implement?

(3) What were the critical skills, competences and capacities that allowed the farmers to implement these changes? Why did they manage to sustain their inclusion in the chain while others were excluded?

(4) What role did public policy, private business models, collective action by smallholders, and/or intervention by development agencies play in this? Did these drivers of innovation change the

[3] Douthwaite B, and J Ashby (2005) Innovation histories: A method for learning from experience. ILAC Brief 5

set of incentives facing the small-scale farmers? Or did they strengthen the farmers' capacities in facing these incentives? Did they provide means to improve farmers' risk management capacity, technological dissemination and apprenticeships among farmers, farmers' access to information, farmers' negotiation power, and/or economies of scale?

And whenever possible:

(5) How did small-scale farmers and farmers' organisations, when applicable, spell out the situation they faced into stakes, objectives, constraints and opportunities?

The following is a hypothetical example of such timeline:

Date	Supply chain event	Innovation event
August 2002	Tomato Sauce Inc. establishes mandatory quality standards for tomatoes supplied to the firm. A major requirement is year-round supply. A main consequence is the need for drip irrigation.	100 small-scale tomato farmers hold meetings asking the firm to delay introduction of the new standards. Eventually, it is agreed to involve the support of "Do Good NGO" which runs a rural finance program that could provide the needed investments. Tomato Sauce Inc. agrees to hire two agronomists to help the farmers and the NGO to set up drip irrigation in 25 farms as a pilot program that could be expanded if successful.
January 2003	Tomato Sauce Inc and NGO evaluate three different options for drip irrigation system	"100 Farmers" Association is established; process starts to register it as a formal organization.
April 2003	Enforcement system for the new standards defined and implementation schedule agreed upon	Consortium between the association, the firm, and the NGO established, with responsibilities defined for each party
June 2003	Drip irrigation installed in first 25 farms	Training program established with 100 farmers, using the 25 initial farms as learning sites. "Do Good NGO" provides 5 year loans to finance up to 85% of initial investment
October 2003	First harvest of tomatoes meeting new quality standards	Consortium revises the implementation schedule and agrees to speed it up as most farmers are now demanding to participate in the programme

Source: Regoverning markets

3.4. Forms and costs/benefits of inclusion

Inclusion of small-scale farmers can mean different levels of participation in the supply chain, from mere participation as individual suppliers of raw material, to collective action with other suppliers to meet basic demands for volume and consistency of supply, to becoming a specialized supplier on the basis of value-adding activities, to becoming co-owner of a supply chain or one of its segments.

Each of these forms of inclusion implies different costs and benefits, as well as different ways in which these costs and benefits are allocated across the different participants in the supply chain. The case studies should specify and quantify what were the gains, as well as the losses, of the small-scale producers that managed to remain included in the supply chain. This analysis should be based on a comparison with groups of non included small-scale producers.

The **case study should document** should look at the costs and benefits:

(1) At the level of the farm: (a) changes in production costs; (b) changes in yields; (c) changes in the value of the product; (d) changes in the profitability of the product

(2) At the level of the farmer organisation, when applicable: (a) changes in logistical costs (increased need for quality control, homogeneity, regular volumes…), (b) changes in financial costs (increased need for revolving capital), (c) changes in labour costs (increased need for skilled workforce)

(3) At the level of the chain: (a) changes in the distribution of profit margins across the chain; (b) changes in sales volume and value

(4) At the level of the household: (a) changes in income; (b) changes in the share of the income from the chain within total household income; (c) changes in income diversity and security; (d) changes in employment; (e) use of the added income

(5) At the level of the innovation: (a) estimated costs and investments; (b) implicit or explicit subsidies

If other costs and benefits specific to the case study are identified during the field work, they should be added to allow for a proper assessment of the effects of inclusion and of the innovation. It is critical to be able to assess how successful is the innovation in improving small-scale farmers' livelihoods.

3.5. The potential for up-scaling / replication

The **case study should document** should draw lessons and recommendations and to ask the following questions:

(1) What potential is there for up-scaling the innovation within the same context and/or for replication elsewhere in India? What are the preconditions that made it a success?

(2) How sustainable is the innovation? How specific is the innovation?

(3) What elements can be pulled out of the experience and be replicated elsewhere? What are the contextual preconditions for this?

