



Market Analysis Tool

How to Conduct a Trader Survey?

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The views expressed herein can in no way be taken to reflect the official opinion of the European Union.

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Note

This document is intended to be a 'living' one which will be revised on the basis of the lessons learned from the field application. The current version reflects the collective insights and experience of WFP staff on trader surveys for food security analysis. As such, those preparing to conduct a trader survey may well find it useful to peruse the entire document to familiarize themselves with what needs to be done and how to proceed from data collection to analysis and report writing (see box 1).

Technical Guidance Sheets
and other related resources are available at:
<http://www.wfp.org/food-security>

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Box 1: Purpose and scope of this guidance sheet

The **purpose** of this technical guidance sheet is to **provide guidance to WFP Country Office and partner staff in conducting a simple trader survey** with limited or no external technical support. For complex trader surveys, or in situations where local capacity is insufficient, experienced WFP staff in the food security units at the Regional Bureaux and Headquarters may provide further guidance, training or additional capacity. Also, training modules have been developed on the basis of this guidance sheet, which can be used during training sessions.

The starting point of this guidance sheet is that **trader surveys are an integral part of food security analysis**, contributing to answering basic questions about food security and response strategies. This implies that trader surveys focus on the actual markets delivering services to the population of interest, instead of a stand-alone overview of the structure, conduct and performance of markets in general.

This guidance sheet provides **practical guidance on how to organize a trader survey** in order to produce meaningful results. It offers a concise discussion of basic concepts, complemented by references to more in-depth guidance on food security analysis and advanced methods for conducting market analysis.

Part I of this guidance sheet deals with the basic concepts of markets and trader surveys; **Part II** presents a four-step approach for conducting a trader survey.

Part I: Basic concepts

1. Why are markets important for food security?

Food, livestock, labour and essential non-food item markets¹ and the behaviour of traders play a pivotal role in ensuring household food security. The WFP analytical framework for household food security shows how markets are linked to people's nutritional status (see: Box 2, page 3). The 2006-08 worldwide food price hike and its disastrous consequences for household food security is a vivid reminder of the dependence of households on markets. Including during "normal" times, these households are in a much better position to achieve food security if markets are well-functioning, as they facilitate greater and more stable access to food, and its availability.

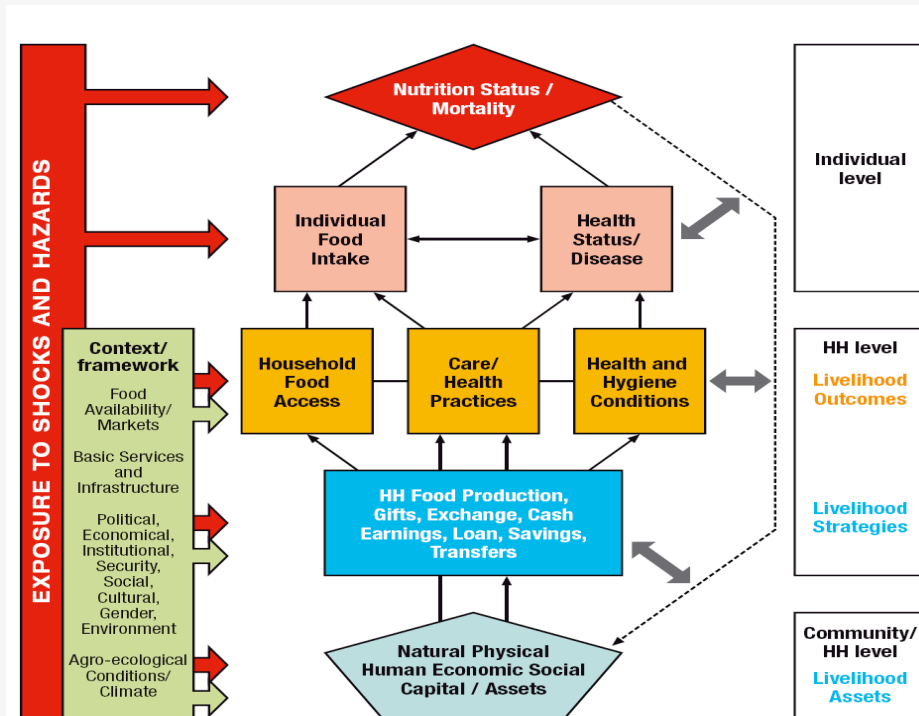
Households are dependent on markets for selling and/or purchasing food, livestock, agricultural inputs, labour and other essential non-food items. These transactions affect households' income and expenditures and their food access situation. For example, pastoralists sell livestock, milk or hides/skins to purchase cereals, sugar or other food; cash-crop farmers sell their cotton, cereals or other agriculture products to buy staple foods and farm inputs; subsistence farmers sell parts of their harvest to repay debts and purchase other foods; in some countries, the provision of (daily) labour is a key cash-generator for households.

Markets also play an important role in implementing external responses to food insecurity. As WFP is shifting from being a food aid organization to becoming a food assistance organization, it is actively using markets through the distribution of cash or vouchers, in addition to the traditional provision of food in-kind, to reduce food insecurity. In terms of external responses to food insecurity, markets are also crucial for local or regional food procurement by WFP and its partners.

¹ A market is a place where buyers and sellers come together. This is often, but not always, a physical place, where buyers and sellers meet regularly. Transactions can, for example, also occur on the phone. A local market is defined in this guidance as a market that is used by the population of interest; a regional/national market is a market that plays a regional or (trans) national role and with often an important wholesale function for the population of interest. In some cases, such as when you are conducting an urban food security assessment, there might be a small overlap.

Box 2: Household food security and nutrition framework

The framework identifies the linkages between markets & food availability and the access to food by households, with its consequences for individual food intake and nutritional status. The CFSVA guidelines (WFP, 2009), the Emergency food Security Assessment (EFSA) Handbook (WFP, 2009) and the guidance sheet on Strengthening Rapid Food and Nutrition Security Assessments (WFP, 2009) provide more detailed information on the analytical framework.



2. How is a trader survey linked to food security & response analysis?

A trader survey consists of collecting data from traders, analyzing the data, and using the results to inform the response options analysis. This is a key tool in improving the understanding of market functioning. Additionally the results of the trader survey can be interpreted in relation to secondary data such as prices, key informant interviews, household and community surveys.

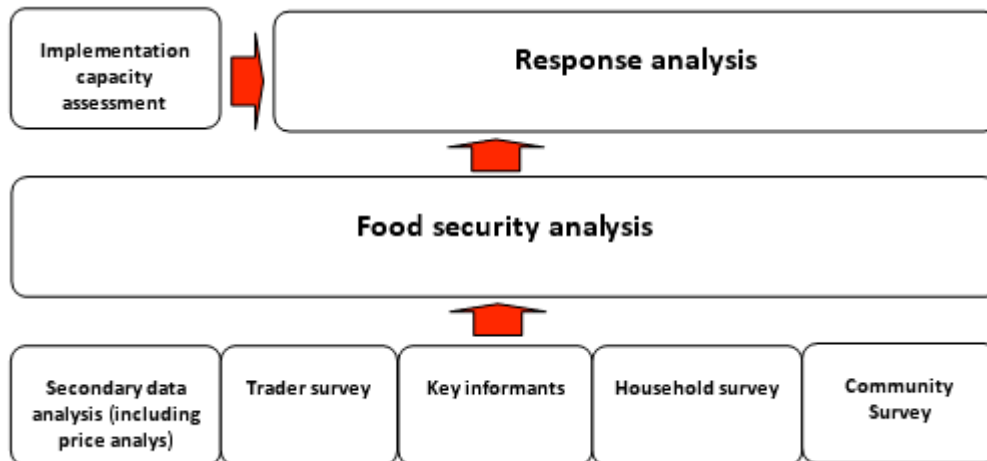
Understanding markets helps to understand food security and finding the appropriate solutions to food insecurity. The diagram below shows that a **trader survey is only one of the tools informing food security and response analysis**. It is to be stressed that a trader survey, on its own, cannot tell you what the status of household food insecurity is or the types of responses to propose, but it is an important component informing decision-making. Conversely, a household survey is also insufficient on its own and needs to be complemented with a trader survey or sufficient available secondary information on markets. An assessment of implementation capacity is also required for the response options analysis.

