## The role of informal food markets – towards professionalizing, not criminalizing

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### IFPRI discussion paper #01451, July 2015







#### IFPRI Discussion Paper 01451

July 2015

How Will Training Traders Contribute to Improved Food Safety in Informal Markets for Meat and Milk?

A Theory of Change Analysis

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- Describes piloting of institutional innovation of training, certification and branding (TCB) scheme for informal value chain actors
- Describes development of theory of change how it leads to improved food safety and nutrition of poor producers and consumers
- Download from <a href="http://www.ifpri.org/publication/ho">http://www.ifpri.org/publication/ho</a> <a href="www.ifpri.org/publication/ho">w-will-training-traders-contribute-improved-food-safety-informal-markets-meat-and-milk</a>

### Outline

What and who are these informal markets?

Evidence for constraints and opportunities

How TCB could lead to improvements



# Food marketing in industrialized countries



- Harmonization, regulation, surveillance, diagnostics
- Growing demand for regional and organic food, back to traditional



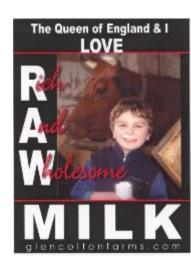






Namifacturers and processors





### Food marketing in developing countries

- Traditional processing, products and retail prices predominate
- Many actors are not licensed and do not pay taxes









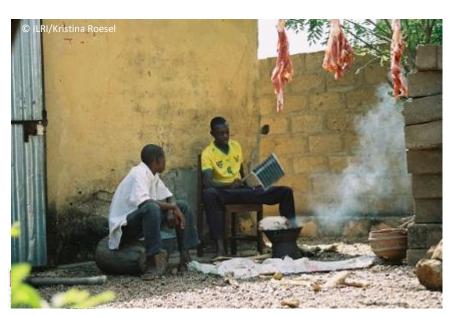




# Food marketing in developing countries: informal markets/ wet markets

- Often escape effective health and safety regulation
- >80% of ASF marketed informally
- Sub-Saharan Africa: ca. 55% GDP, 80% labour force (AfDB, 2013)







## Food marketing in developing countries

- Inadequate, inefficient policy and legislation
- Inappropriate standards and limited enforcement
- Failure to cover informal markets (and sometimes formal markets)
- Limited civil society involvement
- Trivializing instead of risk communication

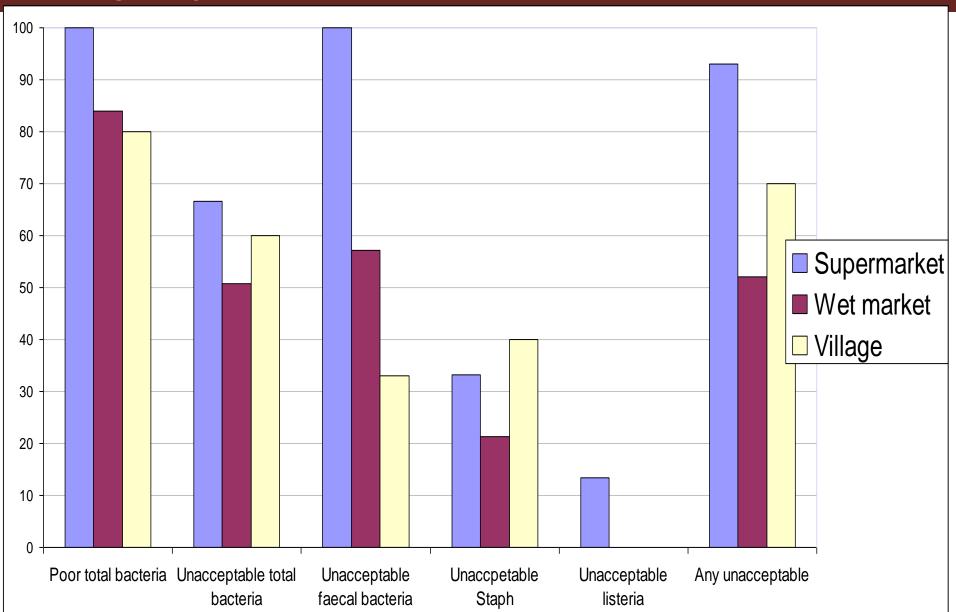








# Compliance: Formal often worse than informal



# Informal markets have a major role in food security and safety

#### **Benefits of wet markets**

Cheap,
Fresh,
Local breeds,
Accessible,
Small amounts (kidogo)
Sellers are trusted,
Credit may be provided