(4) What lessons can be generalized from the case study in terms of policy principles, business models, collective action by small-scale producer and intervention strategies by donors and NGOs?
(5) What working techniques and methodologies have proven successful in the case study?

4. SELECTION OF THE CASE STUDIES

Each case study will identify good practice and derive policy lessons for public and private sector actors in supporting greater participation by small-scale farmers in the market. The comparative analysis will compare these policy lessons to assess their potential for replication and scaling-up. To facilitate this comparative analysis, the case studies be selected to comprise a variety of situations i.e. to highlight the role of different drivers for small scale producer inclusion

- public policies
- collective action
- business models
- development agencies interventions or
- a combination of these

All case studies must focus on experiences that have been in operation long enough so as to allow for the drawing of lessons and conclusions.

A short list of case studies has been proposed by FFA – these will be reviewed against the above a set of selection criteria (and add others)
This list is:

i. FFA's mango marketing intervention
ii. Collective farming and marketing of Banana in Tamil Nadu under CIFA
iii. Fruit and vegetable initiatives in Uttar Pradesh etc supported by ACDI VOCA (ASI)
iv. Promotion of Collective Dairy farming with the facilitator taking care of entire value chain
v. Intervention with vegetable farmers and vendors in Patna by Shailendra,
vi. Promotion of a collective farming engaged in oriental Tobacco production

5. TAKING THE CASE STUDIES FORWARD

ADD and Develop

Identify consultants

Draft and agree contracts

Agree time table

Contact case study stakeholders

Literature review of all cases

Hold multi stakeholder task meeting/case study

6. REPORT

The final report of the case study will have the form of (a) one sheet with key facts, and (b) a working paper. The maximum length of each working paper will be of 5,000 words, including the full content, from the title to the list of references.

1. Key Facts' sheet
2. Executive summary – A comprehensive executive summary is essential. It must give clear and sufficient information about the background of the case study, the methods used, results and conclusions and recommendations.
3. Background – This section will provide descriptive information about the case study, its contexts, and its relevance for the FFA.
4. Literature review – This section will review the relevant literature concerning the case study and the issues involved in the case study. It will highlight the knowledge gaps which the case study addresses, and why these are important from the perspectives of policy (public and private) and of policy research
5. Methods – This section will present in detail the methods used to conduct the case study, both for data collection and analysis. The choice of methods will be justified. If standard, well established methods are used, this section can be shortened by providing references to the appropriate literature were the methods are described in greater detail.
6. Results – This section will present the major findings of the case study, following the methodological framework and the case study questions described in this document.
7. Discussion – In this section the implications of the results will be drawn out.
8. Conclusions and recommendations – This section will highlight the critical factors that have enabled or hindered the inclusion of the small-scale farmers in markets, as well as the lessons learnt.
9. References – a complete list of references cited in the text will be provided.

TOOLS AND RESOURCES

Farmer Associations/Groups and cooperatives – different models of group formation

ADD

Chain wide learning

Vermeulen, S., Woodhill, J., Proctor F.J. and R. Delnoye (2008) Chain-wide learning for inclusive Agrifood Market Development. A guide to multi-stakeholder processes for linking small-scale producers to modern markets. IIED, UK and Wageningen University and Research Centre, Netherlands. ISBN 978-90-8504-964-7

Contract farming

Singh, Sukhpal (2003) Contract Farming in India: Impacts on Women and Child Workers. Gatekeeper Series 111 Institute for Environment and Development (IIED)