For example, a household survey may tell you that 25% of households have poor food consumption (perhaps due to low diet diversity and frequency); a market analysis will help in understanding some of the causes of this inadequate consumption that may be related to the purchases and sales of households; a market analysis will tell you if cash, vouchers or food may be an appropriate response strategy from a market perspective. In a subsequent step, an assessment of programme implementation capacity will show what intervention modalities are feasible. A final example concerns observing that food prices are high: is this good or bad news? A household survey will have to find out how households interact with markets before you can draw conclusions about the consequence of high food prices for

household food security, as some may gain (those selling more of the high price commodities than they buy) while others may lose (those purchasing more than they sell).

Finally, a market analysis including trader surveys is an integral part of food security analysis. Baseline and emergency food security assessments should include market analysis as one of their standard elements. However, there are situations where market analysis can be conducted as a standalone exercise (see chapter 3).

Diagram 1: Links between trade surveys, food security and response analysis



Household **food security and market analysis are integrated under an overall analysis plan.** The EFSA Handbook and the Comprehensive Food Security and Vulnerability Analysis (CFSVA) Guidelines recommend elaborating an analysis plan that identifies the tools to use for understanding the three dimensions of food security (availability, access and consumption/use) and for selecting the appropriate response strategy. The analysis plan shows the questions the market analysis (including a trader survey) will need to answer and where these answers will be used in the report. **Using the overall analysis plan to draw up a specific market analysis plan is highly recommended (see chapter 9).**

In this guidance sheet, the **focus is on trader surveys.** However, **guidance and references are also given to other aspects of market analysis,** such as the analysis of macro food supply conditions, price series and any appropriate market-related aspects of household and community surveys.

Additional guidance on specific market analysis tools can be found at:
<http://www.wfp.org/food-security/guidelines>;
<http://www.fews.net/Pages/markettrade.aspx?loc=3&l=en>.

3. What types of trader surveys are relevant for WFP and its partners?

Trader surveys are undertaken by WFP and its partners in the following contexts² :

- When assessing the impact of a sudden or slow-onset shock on food security, and possible responses including cash/vouchers interventions;
- When assessing food insecure areas through regular (annual) surveys, crop and food supply assessment missions or when establishing a food security baseline;
- When assessing the future transmission effects of an external shock on the market system;
- When assessing local food procurement opportunities; and

² Other parties may conduct trader surveys for other purposes such as export promotion, development programmes or trade facilitation purposes. Although their objectives diverge from the “WFP surveys”, they may provide valuable information for WFP and partners on market functioning (examples can be found on: www.wto.org and www.worldbank.org).

- When monitoring food markets.

This guidance sheet focuses on “**food security trader surveys**”. These surveys are conducted in the context of assessing the impact of a shock on household food security, a food security baseline or - in the case of chronic food insecure areas - a regular food security assessment. Survey questions in a sudden emergency are focused on comparing the situation with and without a shock, or in actual practice, the current situation with the pre-shock situation. In slow-onset crises, baseline or regular food security assessments, trader surveys are more oriented to profiling market actors, market functioning and capturing the evolution of market conditions over time.

A trader survey is also needed if an **external shock**³ (abroad or in another part of the country) is expected to transmit its effects through the market system to households, but where the food security effects may not yet be tangible at the household level. In this case, market analysis including a trader surveys acts as a precursor of a broader food security assessment that may take place in a subsequent phase. Examples are the assessments in Guinea Bissau (2007)⁴ and in Nigeria/Niger (2006)⁵ which assessed the market conditions in northern Nigeria. This type of survey may require some specific knowledge of international trade and cross-border trade flows, available at Headquarters or in the Regional Bureaux.

There are other trader surveys that are tailored to meet specific needs and objectives. For instance, trader surveys focusing on the current and future market conditions for food procurement⁶. These surveys are often conducted in food surplus zones, and concentrate on staple food markets, whereas other types of trader surveys may also concern livestock markets and other non-staple cash crops. A special case are the surveys conducted in the context of the Purchase for Progress (P4P) initiative. These surveys will also focus on understanding the change in the behaviour of the traders in terms of their relationships with smallholders. This guideline does not cover the details of these case-specific surveys.

Market indicators are generally monitored by WFP and its partners to obtain information on prices, local food availability, cross-border food flows and sales of food aid. Examples can be found in east Africa (www.ratin.net) or on WFP website (<http://www.wfp.org/food-security/guidelines>). This guideline is applicable to market monitoring systems that involve primary data collection. Steps 1 and 2 of Part II (see details below) are particularly important in designing a market monitoring system.

4. When do you conduct trader surveys?

As a first general remark, you only conduct trader surveys when you need information that is not yet available from secondary information⁷. Therefore, it is essential to verify what type of analysis is available and if other agencies are undertaking, or have recently undertaken, similar trader surveys.

Trader surveys are conducted in tandem with **baseline and chronic food insecurity assessments**, and preferably at the same time (e.g. the annual national livelihood assessment in south Sudan or CFSVAs). If sufficient secondary baseline information on the markets relevant for the population being studied is available, an exception may be made, and a trader survey may not be necessary. Conversely, if sufficient food security baseline information exists, but information on market functioning is scarce, you may wish to conduct a stand-alone market analysis, including trying to shed light on cross-border (informal) trade (although this should also be seen as an exception). In any case, it is absolutely essential

³ These shocks may be a consequence of natural or man-made disasters, such as an earthquake, trade restrictions or civil unrest in a country that is a major source of food imports or in case of a worldwide food price hike or substantial exchange rate fluctuations).

⁴ *Commerce du riz et du cajou, implications pour la sécurité alimentaire*, WFP, 2007.

⁵ *Food Security and Cross-border Trade in the Kano-Katsina-Maradi corridor*, Sahel and West Africa Club, 2006.

⁶ See for example, *Burkina Faso, Analyse des marchés et de niébé*, WFP, 2006.

⁷ In this section, the triggers for launching trade surveys are discussed. It is however to be noted that a trader survey should be preceded by - or if time is not available, in conjunction with - the other elements of market analysis such as secondary data analysis, including price series and macro food supply conditions.

to have some kind of knowledge base on the way in which markets function (i.e. those relevant for WFP's target group), in order to be prepared for possible future crises.

In case of a **sudden or slow-onset emergency**, the triggers for trader surveys are the same as for household emergency food security assessments. These triggers can be found in the EFSA Handbook, WFP, 2009 and the guidance sheet *Trigger Criteria for an EFSA in Slow-onset Crises*, WFP, 2009. In principle, there is no difference between organizing a trader survey in a sudden or slow-onset shock situation. However, time available for preparing and planning will, of course, vary substantially and affect the content of the survey⁸.

Triggers for **trader surveys warranted by (potential) external shocks** are difficult to define as the types of external shocks vary substantially. Generally, monitoring the global and sub-regional food and relevant livelihood markets is advised (e.g. cotton) as well as the social, economic and political situation within the country and in neighbouring countries. If these developments give rise to doubts on the country's stability of internal trade, food imports (e.g. imported rice) or exports (e.g. export of live animals or cotton), a trader survey may be launched to assess possible future effects on domestic market functioning. If a trader survey shows that domestic markets are likely to be hit, the broader potential food security effects should be assessed.

