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**Les Petites et Moyennes Exploitations
Agricoles face aux structures
de supermarchés.**



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Étude du Centre de Formation Supérieure pour le Développement Rural (SLE)
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(FAO) et de la
Gesellschaft für Technische Zusammenarbeit (GTZ)
au sujet de

Les Petites et Moyennes Exploitations Agricoles face aux structures de supermarchés.

Commercialisation des produits agricoles en Tunisie et au Maroc à l'exemple de trois filières.

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Executive Summary

Since the 1990ies, big supermarket chains have discovered developing and emerging countries as new outlet markets. Starting in South America, the spread of supermarkets proceeded to Asia and more recently also to Africa.

Due to the market power of supermarket chains, this development has brought about a **change of classic marketing structures**. Concerning the sale of fresh fruits and vegetables, the market share of supermarkets is rising continuously. Concomitant, the demands of supermarkets regarding product quality and supply are higher than those of the traditional outlet markets. Hence, international norms and standards are constantly gaining importance; just-in-time delivery of large quantities throughout the whole year is a prerequisite in modern commercialisation channels. However, many **small and medium sized enterprises** can hardly fulfil these requirements and are thus likely to be excluded from these new channels. Combined with disappearing traditional outlet markets, this exclusion puts small and medium sized agricultural enterprises increasingly under pressure.

In the Maghreb region, the spread of supermarkets is still a relatively new phenomenon. However, based on experiences in other countries, a similar development as in Latin America and Asia is to be expected. The present study describes the **hitherto existing effects** of this development particularly on small and medium sized agricultural enterprises **in Tunisia and Morocco**. It also gives a rough projection of estimated future developments on the basis of experiences in other countries. In order to be able to grasp the current situation and **existing relationships between agricultural enterprises and supermarkets** three value chains have been analysed. Subjects of the research were the value chains of potatoes in two landlocked regions namely Kairouan (Tunisia) and Saiss (Morocco) as well as the value chain of citrus fruits in the coastal region of Nabeul (Tunisia). The analyses ought to help identifying **opportunities and challenges** of a commercialisation system in transition.

The study's field phase was jointly conducted with students of a Tunisian and Moroccan agricultural university with the objective to develop mutual capacities.

In the agricultural sector in Tunisia and Morocco, small and medium sized agricultural enterprises are predominant. Both countries are characterized by farmers' high average age, a high illiteracy rate as well as the extensive parcelling of farmland. All of these are factors which *per se* hamper **producers' integration into modern marketing channels**.

A look at the "modern" commercialisation sector in both countries shows that the spread of supermarkets in Tunisia is less advanced than in Morocco. The **market**

share of supermarkets in the sector of fresh fruits and vegetables in Tunisia adds up to only 1-2%, whereas in Morocco it already reaches about 10%. But, until now, **no direct impact** of the spread of supermarkets on small-scale farmers can be observed in the two countries.

Supermarkets procure their commodities through different channels showing a greater variety in Tunisia than in Morocco: In the latter, distribution centres owned and operated by the respective supermarket chains are dominating.

A part from the wholesale market, these centres purchase to a growing extent from **preferred suppliers** or directly from (usually large scale) producers and then furnish the different chain stores. In Tunisia, the procurement channels show a greater variety: supermarkets acquire their goods from the wholesale market, through a network of preferred suppliers, directly from big producers or, as in Morocco, by means of a **central provision system**.

There could only be found **few examples of a direct collaboration** between supermarkets and small farmers, amongst other factors due to the structural characteristics of the agricultural sector mentioned above. Another critical parameter hindering cooperation between the two lies in the **limited degree of horizontal organization** on the part of the producers which causes high transaction costs for supermarket chains. Producers by themselves cannot assure the **high requirements** in terms of quality, quantity and on-time delivery. Furthermore, results show that there is a **lack of adapted financial and non-financial services** to support farmers in the commercialization of their products.

However, in spite of these obstacles, there are some examples which prove that a direct collaboration between supermarkets and small farmers is possible. Such is the case of the procurement policy of the supermarket company Marjane in Morocco. They have made it an explicit goal to initiate and further develop business cooperation with selected small producers. In Tunisia, one example is the case of Monoprix, where organic products are purchased directly from small farmers.

Against the background of the global expansion of supermarkets, a proactive approach to **managing changing marketing channels** is necessary to secure the outlet markets of small farmers in the future. This approach must be twofold: for one thing, a **conducive political and institutional environment** must be created in order to enable small farmers to integrate into modern distribution systems. At the same time, it is essential to **restructure and upgrade classical distribution channels**. In order to attain these goals and to implement sustainable changes, it is crucial to **actively integrate all stakeholders** of the value chain in the process of transformation. Therefore, as a first step, the communication, cooperation and the flow of information between all stakeholders must be enhanced.

With specific regard to the producers level, individual **managerial and entrepreneurial capacities** should be promoted as well as the horizontal organization between farmers. A better organization between farmers could contribute to the strengthening of their bargaining power vis-à-vis business partners. Moreover, financial and non-financial services should aim not only at the promotion of efficient production strategies but should put a further focus on **additional value creation** through an appropriate commercialisation of the products.

The sustainable upgrading of the value chain could be achieved by means of a comprehensive, step-by-step **value chain promotion process**, aiming at the profit maximization of all chain stakeholders and/or redistribution of profit margins within the value chain. Such a process could offer the necessary **space for dialogue and concerted action** of all stakeholders on the micro-, meso- and macro-level, thereby creating a true ownership among stakeholders for the process, its activities and its final result.