

AGRO-FOOD CHAINS AND SUSTAINABLE LIVELIHOOD

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Abstract.

Cassava is a good example of problems that local producers encounter in developing agro-food chains aiming at added value and fair rewards for labour inputs. Low production at many small-scale farms lead to high transaction costs. Cassava spoils easily and is costly to transport in its raw form as it consists mainly of water. Therefore much processing takes place on-farm. Processing results in *Gari*, *Lafun* and *Fufu* products with longer shelf life than cassava roots. These products are consumed in the household or sold in the local market. Middlemen buy these products to sell them to urban or international consumers. The products can also serve as basis for further industrial processing but this option is under-exploited so far. It is a highly competitive market with fairly uniform products priced according to the demand–supply principle. Formal quality control is missing. The largest share of added value goes to secondary processors and middlemen. Organizing farmers and training them in entrepreneurship skills is needed to improve their bargaining position and their production and processing process. Policy should provide an enabling environment in terms of banking facilities, quality regulation and control, etc., to support the entire chain. It can support increase in scales of processing at farmers' level, increase in investment in the chain, and promote closer and more sustainable interaction between Producers, processors, salesmen and consumers in an agro-food chain.

Keywords: local foods; market structure; banking, labour; processing; organization