Trader surveys for procurement are conducted if excess food supply is expected (and if WFP is interested in local procurement opportunities), and preferably at the end of the growing season, during the harvest or at the beginning of the marketing season. If you start too early, the harvest prospects may still be unclear. If you conduct your survey too late, you may miss the small window of opportunity before the lean season sets in to make your purchases as it costs time to do the survey, raise funds and launch the tendering process. A special case are surveys conducted in the context of the Purchase for Progress (P4P) initiative, where trader surveys are undertaken at the beginning of the operation and ideally also during and at the end of the operation.

The **scope and intensity of a trader survey will, of course, vary** according to the objectives and scope of the household food security analysis and the availability of reliable up-to-date secondary data on the state of the markets, including prices and local supplies. If immediately after a shock, an initial EFSA is conducted, interviewing a few traders in the local markets may be all that is feasible. During a rapid or in-depth EFSA, trader surveys may be expanded in terms of geographical coverage and types of products, number of interviews and analytical outputs. In a baseline context (e.g. a CFSVA) a comprehensive profiling of traders in terms of competition, marketing channels, price setting, response capacities, interactions between suppliers and sellers maybe required. All these topics will be dealt with in detail in the second part of this guidance sheet.

5. How does a trader survey help decision making?

A trader survey principally contributes to understanding:

- Current and future food availability conditions on markets;
- Current and future sale⁹ and purchase conditions for households, linked to food access; and
- The capacity of markets to respond to shocks and responses.

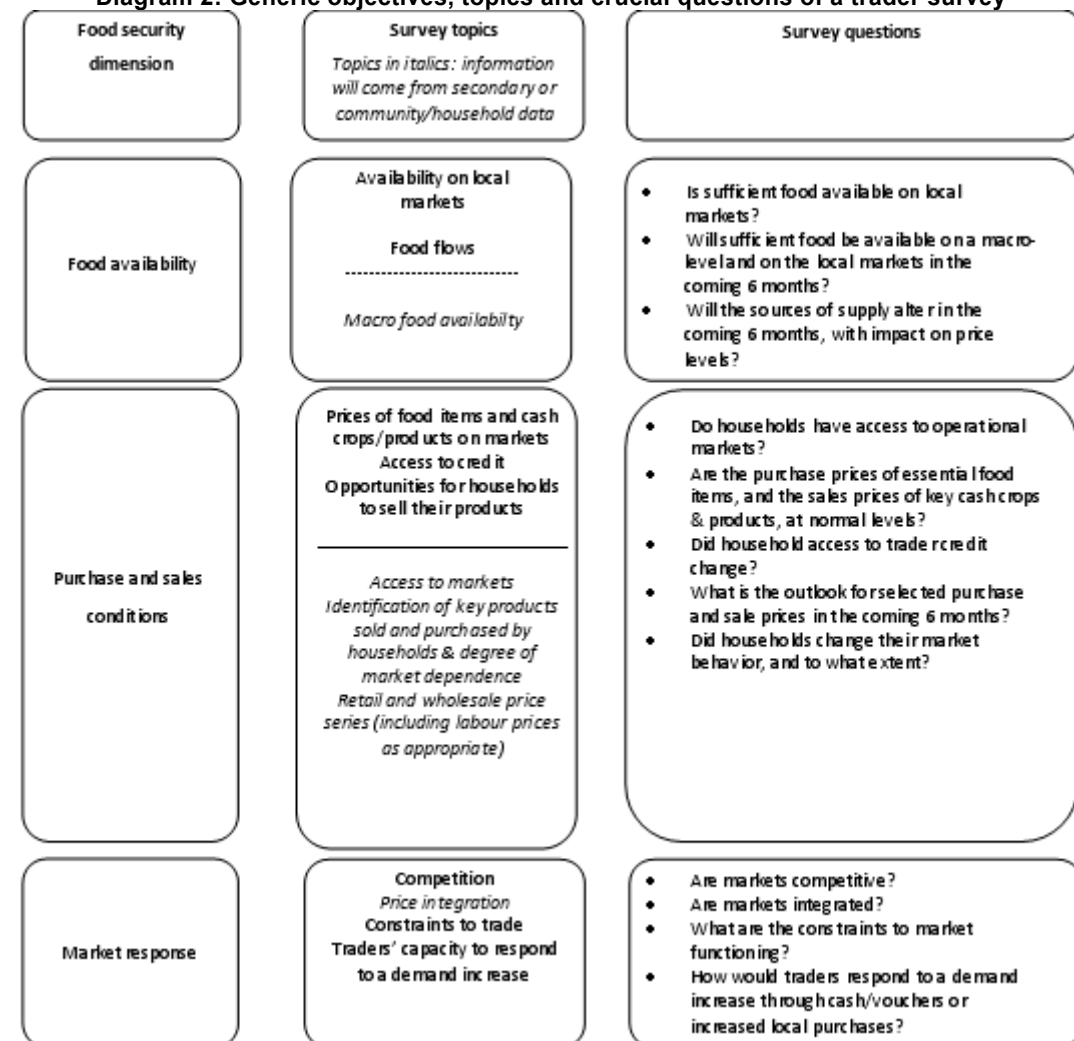
The diagram below presents **how these central objectives of a trader survey are linked to the key topics to be addressed during a trader survey**, as well as the questions that ought to be answered during the analysis phase. The topics are further specified and

⁸ Available time may impact the content of the survey to some degree, in particular the number of market chains and products included in the survey. However, most of the survey questions and questionnaire topics will still be part of the survey.

⁹ This also includes the sale of labour, which may be relevant if the provision of daily labour is an important livelihood activity.

translated into indicators in the analysis plan that will be discussed in Part II of this guidance sheet.

Diagram 2: Generic objectives, topics and crucial questions of a trader survey



The link to final decision-making on response options is four-fold¹⁰:

- The 6 months outlook¹¹ on purchase and sale conditions and food availability influences the expected severity and scope of food insecurity, and, in turn, this influences the size, timing and targeting of food assistance and an assessment of its potential negative impacts on the markets;
- The explanation of sale and purchase conditions and the food availability situation contributes to understanding the causes of food security problems, thus influencing the type and targeting of food assistance, if any;
- The overview of market constraints may point to specific market and regulatory interventions that may contribute to alleviating food insecurity; and
- The market conditions, constraints and capacity allow for concluding whether or not local procurement and/or a voucher/cash programme are desirable from a market perspective.

¹⁰ Together with the household survey, the trader survey may also indicate interventions to support agricultural production and marketing, for example, with tools and seeds.

¹¹ For the sake of clarity, this guidance sheet employs a horizon of 6 months, but this has to be adjusted to fit with the time horizon of the overall assessment and the local cropping and marketing seasons; in general the horizon will be between 6-12 months.

The various types of assistance/response options are discussed in the EFSA Handbook. Annex 5 of the Handbook (*Main response options and information required to judge their appropriateness*) indicates when certain response options are appropriate or not. Furthermore, the discussion on cash/voucher versus in-kind food aid has received much attention recently and is therefore discussed more extensively in this guidance sheet.

The **appropriateness of cash/voucher programmes** can be drawn from affirmative answers to the following questions (adapted from: *Cash Transfer Programmes in Emergencies*, Oxfam, 2006):

- Are markets operational and physically accessible by targeted households?
- Is appropriate food available in sufficient quantities and at reasonable prices?
- Are food markets sufficiently integrated so that food will flow to deficit/target zones?
- Are the food markets sufficiently competitive?
- Will traders respond adequately to any increase in effective demand based on their storage capacities, supply sources, required quality and preference of customers, access to credit, etc.?
- Is it unlikely that cash/vouchers will contribute to rising purchase prices?