(results from PRAs with consumers in Safe Food, Fair Food project)

	Wet market milk	Supermarket milk
Most common price /litre	56 cents	One dollar
Infants consume daily	67%	65%
Boil milk	99%	79%

Survey in supermarkets and wet markets in Nairobi in 2014

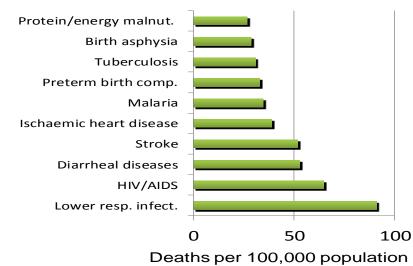


### Foodborne diseases

- Cause >200 syndromes from diarrhea to cancer
- Kill an estimated 2m people annually
- Burden of foodborne diarrhea mostly in developing countries
- Animal source foods single most important source of FBD



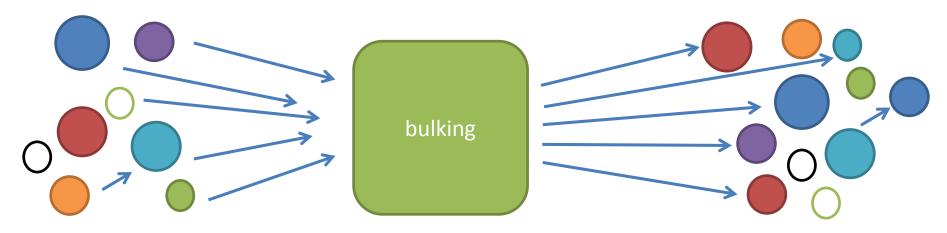
Top 10 causes of death in low income countries (WHO, 2012)





### Research evidence shows

- Hazards are common but risk not necessarily high
- Post-process contamination
- Lack of incentives and knowledge to improve
- Bulking point: aggregating risk but also knowledge







## What can happen at milk bulking points...



Contamination Adulteration









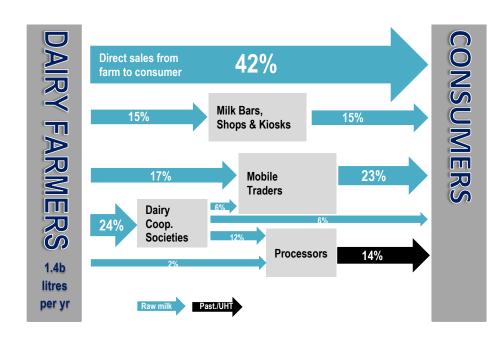






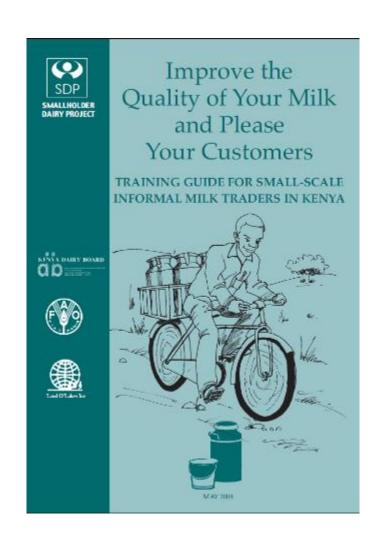
# Professionalizing, not criminalizing: a trader-based intervention

