APPROACHES AND METHODS OF VALUE CHAIN ANALYSES IN AGRICULTURAL SECTOR OF CENTRAL ASIAN COUNTRIES

Mgr. Kairat Itibaev
Kairat.itibaev@cci.kg
www.fiabiz.org
CONTENT OF PRESENTATION

- Background & methodology
- Approaches & data collection
- Methods & Techniques
JUSTIFICATION ON VALUE CHAINS PROMOTION

Contributions into development

- **Economic capacity and sustainability of development:**
  Ensures better quality and more public goods or services

- **Systemic competitiveness via cooperation**
  Increases the efficiency, productivity of VC actors and regional economy

- **Coordination of public and local authority activities:**
  Enables entrepreneurship development on the micro level and institutional enhancement on the meso and macro levels of VC
JUSTIFICATION OF VALUE CHAIN PROMOTION

*non-coordinated and ineffective transactions*

- Traditional market of commodities are fragmented
- Small producers have a low access to the quality services, information and inputs
- Lack of trust
- Producers focused on short term benefits

**Consequences:**

- High transactions cost
- Low prices
- Low value add
- *Weak stimulation of innovations*
BACKGROUND ON VALUE CHAINS PROMOTION IN CENTRAL ASIA

Program interventions of the international agencies on development:
- Helvetas Swiss Corp 2006 – 2012
- UNDP 2008 – 2013
- ADB 2009 – 2011
- GIZ 2008 – 2017
METHODOLOGY OF VALUE CHAIN PROMOTION

Identification scope of project
- Decision on involvement in VC development
- VC selection for development

Strategy formulation
- Analysis of selected VC
- Strategy for VC development
- Facilitation action plan for VC development

Implementation
- Strengthening business linkages
- PPP
- Improving services for VC
- Quality standards introduction
- Access to financing
- Improving VC BIZ environment

Monitoring
- Monitoring and measuring of impact
HOW TO START VCA?

- Chosen subsector in accordance with selection criteria
- VCA: identification challenges and opportunities
- Outcomes of VC development based on program activity

There should be several performance indicators
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APPROACHES OF VALUE CHAIN ANALYSIS

VCA – value chain analysis
SSA – sub-sectorial analysis
FR – field research
LBC – Local business center
RMA – Rapid market appraisal
Functions holders or operators involved directly in VC

Micro
Inputs → Production → Processing → Logistics & trading → Consumption

Meso
- Market information
- Researches & Consultation
- Financial services
- Cooperation with associations
- Advocacy of common interests
- Trade fairs, joint sales

Public policy enabling sustainable development of business environment

Macro
- Infrastructure
- Legislation
- Stimulations & incentives
INFORMATION BLOCKS FOR VCA

1. Macroeconomic drivers
2. Public policy
3. Taxation
4. Legislation and regulations
5. External impact
6. Clusters
7. Industry information
8. Labor
9. Skills
10. Technology
11. Equipment
12. Materials
13. Capital
14. Supporting organizations
15. Society, community and culture
16. BIZ environment
VALUE CHAIN OPERATORS AND SUPPORTING ORGANIZATIONS

consumption

retails

wholesales

processing

production

financial services

Non-financial services
GAP ANALYSIS FOR THE PROJECT INTERVENTION
DIFFERENT LEVELS OF IMPACT

- Alongside of VC:
  - Company level
  - *Worker level*
  - *Household level*

- Supporting organizations
- Influencing authorities

* UN SDGs
CONTENT OF PRESENTATION

Background & methodology

Approaches & data collection

Methods & Techniques
METHODS OF RAPID MARKET APPRAISAL

- SWOT
- PEST
- Selling points audits
EXAMPLE OF FUNCTIONAL ANALYSIS ON FRESH BEEF

Identification of operators of the value chain on fresh beef

- Farmers
- Traders
- Fatteners
- Slaughtering points
- Wholesalers
- Retailers

Breeding Vaccination
- 1 – Sale
- Purchase Transporting
- Purchase Vaccination Fattening
- 2 – Sale
- Slaughtering Storing Selling
- Delivery Wholesales
- Resale to consumer Consumption
- Export Import

Identification of operators of the value chain on fresh beef

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Traders
FIELD STUDY

Industry data

Consumers

Market information

VC operators

Production information

Producers

Competitor VC
**EXAMPLE: TREE OF PROBLEMS**

**Problems**
- Low export potential
  - Absence of beef import from Kyrgyzstan
  - Low attractiveness for beef importers
  - Source of raw material
- Absence of special meat strains of cattle
- Reduction of cattle livestock
- Bad epizootic situation, low strains of cattle
- Absence of big meat processor companies
- Absence of frontier sanitary control
- Small-scale commodity production individual farmers
- High capital investment
- Absence of quality fodder base
- Illegal slaughter houses
- Low strains of cattle
- Absence of beef import from Kyrgyzstan
- Lack of finance
- Backwardness of livestock sector
- Backwardness of veterinary
- Absence of frontier sanitary control

**Causes**
- Low strains of cattle
- Backwardness of livestock sector
- Low export potential
- Lack of finance

**Consequences**
EXAMPLE: TREE OF OBJECTIVES

Objectives

- Growth large beef farmer producers
- Launch new processing companies
- Enhance and use meat strains of cattle of the own selection
- Availability of qualified specialists
- Improve livestock sector

Means

- Increase attractiveness of the Kyrgyz beef for importers
- Attracted investments
- Availability of modern techniques and technologies
- High value of labor resource
- Availability of finance

Increase export potential

- Raw materials export
- Favorable epizootic situation
- Common frontier sanitary control among Kazakhstan, Russia and other CIS countries
- Legal slaughter houses
- Support and development veterinary
- Sale and beef export
- Improve livestock sector
- Availability of finance
SYMBOLS OF MAPPING

Consumers

Retailers

Other operators

Contracts and agreements

Without coordination
THANK YOU VERY MUCH!

QUESTIONS???

BEST REGARDS!!!

Mgr. Kairat Itibaev,
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