The formulation of these questions leaves a lot of room for interpretation. The answer to the question: "Voucher/cash programme and/or food aid?" is not a clear "yes" or "no" if not complemented by additional information¹². From a "do-no-harm" point of view, a prudent approach is necessary to avoid inflating prices and causing increased food insecurity¹³.

It is to be stressed that **a trader survey (as an integral part of market analysis) will only provide one perspective in deciding the appropriateness of in-kind food and/or cash/vouchers interventions**, whereas the final decision will also depend on, for example, the available implementation capacity, security situation, socio-cultural characteristics and available resources (see an example of these "non-market" issues: *Assessment of feasibility of cash/voucher options in Tajikistan*, WFP, 2008).

With respect to **local food procurement**, WFP aims to contribute to strengthen markets while avoiding the disruption of local markets. According to the WFP Food Procurement User Guide, market disruption should be avoided by the following requirements: i) food should be in excess of local requirement; ii) harmful imbalances between supply and demand need to be avoided; iii) purchases ought to take place at a competitive "commercial" price; and iv) purchase prices should be close to international price levels. This requires an analysis of the commercial surplus, the capacity to respond to increased demand and of national and international prices.

Finally, it is to be noted that the trader survey may also contribute to assessing **the impact of food aid on markets**. However, the disincentive effect of food aid on supply and demand depends, to a great extent, on the choice of the instrument (free food versus food-for-work), the kind of food and - above all - the targeting¹⁴. Hence, there is only a need to include questions on food aid in the trader survey if food aid has been distributed widely in the past (and you may wish to know if it has been sold on the market); normally you would inquire about food aid on the market during market monitoring.

Box 3: Example - Impact on decision-making in Darfur

In 2005, the analysis of prices and market functioning led to a change in WFP rations. In the previous year, large quantities of food had been distributed with the deliberate aim of increasing availability and reducing prices. In 2007, market analysis indicated that large-scale replacement of food aid with cash transfers was not an option, but consideration was given to a pilot to provide complementary cash to food in order to prevent food aid being sold to cover milling costs and repayment of debts.

¹² See a detailed discussion on WFP's vision on this: *Cash and Food Transfers: A Primer*, WFP, 2007 and *Voucher and Cash Transfers as Food Assistance Instruments: Opportunities and Challenges*, WFP, 2009.

¹³ For further guidance, see: *Cash and Voucher Guidance* WFP, 2009.

¹⁴ Barrett, *Food Aid Effectiveness: It's the Targeting, Stupid!*, 2002.

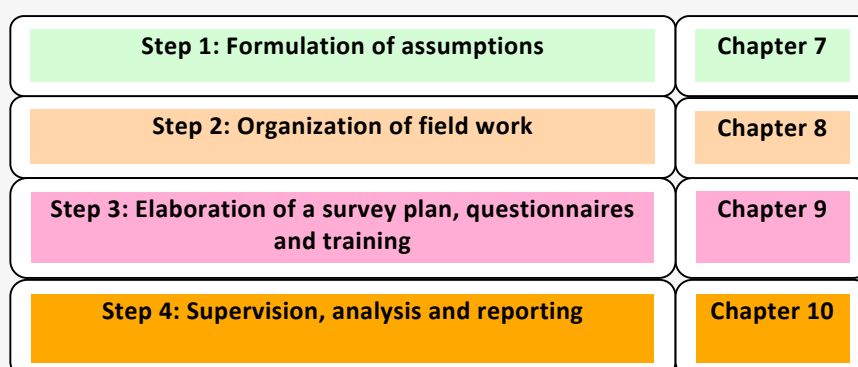
This example, and others, has been summarized in: *Technical Meeting report, Partnerships in Market Analysis for Food Security*, WFP, 2007.

Part II: Organizing a trader survey - a four-step approach

Box 4: A four-step approach

Before dealing with the four steps presented in the diagram below, a few crucial principles for each and every trader survey are presented in chapter 6.

It is also to be emphasized that the four-step approach provides guidance for the “average” trader survey. However, there are always special cases that require a deviation from these guidelines. This entirely acceptable as long as it is explained in the survey why a different approach has been taken.



6. What are the key principles for a trader survey?

Integrate trader surveys into food security analysis and reporting

A trader survey is not an aim in itself; it is not an independent activity. For WFP, a trader survey contributes to answering questions on the food security situation of households and possible responses. A trader survey will provide part of the answers, and has to be linked to the outcome of household and other assessments (see: Diagram 1, page 4). It is recommended to include the trader survey in the analysis plan of the overall food security assessment/analysis (e.g. EFSA and CFSVA), to integrate results of the trader survey into the food security analysis report, and avoid writing a separate market report. Exceptions can be made for procurement and exogenous shock trader surveys. However, if the information gap only exists for the market component, market analysis can be conducted “stand-alone”, although it should be linked to the results of the household food security surveys.

Aim for results

A trader survey should answer clearly-defined questions and add value for programming. During survey preparation, it should be a continuous reflex-action to ask: “How does it help to answer the key food security questions?” and “Can I deliver?” Avoid complexity and “nice-to-have” information, and focus on delivering results in time for decision-making.

Use existing market knowledge

A survey team should at least have one person with knowledge of relevant local food and/or livestock markets, and preferably employ experienced market enumerators such as the persons who regularly collect food prices for WFP, the government, or partner organizations. This will enhance the planning of the survey, the quality of the data collected and the analysis of the information. Substituting this experience by using secondary

information and interviews with key informants will be a partial compensation, but it will cost more time. It is recommended to conduct trader surveys in conjunction with relevant partners, in line with the general guidance on food security assessments.

Formulate working assumptions as a first step

In collaboration with the rest of the food security assessment team, elaborate a set of assumptions about the food security situation of the population, on market functioning, seasonality, the relationships of the households to the market and the type and magnitude of the (expected) shock (if any) and its likely impacts on these issues. Possible response strategies should be anticipated to uncover the key issues to be analyzed. These initial assumptions are essential in order to direct the survey plan. The survey plan should preferably also be based on the results of the analysis of price series and macro food supply data (but this may be difficult in trader surveys with a short lead time), which would consider both the developments between years (cycles) and within years (seasonality). It is crucial that the survey team is aware of the normal cropping and market seasons and the current state of affairs.

Ensure a balanced scope

Ensure that the trader survey includes: i) a maximum of 2-3 marketing chains (e.g. cereals and livestock; ii) a maximum of 1-2 products per marketing chain, corresponding to the most important purchase and sale products of the livelihoods in the research area; iii) traders at the various stages of the market chain¹⁵ (collectors, wholesalers, retailers); iv) use the most representative sampling methods; and v) the geographical zone that is integrated through relevant trade flows. The geographical zone of the trader survey will most likely be larger than the geographical scope of the food security (household) survey, as it extends from household catchment areas to those areas with intensive trader links, possibly including cross-borders.

Multiply the sources of information

This allows for triangulation and it increases the depth of information collected. Understanding the trading system is not an exact science; heterogeneity amongst various types of traders is substantial; traders may only disclose limited pieces of information. Therefore, open discussions of behaviours and market developments are advisable, in addition to posing closed questions. Subject-specific interviews with key informants and analysis of secondary information provide opportunities for combining the collection of quantitative data in order to deepen the analysis. Aim at convergence of evidence, rather than precise quantifications.

Keep questionnaires short and simple

Elaborating a detailed questionnaire with many questions can be done, but getting answers to all these questions is often difficult, casting doubts on their reliability. Furthermore, lengthy questionnaires result in time-consuming data entry and analysis and delayed reporting. If the results of trader surveys disappoint, it is often because of the questionnaire being too long. It is recommended to limit the number of questions to a maximum of 30 (or in terms of pages, around 5), and to **focus the interview with local traders on one product only**.

