

**RTS-2 Agricultural transport**

Inadequate marketing and transport facilities, fragmented markets, and uneconomic and unpredictable prices are generally considered to be some of the major bottlenecks to rural development. Marketing of agricultural and other products in rural South Africa involves a complex and, at times, an obscure interaction of traditional and modern institutions with broader economic policy questions, such as the determination of relative prices among crops and between sectors. There is therefore a need to identify, nurture, upgrade and strengthen the network of informal markets, which have better linkages with the rural economy than conventional ones by way of the provision of infrastructure, transport services and training programmes.

Agricultural transport is inefficient and thus hampers expansion because it is time-consuming and expensive, high losses occur owing to lower carrying capacities, opportunities to produce more profitable crops are not taken, and walking consumes energy, which could otherwise be productively used on the fields. Head loading, mostly by women, remains the principal mode of transporting goods in developing rural areas.

It has been estimated that although the world produces three times its food requirements, there is not enough to go around partly because of massive food losses. In Tanzania, for example, sixty per cent of horticultural products are lost in the produce-processing-market chain. There is therefore a case for either establishing small agro-processors close to producers or upgrading the rural transport infrastructure and services to reduce this loss. The former option has the affect of severing the unnecessary double link, that is, rural communities produce the primary product, which is then transported to the urban areas to be processed, and then ferried back to rural areas for consumption at prices they can hardly afford. Processing for local consumption means that rural money will circulate within the rural economy, thereby reducing the cash flow out of communities and creating jobs by re-investment and exportation of products. This strengthens the local economy through the multiplier effect.

Possible Intervention Actions	
<b>Strengthening of informal market networks</b>	<ul style="list-style-type: none"> <li>• Promotion of co-operatives for the delivery &amp; marketing of crops (includes storage facilities such as village warehouses, lorry services to distribute agricultural inputs such as fertilizer, and buying centers);</li> <li>• Supporting the formation of local, informal markets for selling smaller quantities of higher value crops, or marketing of small quantities of crops at a time.</li> </ul>
<b>Establishing agro-processors</b>	<ul style="list-style-type: none"> <li>• Establishment of small agro-processors close to the rural communities producing the primary product, to reduce transport costs particularly those associated with transporting products to be processed in urban areas and then having to be returned for sale in rural areas.</li> </ul>
<b>Upgrading rural infrastructure &amp; services</b>	<ul style="list-style-type: none"> <li>• Promotion of IMT, especially bicycles which have proved useful in the marketing of agricultural produce (e.g. used by middlemen traders to transport crops to town markets), donkey carts have also allowed farmers to live in nucleated settlements but still have access to their fields further out;</li> <li>• Improving access roads so private traders can reach villages.</li> </ul>