

## HOW TO CONDUCT A FOOD COMMODITY VALUE CHAIN ANALYSIS?

**Pathway Component:** food production; food prices; processing & storage

**Search Category:** agricultural productivity; farm & non-farm income; value chains & market systems

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**Designer:** World Food Programme

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### CONTENT SUMMARY

**Brief Description:** The purpose of this tool is to provide guidance on how to conduct a practical value chain analysis of food commodities whose production, processing, commercialization, and consumption is crucial for household food security.

**Uses:** Staple food value chain analysis can improve understanding of:

- Socio-economic and livelihoods situation of target groups.
- Production situation of target area.
- Market functioning and market relationships among the different stakeholders, including price formation, margins, and trends in prices.

**Tool Components:** The technical guidance sheet provides the following core value chain analysis tools, intended as step-by-step guidance to conducting the analysis:

1. Tool 1: How to identify value chains of interest
2. Tool 2: Mapping the value chain
3. Tool 3: Estimating costs and margins
4. Tool 4: Analyzing technology, knowledge, and upgrading

### OPERATIONS

**Number of Staff Required:** Not specified; the guide focuses on the technical explanation rather than the operations of the process.

**Time:** Not specified; the guide focuses on the technical explanation rather than the operations of the process.

**Cost of Assessment:** Not specified; the guide explains the process for a general value chain analysis. Cost will be dictated by the specifics of a given assessment.

**Training:** Not specified; the technical guidance sheet is intended to explain steps in practical value chain analysis. It is likely that staff would need prior experience to lead the analysis, and enumerators would require training on the data collection tools.

**Geographic Targeting:** The analysis focuses on value chains, which may span multiple geographical areas; geography will be determined by the value chain selected.

**Type of Data Collection:** There are many ways to gather data relevant for value chain analysis. The technical guidance sheet lists a variety of tools for data collection, including primary survey work, focus groups, participatory rural appraisal, informal interviews, and secondary data analysis.

**Degree of Technical Difficulty:** The guidance sheet provides clear explanations and practical annexes for use in value chain analysis. However, understanding and analyzing value chains is complex and would likely require experience and technical understanding of market systems.

**Complements other Resources:** This guide is intended for comprehensive food security and vulnerability analyses, in-depth emergency food security assessments, and specific assessments of local purchase opportunities and their impact on poor and vulnerable stakeholders. Value chain analysis is a necessary complement to food security analysis, since it assesses natural and economic assets, household food production systems, and explores the links with household food security and livelihoods for decision making.