Training and supervision are essential

A survey without adequately trained enumerators *and* field supervision will turn out to be a failure. Interviewing traders is difficult, as most enumerators are not familiar with the insights of the trading system. Therefore, dedicate sufficient time to explaining the questions and real-life training with traders. Supervisors must review completed questionnaires on a regular basis during the field work. The team leader and lead analyst should participate in the field work, interact with traders and supervise enumerators. The knowledge base built during such interactions will prove extremely helpful during report-writing.

Last but not the least - convey the message!

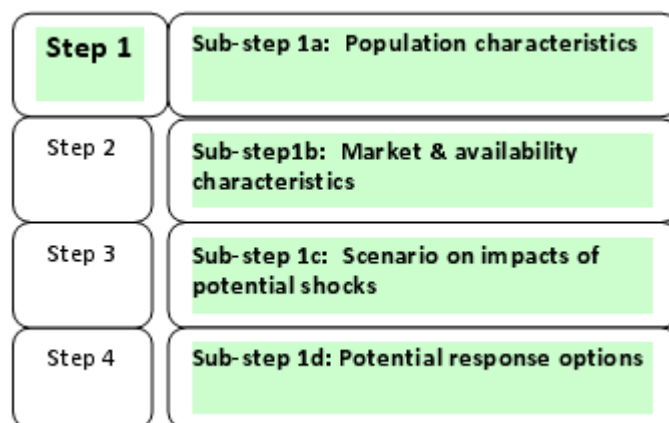
¹⁵ A market chain is defined for the purpose of this guidance sheet as the collection of steps involved in bringing products from the producer to the end-consumer.

Conducting the analysis is one thing, conveying the message to decision-makers is another and requires the full attention of the team-leader. This goes beyond writing (sections of) the assessment report, and may include one-on-one discussions with (advisers to) decision-makers, presentations to stakeholders and circulating briefs to a wider public.

7. Step 1: Formulation of assumptions

For each and every food security, nutrition or household survey, the first step concerns the “formulation of assumptions”, or “getting the basic data on the table”. This can be done through, for example, secondary data review as part of the general preparation of the survey. These assumptions range from an overview of population characteristics to the relationship of households to markets, and are essential for all members of the analysis team. For example, to conduct a household level survey, you need to establish an overview of the population breakdown, which will also be needed for a trader survey. Therefore, this first step is implemented by the full food security analysis team including relevant market experts from WFP and partner organizations.

In this guidance, we focus on information needed for a trader survey. These needs include knowing/having: a set of basic data and assumptions with respect to the population covered in the food security analysis; their food security situation; market functioning; the relationships of the households to the market; and the type and magnitude of the (expected) shock (if any) and its impacts on these issues. Possible response strategies should be anticipated to uncover key issues to be analyzed (without precluding any of the possible interventions). The information can be assembled in a few tables and used for preparing the household, community and trader surveys.



This step should not be brushed aside in an emergency situation; to the contrary, in that case, it is even more important as it directs your scarce resources towards the most affected and food insecure population. It: i) does not necessarily have to be precise or comprehensive; ii) is best performed during a discussion with experts and in-country key informants; and iii) may only take a few hours.

Sub-step 1a: Population characteristics

Complete the three tables below on the basis of existing secondary information and local knowledge (ie. expert judgement or key informants perceptions), as follows:

- List the affected areas (see: Table 1 below). In the case of a baseline, all the areas are potentially affected and should therefore be represented in the table;
- List the number of people and households, and their estimated pre-shock food insecurity or poverty levels by area (see: Table 1 below);
- Describe for each area, the principal livelihood groups, and estimate their importance (see: Table 2 below), insert their pre-shock food security level and copy them on a map of the affected areas (EFSA) or a country wide map (CFSVA);
- List the normal key livelihood activities of the livelihood groups, if available (see: Table 2 below);
- List the essential food items they normally purchase and the key products they sell on markets including daily labour if this is a substantive livelihood activity (see: Table 3 below).

On this basis, the team can select the market chains most important for the various livelihood groups, with particular attention for the most food insecure/poor groups; list them in Table 6.

Table 1: Population	Population (number of people)	Population (number of households)	Pre-crisis food insecurity / poverty (%)
Area/District 1			
Area/District 2			
....			

Table 2: Livelihood groups	Proportion of population (%)	Pre-crisis food insecurity / poverty	Key livelihood activities (list top 3)
Livelihood group 1			
Livelihood group 2			
....			

Table 3: Market dependence	Essential food items purchased (list top 3)	Key products for sale (cash crops / livestock) (list top 3)
Livelihood group 1		
Livelihood group 2		
....		

Sub-step 1b: Market and availability characteristics

On the basis of existing secondary information and local knowledge (i.e. expert judgement or key informants perceptions),

- List the normal production deficit/surplus zones for the essential food items and key sale products as identified in table 3 (in Table 4). The Ministry of Agriculture or FAO can be of help on this;

Table 4: Deficit and surplus zones	Food item 1	Food item 2	Cash crop 1 etc
Area/District 1	Deficit/excess (in metric tons if possible)		
Area/District 2			
....			
National			

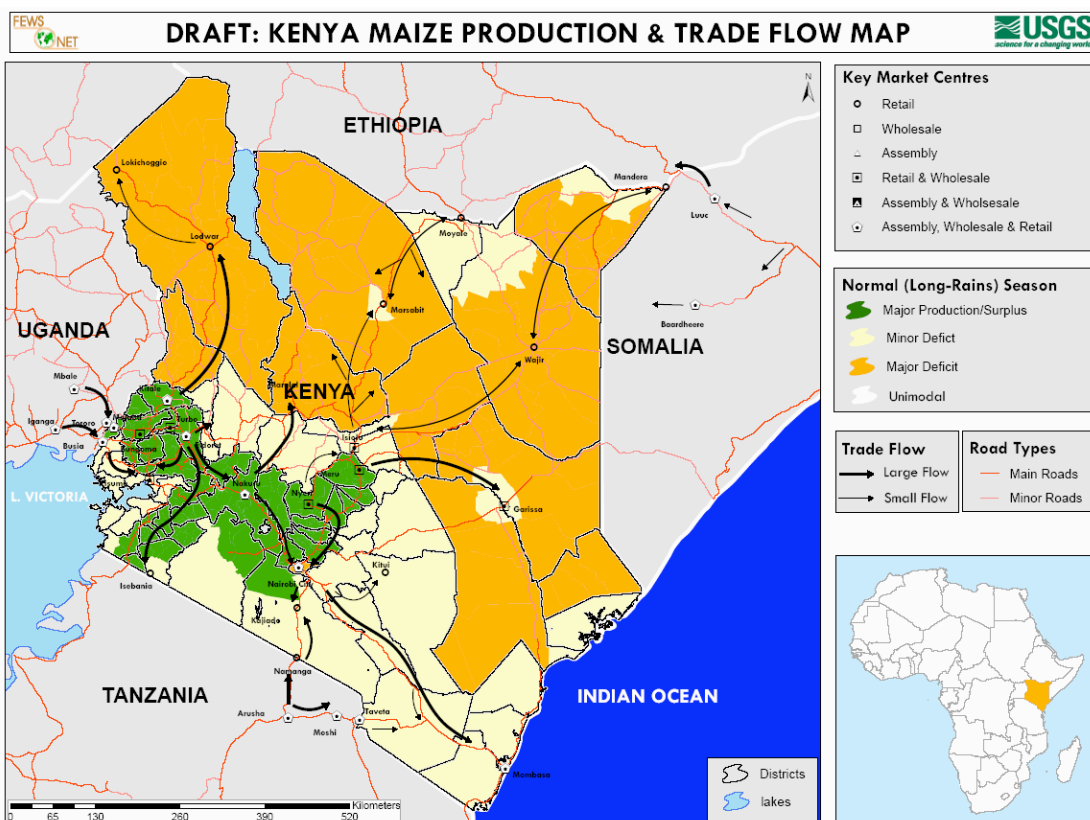
- Draw the cropping and market seasons for the essential food items and key sale products as identified in Table 3 (see example below);