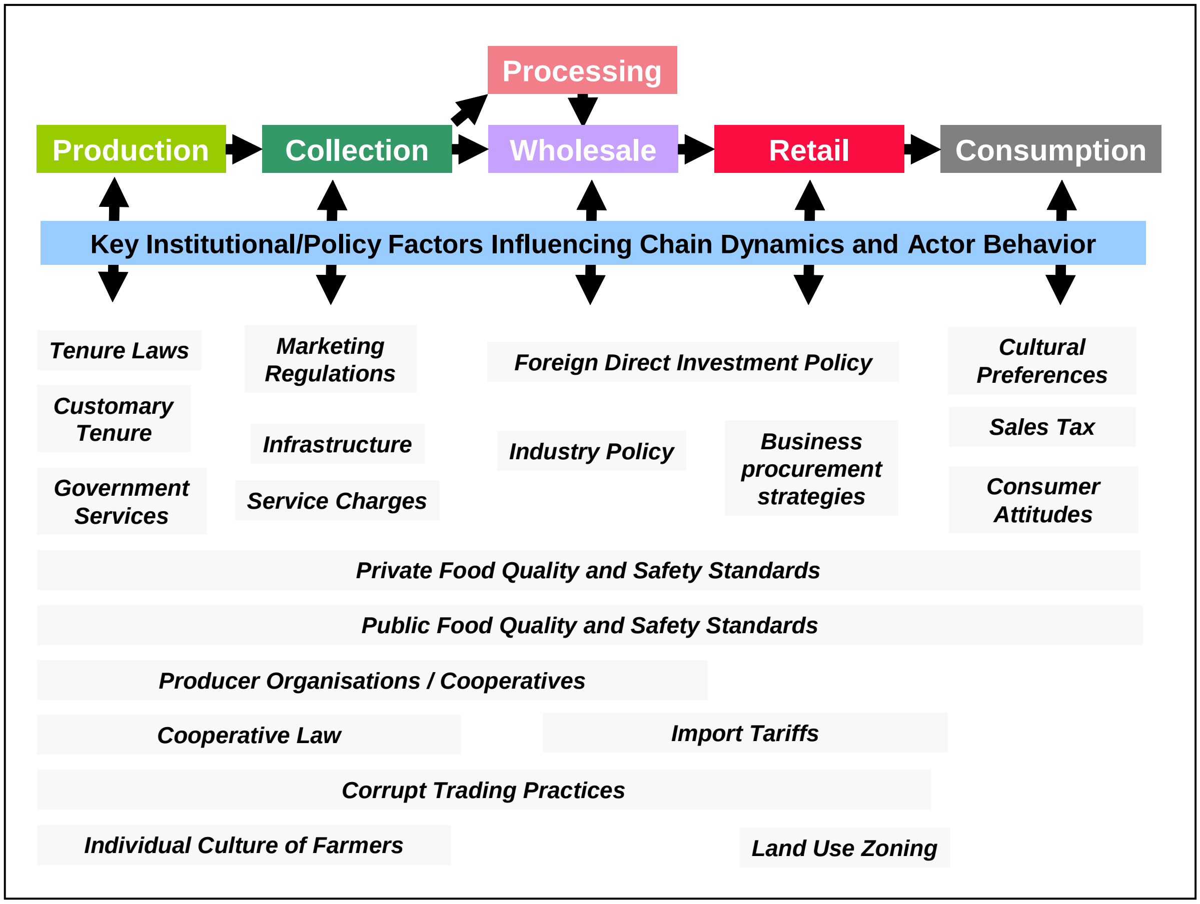
Sukhpal Singh (2007) Leveraging Contract Farming for Improving Supply Chain Efficiency in India: Some Innovative and Successful Models CMA IIM Ahmadabad, India
http://www.globalfoodchainpartnerships.org/india/Presentations/Sukhpal%20Singh.pdf
Note: the author has written extensively on the topic

Business models

Proctor F. J. and B. Vorley (2008) Innovation in business models and chain-wide learning for market inclusion of small-scale producers. Prepared for the Conference "Improving the performance of supply chains in the transitional economies: Responding to the challenge of linking smallholder producers to dynamic markets". July 9-12, 2008. Davao City, Philippines. Coordinated by the University of the Philippines, Curtin University of Technology, and the Regoverning Markets programme

Vorley B., Ferris S., Seville D. and M Lundy (2009) Linking worlds: New Business Models for Sustainable Trading Relations between Smallholders and Formalized Markets http://sustainablefood.org/images/stories/pdf/nbm%20linking%20worlds%20.pdf

Annex 1 The supply chain and examples of institutions which impact on the chain[4]



[4] Vermeulen, S., Woodhill, J., Proctor, F.J. and R. Delnoye (2008) Chain-wide learning for inclusive Agrifood Market Development. A guide to multi-stakeholder processes for linking small-scale producers to modern markets. IIED, UK and Wageningen University and Research Centre, Netherlands. ISBN 978-90-8504-964-7