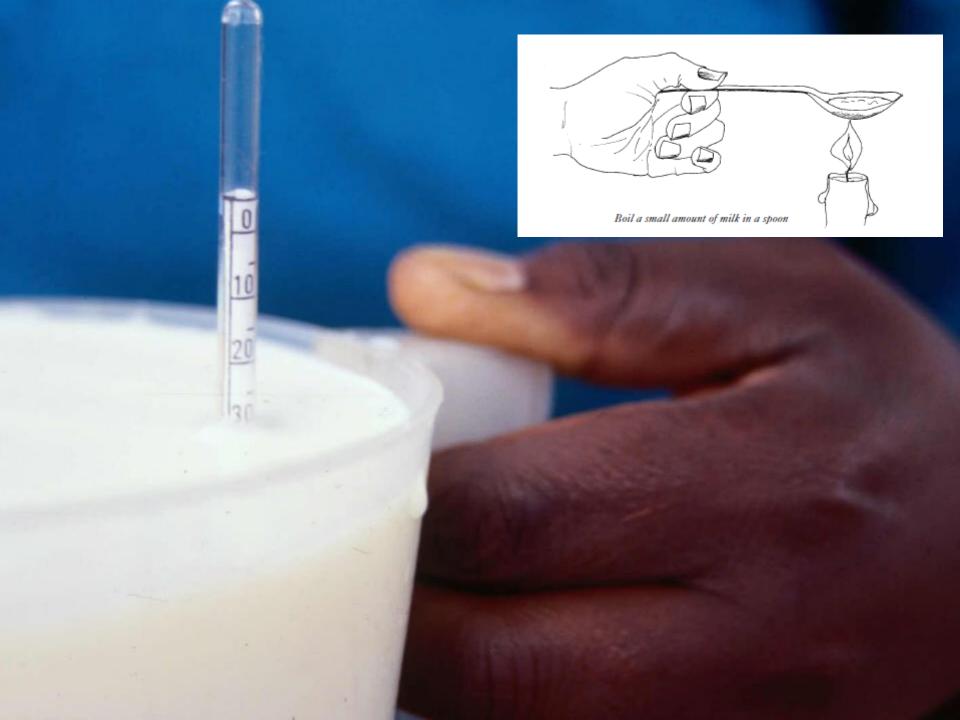
- Kenya Smallholder Dairy Project (SDP) <a href="http://www.smallholderdairy.org/">http://www.smallholderdairy.org/</a>
- 1997-2006
- ILRI/KARI/MoLFD (DFID-funded)
- Initial sector analysis:
  - 86% of milk sold informally
  - Informal = illegal
  - Milk safety used to justify suppression (quality no lower)
  - Constraint: lack of knowledge/awareness about hygienic handling and quality control among traders
- 43% of cooperative workers had received some training vs 4% mobile hawkers



## Training, certification, branding (TCB/T&C)

- training manual and curriculum for hygienic milk handling
- Improved metal containers that could be carried on bicycles
- Simple quality tests for raw milk
- 2002 pilot training
- 2004 new dairy policy recognizing small-scale milk-vendors
- KDB training by accredited committee, certificate, licensing against a fee
- Branding: white coats, boots





## Sustainable impact?

- 2009 15% of traders registered
- Change in practices
- Economic-wide impact of policy change (US\$28m/year)
- Scheme still running but needs followup: policy buy-in, vested interests of formal sector
- http://pubs.iied.org/17316IIED.html









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#### Policy pointers

Government players need to better understand food systems: food sold in the informal sector is not necessarily risky and food in the formal sector is not necessarily safe.

The tendency to ratchet up regulations and solve problems by increasing bureaucracy places a burden on industry and is other ineffective. A lighttouch appreach can be more effective than heavy-handed inspectand-punish interventions.

Working with actors from the informal sector towards inclusive

#### Legitimising informal markets: a case study of the dairy sector in Kenya

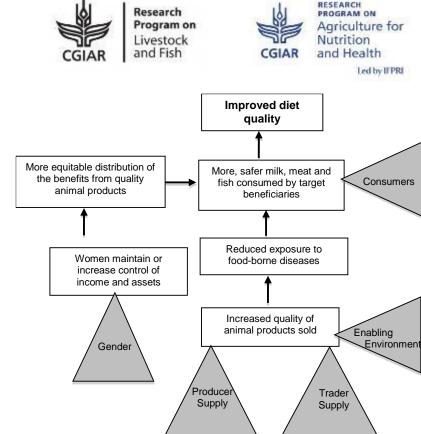
When five per cent of milk fails to meet standards, you have a problem with milk. When 50 per cent does not meet standards, you have a problem with standards. In developing countries, perishable food is mostly sold in informal markets and often does not meet national food safety standards. Government regulation in informal markets has not improved food safety in the past and formalisation does not guarantee safe food. New approaches, based on gradual improvements and an inclusive path to formalisation, show greater promise. A scheme to train and legitimise dairy traders in Kenya has revealed benefits for public health, farmers, vendors and consumers. But governments must withstand pressure from vested interests and show genuine commitment to supporting progressive, effective and inclusive policies if these are to be successful.