Marketing seasons (sales) for key cereals in Niger (WFP, 2005)

Good harvest	Important					Fairly important					Low	
Average harvest	Important					Fairly important					Low	
Bad harvest	Important					Low					Nil	
	Sep	Okt	Nov	Dec	Jan	Feb	Mrt	Apr	Mei	Jun	Jul	Aug

- Elaborate (hand-drawn) maps of flows of the selected market chains (see example below). Guidance from Fewsnets (2009) indicate that "market flow maps can be used in designing and adapting monitoring systems similar to designing assessments

and targeting field trips¹⁶. The maps illustrate which markets are important to the food access of specific populations: pastoralists, traditionally food insecure groups, etc. They also highlight which markets are critical to commodity networks and trade of each basic commodity; there may be different principal markets for different commodities or they could be the same. While one commodity may be the preferred food commodity for most of the country, there may be smaller, more sub-national market networks that support distinct population groups which need to be accounted for in the monitoring plan. In countries where the surplus production and flows of commodities differ between seasons (e.g., bimodal areas), the analyst will need to consider varying his or her assessment plan from one season to the next, covering the markets most important to the specific season in question. If key sources of supply shift, but the market chain still passes through the same major assembly or wholesale markets, the analyst may want to focus his/her attention on those major markets. If this is the strategy, the analyst will need to gain a good understanding of who in the market operates between the major markets and vulnerable areas over the entire year, and account for the seasonal variation, in order to be able to adequately monitor and assess market behavior for food security and early warning analysis and reporting. The production and market flow maps quickly expose the important variation across seasons and help the analyst plan accordingly¹⁷.

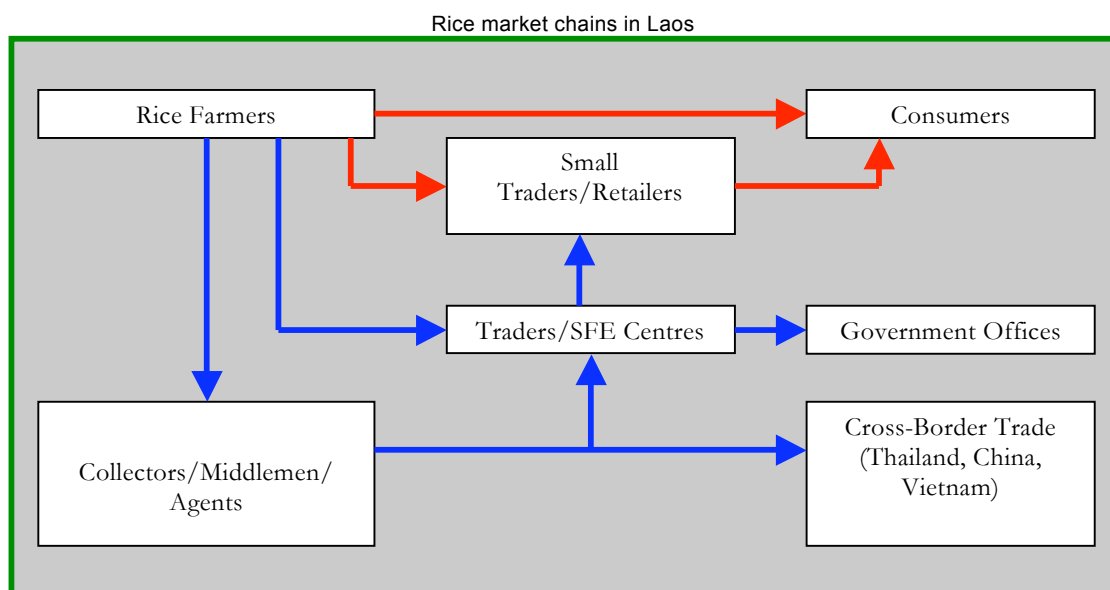


Source: The impact of rising food prices on disparate livelihoods in Kenya (WFP, 2008)

- Draw diagrams of selected market chains (see the example below on Lao PDR). A diagram of a selected market chain is useful for assessments/analyses because it helps the analyst to determine whether the market system – through which households sell their surplus products or services, and through which they access basic staples and production inputs – is efficient and reliable (i.e. competitive). It fits into the analysis at the point when the analyst wishes to understand marketing constraints and opportunities for households either for items sold or items they need to purchase. The market chain diagram involves identifying the players in the

¹⁶ Fewsnet (2009): Commodity Market Maps and Price Bulletins: Tools for Food Security Analysis and Reporting, FEWS NET Markets Guidance, No 4, July. Accessible at: http://www.fews.net/docs/Publications/MT%20Guidance_Market%20Maps%20and%20Price%20Graphs%20in%200Analysis_No%204_En.pdf

market chain from producer to consumer and describing the competition at each link in the chain, and the relationships between market players. It may also involve analysing the price differential at each link in the chain. Guidance on market and value chain analysis is developed separately for in-depth analysis. For trader surveys, understanding the market chain will help identify key actors worth interviewing.



Source: WFP (2006): CFSVA

Sub-step 1c: Scenario on impacts of potential shocks

Although it is not possible to know in advance the impacts of a shock, the survey team will have some general notions on what they may be, using expert judgements and key informants' perceptions. Discussing them and putting them on paper will help to develop the survey plan.

- Describe the type and magnitude of the actual or anticipated shock;
- Describe how the (potential) shock affected (is expected to impact) the livelihood activities of the livelihood groups (and insert in Table 5);
- In Sub-step 1a, the key market chains were selected and inserted in the first column of Table 6; now, it is necessary to describe how the shock is expected to impact these market chains (and insert in Table 6);
- The livelihood groups most relevant for the survey can now be selected and listed in the first column of Table 7; Table 6 makes it clear how market conditions may change; The purpose of Table 7 is to anticipate the ways the livelihood groups might react with their purchase/selling activities to the shock (insert in Table 7);

Table 5 Anticipated impact on livelihood activities	Impact on first key livelihood activity	Impact on second key livelihood activity	Impact on third key livelihood activity
Livelihood group 1			
Livelihood group 2			
....			

Table 6 Anticipated impact on market chains	Impact on local availability	Impact on prices	Impact on flows
Market chain 1			
Market chain 2			
....			

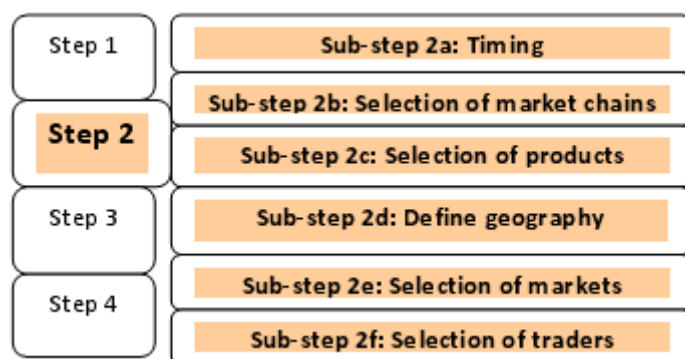
Table 7 Anticipated impact on market dependence	Market chain 1		Market chain 2		Market chain 3	
	Purchase items	Sales items	Purchase items	Sales items	Purchase items	Sales items
Livelihood group 1						
Livelihood group 2						
....						