ANNEX 2 SOME RELATED WORKING NOTES

Annex

Farmer groups	An informal, voluntary self-help group often composed of 5 - 15 small farmers from the same village or community, intent on undertaking mutually beneficial activities related to their economic and social well-being. Spontaneity is an important characteristic of such groups: they are "bottom-up" rather than "top-down". Farmer organisation with following characteristics: grass-root level; informal or recognized by village chief or commune council; small size with 5 to 30 members. Usually the objective of the farmer group is mutual assistance between members. Example: rice banks, traditional associations, farmer clubs (IPM), self-help groups, farmer associations, women groups.
Farmer Association	**MEMBERSHIP**: Membership is homogeneous, i.e. the group members (typically, with small to medium size holdings) share a common interest or bond and come from the socio-economic level or neighbourhood. **SCOPE**: Small to medium size (500 – 1,000 members) formed at the local level. **OBJECTIVES**: Their primary focus is on income generation, rather than other non-economic objectives. **LEGAL STATUS**: They are formal, i.e. they operate with legal recognition and/or identity and self-governing – depends on country **FINANCES**: The association normally has its own savings or "emergency" fund to which members contribute regularly. Funding comes from member dues. **OTHER NOTES**: A key feature of the Farmer Association is its informal or voluntary character. While its members may decide to later become a more formal society like a Cooperative Union or Federation, which have a recognised legal personality and are often subject to specific legislation. But instead, they may instead decide to remain as they are. It depends on the advantages or disadvantages to members. (http://www.rdfs.net/oldsite/en/themes/SFGA-e.htm) (http://www.fao.org/sd/PPdirect/ppfo0002.htm)
Cooperative	

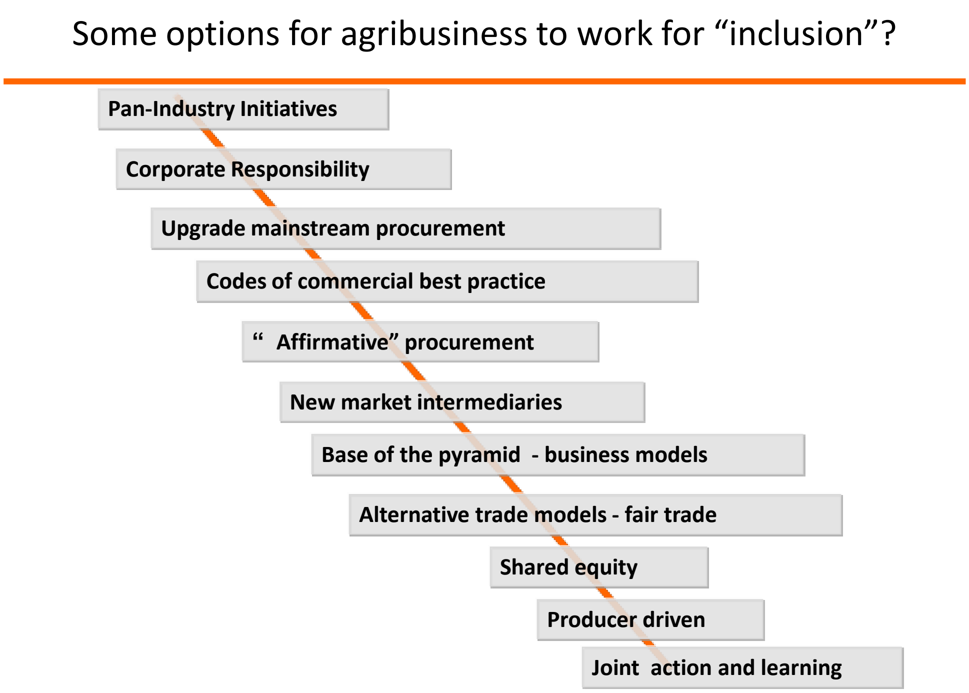
	MEMBERSHIP: Membership is homogeneous, i.e. the group members (typically, small farmer groups) share a common interest or bond and come from the socio-economic level or neighbourhood through a jointly owned and democratically controlled enterprise. The cooperative is owned and democratically controlled by the individuals that use its services. **SCOPE**: Small to medium size (500 – 1,000 members) formed at the local level **OBJECTIVES**: Their primary focus is on income generation, rather than other no-economic objectives **LEGAL STATUS:** They are formal, i.e. they operate with legal recognition, have by-laws, objectives, and structure and recognized by local authorities or registered under government legislation e.g. the Cooperative Act **FINANCES**: The cooperative normally it is financed mostly by its members and those who use the cooperative. Returns that its members receive on their individual financial investments into the cooperative are limited. It distributes net margins to its members in proportion to their use of the cooperative. **OTHER NOTES**: Voting rights on cooperative policy and decisions is afforded to members and the cooperative often applies limits to the payment of dividends. In addition, voting control of the cooperative may be limited to farmers and the cooperative may restrict business conducted with non-members to not exceed the value of business conducted with members. Types of Farmer Cooperatives It is difficult to list all the "types" of farmer cooperatives that exist because cooperatives serve a variety of functions and purposes. Traditionally there are three basic categories of farmer cooperatives: supply, marketing, and service. A cooperative can fall into any one or a combination of these three categories. Most farmer cooperatives are either supply or marketing cooperatives, or a combination of the two. "Value-added" cooperatives (sometimes referred to as "new generation" cooperatives) are distinguished from traditional cooperatives because they convert a raw agricultural product, such as wheat, into a further processed product, such as bagels. Although value-added cooperatives are not new, they have become more popular in recent years, largely due to "the desire to develop new value-added products and to gain access to an increased share of the consumers' food dollar." Andrea Harris et al., *New Generation Cooperatives and Cooperative Theory*, 11 J. of Cooperatives 15, 15 (1996). Although value-added cooperatives incorporate many of the characteristics and functions associated with traditional cooperatives, they differ in significant ways. For example, value-added cooperatives require its members to make an initial investment that is in direct proportion to the degree they will use the cooperative. The initial investment required by value-added cooperatives is much more substantial than the investment needed in traditional farmer cooperatives. (http://www.nationalaglawcenter.org/assets/overviews/cooperatives.html)
Network	
Union	
Federation	

