

The Dynamics of Agricultural Traditional Markets in Afghanistan

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Farm production and markets are of two types in Afghanistan:

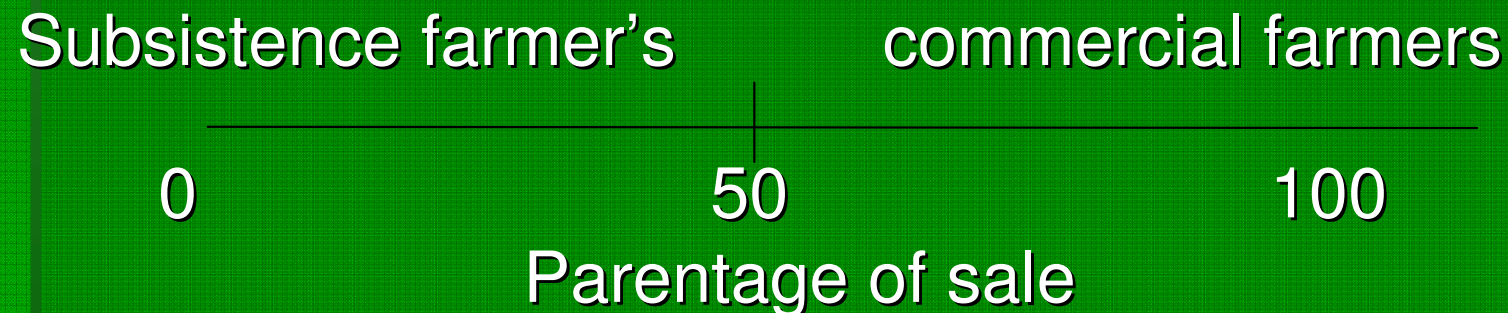
1. Subsistence and commercial production , traditional and commercial (modern) markets
2. There are various degrees of subsistence and commercial production, traditional and commercial markets in the country
3. The type, quantity and quality of farm products, dictate the nature and function of market and vice versa.

Subsistence production

1. The main objective of farmers in subsistence production is to satisfy household needs for food.
2. In subsistence farming, most of the farm inputs are traditional and provided by the farm household.
3. The linkage of the farm family with the market of inputs and products is weak
4. Farmers are less responsive to changes in market conditions and more vulnerable to unexpected risks (changes in production due to changes in weather, rainfall, pests and diseases)
5. The subsistence farmers have some marketable surplus to exchange for cash to purchase other consumption needs.
6. The amount of this marketable surplus varies from 0 to 50 % of the product
7. Transformation of traditional markets in to modern market relates to transformation of subsistence production to commercial one.

Commercial Production

1. Commercial farmers produce for the market
2. The main objective of commercial farmers is to minimize cost, maximize output and profit
3. They have strong linkage with market of inputs and output
4. They are competent and more responsive to changes in market conditions
5. Commercial production requires modern markets with more marketing facilities



Types of traditional markets:

A- Local bazaars

1. They are logical consequences of subsistence farming
2. They have long history of existence
3. They have been developed on the basis of community needs
4. They have very proper geographic location
5. They are accessible to all members of the community
6. The geographic coverage's of these markets depends to transportation and road facilities. however at present at minimum they cover a district
7. These markets are very general in nature. There is something of everything in these markets. The community members sell their marketable surplus, handicraft products, live animals, non - farm consumer goods, farm inputs etc.
8. These markets points are changing very fast in term of volume of goods and services exchanged , type of products, geographic coverage's , degree of contact and marketing facilities



B- District markets

1. These markets are growing very fast in the country
2. They are developing around the main and secondary roads, local bazaars, district administration centers, cooperatives and collection center, and other strategic points. The extra supply of farm products which are collected by representative of dealer, traders and producers from the community and local bazaar, are sorted and loaded to provincial and whole sale markets from which part of it goes to retail distribution channels and part of it to producer and export.

C- Provincial markets:

1. These markets are mixture of traditional and modern markets
2. They have more marketing facilities such is processing plants , where houses and cold storage facilities.
3. In provincial markets, specific market exist for specific groups of farm product such as grain markets, dry and fresh fruit markets, vegetable markets etc.
4. They have strong linkage with other whole sale and retail markets
5. The products which are colleted form the local bazaars , district markets in other collection centers are carried to the provincial markets for farther processing , grading ,packaging and transporting to retail or export channels .



A simple analysis of a traditional and modern market

Traditional market	Modern market
1.Weak infrastructure	1.Strong infrastructure
2.Less marketing facilities	2.More marketing facilities
3.Limited circulation of information	3.Broud circulation of information
4.Simple in structure and management	4.Complicated in structure and management
5.Exchange of raw materials	5.Exchange of finished goods
6.Sale by direct contact of producers and consumers	6.Sale through functionaries
7.Limited volume of goods and services are exchanged	7.Large amount of exchange
8- Little need for quality control and standardization	8.Standardization, quality control and certification are needed

Constraints for transformation of traditional market in to modern markets in Afghanistan :

Constraints	Type of intervention needed
<ol style="list-style-type: none"> 1.Subsistence farming 2. Low level of marketable surplus 3. Low level of farm income 4.lack of market infrasture and market facilities 5.Exchange of raw material 6. Limited circulation of information 7. Lack of financial system 8. Direct contact of producer and consumer 9. Poor linkage of farmer with the market of input and product 10. Limited demand for consumer goods 11. Lack of motivation 12. Lack of axcess of the farmers to modern input 	<ol style="list-style-type: none"> 1.Produce market oriented crops 2. Increase marketable surplus by improving productivity 3. Increase farm income by creating rural employment and income generating activity 4. Improve market infrastructure and facilities 5. Develop agro_ industry 6. Develop market research and market information system 7. Develop effective financial system 8. Develop value added chain 9. Strengthen linkage between farmers and market 10. Create demand for non_ farm goods and services by diversification source of income 11. Creating an enabling environment for producer and traders 12. Develop market of farm inputs and market of product