Sub-step 1d: Anticipated response options

Discuss the pros and cons of various response options that may be envisaged at an early stage (without prejudging their appropriateness and without excluding other response options which may be found appropriate later when more data becomes available). Include, in addition to market-related issues (cash transfers, local purchases, food aid impact on markets), issues such as implementing capacity, availability of resources and government policy. The purpose is to bring to the fore, information needs that may arise when programming decisions have to be recommended, so that they can be included in the survey.

The EFSA Handbook (WFP, 2009) provides a fairly comprehensive overview of the various response options, and gives recommendations on the type of option to use in each and every situation.

8. Step 2: Establishing your field survey programme



The data and assumptions from Step 1 can be used to define the various dimensions of the field survey plan as discussed in this chapter.

Sub-step 2a: Timing

The trader survey is considered an integral part of a food security analysis, and will often be organized in conjunction with a household and/or community survey. As the results of the trader survey will need to inform the food security analysis, it should be conducted during the same period as the household/community survey. Moreover, the more the timing of data collection at markets and with households/in villages coincides, the better the consistency between the datasets.

Sub-step 2b: Selection of market chains

It is essential to define *ex ante* the key market chains to be included in the trader survey, as it will guide the selection of markets and traders. On the basis of the analysis during Step 1 (Tables 6 & 7), the **trader survey should focus on those market chains that** i) have a substantial bearing on the food security of affected livelihood groups (making sure to consider market chains from across the gender spectrum); and ii) are expected to be most affected by a shock or to deliver services to the expected food-insecure groups.

For example, in the case of Guinea-Bissau in 2007, the survey focused on cashew (cash crop for 70-80% of farmers) and imported rice (principal source of food consumption) with both market chains being affected by global price developments.

The number of market chains selected for the trader survey should be limited to the minimum. If you add a market chain, you double the size of your trader survey. For example, when you add livestock to cereals, or fresh vegetables to cereals, you have to interview twice as many traders as they are distinct from each other. Incorporating too many market chains in the survey increases the complexity substantially, and generally reduces the quality of data collection and analysis. Therefore, it is advisable to concentrate on preferably a maximum of two-three market chains, which may depict household purchasing behaviours (most consumed staples) and selling behaviours (most sold goods).

Sub-step 2c: Selection of products

Within a market chain, it is recommended to concentrate the discussion with traders on a maximum of two products, thereby reducing complexity. Select those products: i) crucial for food security; ii) relevant for the expected food insecure livelihoods groups; iii) currently being traded; and iv) for which the survey team expects to be able to conduct meaningful analysis (some products such as fresh vegetables are more difficult to assess than other products due to their very seasonal and perishable nature). If it is expected that market behaviour for one product is representative for another product (e.g. millet for sorghum), only one of those products should be included in the survey.

The provision of daily labour can be an important livelihood activity. It should therefore be selected also as a “product”. Although labour is not specifically mentioned in the analysis plan and questionnaires, it should be included if it is expected to be important for the livelihood groups. A separate guideline on labour market analysis will be developed.

A wider group of products may be included in price data collection as this is relatively easy (although the analysis can be difficult without an analysis of trader behaviour).

Sub-step 2d: Define geographic limits

Before the trader survey, you will have to describe your hypothesis on how the local markets in the area covered by the food security assessment are linked to regional and (trans) national markets (Step 1). Limit yourselves to the market chains of the selected products. This will help you to determine the geographical scope of your trader survey, and to establish a list of relevant regional and (trans) national markets.

This geographical scope will often be different to the geographical remit of household and/or community surveys. **The trader survey should encompass local markets and source and destination markets** (see the key principle on a balanced scope in chapter 6) for the selected market chains, as we wish to understand how the local markets are linked to excess and deficit zones. Therefore, in addition to the local village markets, the geo-zone of the trader survey will also include regional and (trans) national markets that are linked to the local markets in the food security assessment zone.

For example, a trader survey as part of a food security assessment in one department (e.g. in Tahoua, Niger) will also assess regional markets in neighbouring departments (Maradi, Niamey) and across the border (Jibia, Kano in Nigeria) as they are all interlinked.

In some cases, the geographical scope of the trader survey will encompass more than one “market basin”. For example, in the case of Mozambique, the north and the south/center are not integrated (or not very much) through trade links. In such cases, the analysis should treat the market systems separately.

Sub-step 2e: Selection of markets

The subsequent selection of market locations for the interviews is guided by the purpose of the trader survey, which requires inclusion of both the local conditions of the markets in the zone covered by the food security assessment and the broader response capacity of the

market system¹⁷. Therefore, we define, for the purpose of this guidance sheet, local markets as those markets that are directly used by the population of interest, and a regional/national market as a market that plays a regional or (trans) national role, with often an important wholesale function for the population of interest. It should be noted that collectors/assemblers, retailers and wholesalers may operate in both types of markets, and that our interest with respect to the regional/(trans) national markets is foremost with the wholesalers¹⁸.

The guiding principle is to get a balanced view of the relevant market chains, using a purposively selected sample of markets¹⁹.

For a comprehensive trader survey, for example in the context of an in-depth food security survey (e.g. CFSVA), the following guidance is provided:

First, for the local markets, the selection should provide a picture that is as representative as possible of the markets that the targeted population uses, i.e. the catchment area of households. Therefore, it is recommended to include those markets in the trader survey that are used by the people interviewed. In practical terms: if the food security assessment includes X villages, the trader survey will include a certain percentage of the markets in those villages or used by those villages; the household or community survey will provide you with the name and location of the market locations. The percentage coverage will depend on the resources available for the trader survey and on the expected heterogeneity of market conditions, but as a rule of thumb, a coverage ratio of 25-50% seems sufficient. Assuming that each village uses a different market, a food security assessment in 100 villages requires the inclusion of 25-50 markets. However, villages may use the same markets, reducing the number of markets to be included in the survey. Only if it is known in advance that markets in different zones are poorly integrated (e.g. due to floods or violence), it is advisable to consider the high end proportion of the range.

Second, the selection of the regional and (trans) national markets will be based on the established list (see: Sub-step 2d above) and permit the drawing up of an initial picture of the linkages between the local markets and the rest of the integrated trading system for the selected market chains. This selection can either be informed by the results of the interviews on the local markets or through advance knowledge of the trading system (the first option is often not feasible due to timing constraints). In practice, it is advisable to include markets in (a subset of) the district and regional capitals in the food security assessment zone, as well as the major trading hubs linked to these capitals. A precise guideline on the number of the regional and (trans) national markets is difficult to give, but experience shows that you need approximately 10 of these markets to get an understanding of the market chains, while including more often does not add much value.

For example, during the Bangladesh Cidr Cyclone trader survey, local markets in every other village were selected (31 in total), as well as ten district level and four regional markets (WFP, 2007).

In case of a **lighter trader survey**, for example in the context of an initial or rapid food security assessment, you are probably unlikely to be able to follow the above guidance, as you would be obliged to conduct your survey in a shorter time period with less resources. As explained in Step 1, in these cases it is very important to have an understanding of basic market functioning and of current price or availability problems. If you expect that there are

¹⁷ To be clear, the purpose of the trader survey is not to provide a representative picture of the market system; it aims to present a picture of markets delivering services to the food security analysis population. However, if a trader survey is conducted for procurement purposes, it will focus on the surplus zones.

¹⁸ Defined for the purposes of this guidance as follows: i) collector or assembler: person whose principal activity is to purchase from producers and sell to other traders; ii) retailer: person whose principal activity is to sell to final consumers; and iii) wholesaler: person whose principal activity is to purchase from traders, collectors/assemblers, and sell to traders.