Source IDS draft paper

Range of services

Market access
Market access
Access to inputs
Seed provision and access
Financial services
Collective production
Common property management
Access to knowledge
Extension and education
Technology services
Education services
Advocacy
Policy and advocacy
Welfare and other services
Welfare services

Business models



Source Proctor and Vorley 2008

Some critical New Business Model assessment questions - Principle Critical questions

1. Chain-wide goals and champions
– Have clear goals been discussed by different actors in the chain and consensus reached on targets?
– Is there evidence of co-investment and shared decision-making in the chain or parts of it? If so, which actors participate and how does it work?
– Is there evidence of shared problem solving among chain actors? If so, which actors participate and how does it work?
– Are there any existing structures for collaboration, such as food safety committees, that could be expanded vehicles for problem identification and resolution?
– Are there one or more champions, who will lead the process of co-innovation?

2. Transparent governance
– Are there clear and consistent grades and standards in the chain? How are they established and enforced?
– Is there evidence of formal and informal contract adherence by members of the chain? If so, why? If not, under what conditions do the contracts break down?
– How are different types of risk – production risk, commercial risk, financial risk – shared along the chain? Do these risks fall disproportionately on one actor or set of actors?
– Are there mechanisms to ensure that there won't be sustained prices below cost of production for producers?

3. Equitable access to services and associated incentives
– Do all actors have timely access to market information
– Do all actors have access to information on quality standards?
– Who has access to financial and non-financial support services in the chain? Is this access available for all participants? Why or why not?
– Do all, some or no members of the chain perceive additional benefits when they improve their activities? Why or why not?

4. Inclusive product and process innovation
– Is there evidence of product or process innovation in the chain? If so, who participates and why?
– Are process and product innovations negotiated among chain actors?

5. Investment in market linkages
– How easy or difficult is it to buy (find product) and sell (find a buyer) products in this chain?
– How are sellers currently linked to buyers? How do both buyers and sellers see this relationship?
– Do buyers know where there product comes from? Do farmers know where their product is finally consumed?
– Are business linkages along the chain stable or constantly changing?
– Is there evidence of formal or informal linkage agents that provide both business and social development value?
6. Measurement of outcomes and acting on them
– Are key economic and developmental indicators known and shared along the chain?
– What key trade-offs, if any, is the chain dealing with? (food security, environment, gender relations?)

Source: Vorley B., Ferris S., Seville D. and M Lundy (2009)