

Retailing Agricultural Products

“Retailing of Agricultural Products in Urban Areas” was the subject of a study mission organized by the APO in Tokyo on 22-29 January 2002. Retail distribution comprises the last stage in the marketing process before agricultural products reach the consumers. It has to ensure that the products are kept as fresh as possible, strategically presented/positioned, properly packaged and labeled, and reasonably priced. In this regard, retailers such as supermarkets, fruit and vegetable shops, and public markets, particularly those located in urban centers, play a critical role. In addition, they need to maintain an efficient system of purchasing so that spoilage/wastage is minimized and market requirements for specific items are adequately met.



Participants on a field trip

The mission's objectives were: 1) to study the prevailing situation of retailing of agricultural products in urban areas of member countries, and 2) to exchange views and experiences on the subject with the view to improving such retailing activities. The study mission was hosted by the Japanese Ministry of Agriculture, Forestry and Fisheries (MAFF), and implemented by the Association for International Cooperation of Agriculture and Forestry. Sixteen participants from 13 member countries took part.

Mission members were briefed by Mr. Atsuyuki Uebayashi, Assistant Director, Food Distribution and Market Division, General

Food Policy Bureau, MAFF, on “Current Status of Retailing of Agricultural Products in Japan,” Mr. Junichi Yano, Director, Daily Delivery Division, Life Corporation Inc., on “Present Situation of Food Distribution in Japan,” and Mr. Pieter Ypma, Associate Professional Officer Marketing, FAO Regional Office for Asia and the Pacific, on “Development and Trends in Urban Food Retailing Systems in Asia.” The mission also made field visits to: 1) Nagoya Kinro Shimin Co-op (Meikin Co-op), 2) Seiyu Rakuichi Kasugai Store, 3) Yokoyama Farm, 4) Genki no Sato (Agricultural Park), and 5) JA Aichi Bitoh Green Center in Aichi Prefecture.

Specific issues highlighted during the study mission included: 1) farmers are not organized; 2) limited value addition is being done, especially in the sorting, grading, and packaging of products; 3) lack of consistency in volume and quality; 4) high wastage and losses caused by poor market infrastructures such as cold storage, packaging, and transport facilities; 5) poor hygiene and sanitation; 6) indiscriminate establishment of retail outlets; 7) shortage of distributors of perishables/fresh products; and 8) limited availability of information on markets and food safety regulations.

As remedial measures, the mission members suggested that efforts should be made to organize and train the farmers to handle marketing functions, and that incentives be provided to encourage more private-sector investment in value-adding activities and marketing facilities including technology development and transfer. The government, on its part, would need to upgrade marketing-related infrastructure, provide adequate credit facilities, and enforce implementation of food safety regulations. 