# Theory of change for trader-based intervention

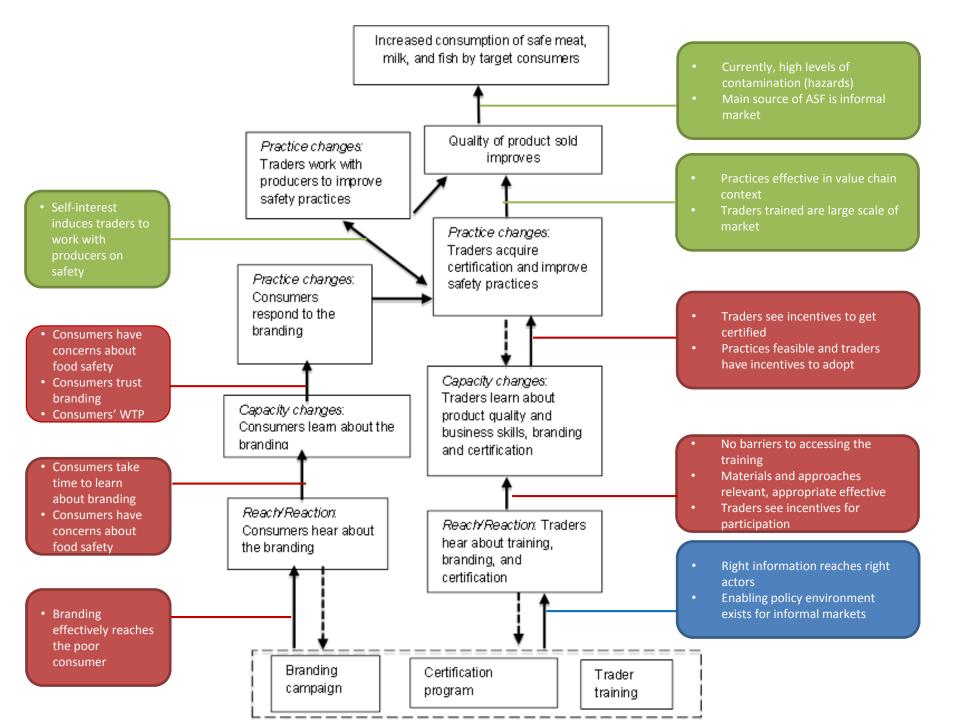
- To understand impact logic of potential interventions
- Builds on research & experience
- Explains how intervention is expected to work on institutional level
- Identifies assumptions

IF safer food products can be made available and

IF the benefits from consuming safe and nutritious food can be more widely and equitably distributed



=> THEN improved diets will result for women and children



## Many trainings tools available...



### WHO "5 keys to safer food"

- Concepts vs expert knowledge (i.e. *E. coli* beans)
- Simple messages
- Affordable alternatives (i.e. ashes vs. soap)
- Short training





#### LET'S BREAK THE PORK TAPEWORM CYCLE







# Technical innovations & training: insecticide-treated nets





trade-offs efficiency vs attractiveness

GIZ-funded Safe Food, Fair Food project DAAD

# Technical innovations & training: biogas digester at pig abattoir









GIZ-funded Safe Food, Fair Food project IrishAid-funded MorePork project



#### THANK YOU!

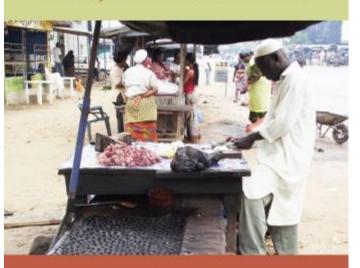
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#### FOOD SAFETY AND INFORMAL MARKETS

Animal products in sub-Saharan Africa



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