¹⁹ This has of course consequences for the interpretation of the results of the trader survey, and this should always be discussed in the survey report, but it is the most practical way ahead, and used in the vast majority of trader surveys in these conditions. However, a more formalistic approach could be employed in an in-depth trader survey, which would include estimating the number of traders in the zone, categorize them, draw a representative sample and divide them proportionally across markets. However, this may generally not be feasible within the time-frame of WFP's food security trader surveys.

local availability problems in some areas, but not in others, you can concentrate your survey resources on the expected problem areas. If you know in advance that prices are extremely high throughout the areas, you would focus on understanding the causes and therefore interview traders particularly at the regional level. In any case, it is necessary to interview a few traders in the most important trading hubs (e.g. two or three), and to visit some local markets in each market-integrated zone (e.g. five).

Sub-step 2f: Selection of traders

The **criteria for the selection of traders** to include in the trade survey are defined according to their dimensions: i) market chain: livestock, cereals, fresh vegetables, etc.; ii) function: wholesale, retail, collector; and iii) size.

- In general, traders specialize in specific market chains; often, they concentrate their business in diverse locations - in a village or city. If the trader survey focuses on more than one market chain (see above), you will want to interview the various groups of traders;
- To get a balanced view of the interactions households have with traders and of the functioning of the trading system, it is advisable to interview retailers, collectors if any and wholesalers in the local markets and only wholesalers in the regional and (trans)national markets; and
- To get a balanced view of the traders' behaviour, it is recommended to mix smaller and larger traders²⁰.

It is recommended to interview per location, and per market chain, a total of six traders, including two retailers, two wholesalers and two collectors. As collectors often only exist for some products, and only during the harvest period, they may not be available for an interview; in this case, it is suggested to interview only five traders (3 retailers and 2 wholesalers). In addition, it is necessary to interview one key resource person on the market (one per location and market chain), which may be the Head of the market, a government agent responsible for market monitoring, the President of the association of traders, or if all of these are unavailable, a large trader who is prepared to answer questions on the market (and which may be contrary to his own business). If you expect that there is a lot of heterogeneity amongst traders and if you have sufficient resources, it may be advisable to interview more than six traders per location.

Box 5: A numeric example of sample size

Assuming the food security analysis covers 100 villages, two market chains are identified (eg. cereals and livestock) and the survey takes place outside the harvesting season (no collectors), the following number of traders should be included in the sample:

- Local cereal markets: 25 X 5 traders = 125 traders (i.e. 75 retailers; 50 wholesalers)
- Local livestock markets: 25 X 5 traders = 125 traders (75 retailers; 50 wholesalers)
- Regional/national markets: 10 X 2 market chains times 2 traders/chain = 40 traders (all wholesalers)
- On each market chain, 35 (25+10) key resource persons.

This leads to a total of 325 interviews (ie. 250+40+35), and this requires a substantial effort. To facilitate this, questionnaires should be made simple, as is proposed in the next chapter. This example also shows that it is necessary to limit the number of market chains included in the survey to a strict maximum of three (3).

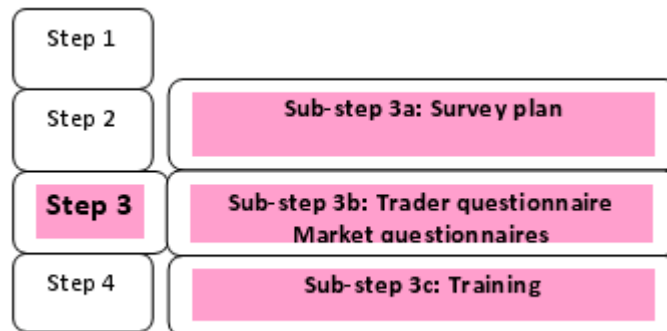
The **actual selection of the trader on the spot** should be randomly conducted, and cover the selected products (e.g. if rice and maize are the two selected products in the cereal market chain, one interview with a wholesaler will be about rice; the other about maize, and

²⁰ Distinguishing between small and large traders is context specific and requires discussing with key informants before adopting a definition.

so on). As lists of the names of the traders may not be readily available, it is advisable to get an estimate of the total number of traders present, per market chain (e.g. from the market chief/supervisor), divide by the number of traders interviewed locally (say five), and interview every 5th trader, starting from a randomly selected first trader.

It is to be noted that the guidance to select 5-6 traders per market chain and location, does not lead to a random sample, even if traders themselves are selected randomly. See the footnote on the previous page for the consequences.

9. Step 3: Elaboration of a survey plan, questionnaires and training



Sub-step 3a: Survey plan

A survey plan should be developed, comprising the following elements²¹: i) objectives (see chapter 5); ii) summary of the *ex ante* formulation of assumptions (see chapter 7); iii) selection of market chains, markets, products and traders (see chapter 8); iv) analysis plan (see below); and v) a timeline and the team composition. The depth of the survey plan can be adapted to fit the time available and the scope of the survey, but these five topics should always be included.

It is recommended to have one overall analysis plan for the food security assessment (as is current practise, see chapter 2) and **one separate analysis plan for the market analysis including the trader survey**. This market analysis plan will be derived from the overall food security analysis plan, ensuring the integration between the two, but it would also allow the market analysis team to focus its activities and be sufficiently guided by the analysis plan.

A good analysis plan is absolutely essential for the success of a trader survey. A generic analysis plan for market analysis including a trader survey is attached as annex 1. Its content is based on the questions that should be answered by the trader survey (see chapter 5). Its structure follows from there: survey questions -> topics for questionnaire -> indicators to be analyzed -> report chapter -> source of information.

This **generic plan has to be adapted** to reflect the specific objectives of the assessment, the type of assessment (baseline versus emergency), the *ex ante* assumptions and the available secondary information. The indicators in the third column of the analysis plan will be used to elaborate the questionnaires.

The analysis plan includes questions and indicators/variables related to: i) traders; ii) key resource persons at the market level; iii) the household survey; iv) the community survey; and v) the analysis of secondary data.

Asking a maize wholesale trader for rice prices, or a retailer specialized in cereals for the local availability of beans, will not provide good-quality data. Therefore, **questions on**

²¹ For an example, please refer to the survey plan of the assessment: *Impact of the food price crisis in rural and urban Bangladesh*, WFP 2008.

general market conditions will be split from questions about a trader' business, as indicated in the generic analysis plan.

Sub-step 3b: Questionnaires

Trader questionnaire

A generic questionnaire for interviews with traders on *local* markets is attached as annex 2. It comprises: general characteristics of the trader, volumes and flows, constraints, response capacity, credit, stocks strategy and prices, and the relations to the analysis plan have been marked. The **trader questionnaire concentrates on one product only per trader**: including questions on three or more products mixes up the answers of the trader and/or will take too much time from the trader to obtain good-quality information (see also the key principles in chapter 6).

The generic questionnaire should be adapted in four ways:

- In a sudden emergency, the questions should compare the situation before and after the shock; in a slow-onset emergency or a baseline trader survey, the questions should compare the current situation with the situation during the same period/season one year ago (slow-onset) or with the usual situation during the same period/season (baseline surveys);
- The interviews on regional/(trans)national markets should contain the same questions as the questionnaire for local markets, but empty spaces should be inserted to leave room for additional qualitative information. These empty spaces are particularly useful for questions that delve into the explanation of a certain answer (e.g. the questions 2.4, 2.8, 2.9, 3.1, 3.7, 5.6 and 6.2 of the trader survey questionnaire in annex 2);
- The horizon of the assessment and trader survey should be fixed (e.g. six months or twelve months) and be reflected in the questions that delve into the future; and
- The questionnaire should reflect the local products being traded.

The cover page of the questionnaire comprises the sections to be concluded before and after the interview. It is recommended to take coordinates of the markets whenever possible. The advantage is that this facilitates the elaboration of maps, it helps to link household/community surveys to the market analysis and it may be useful when wishing to revisit the market at a later stage.

Section 1: General characteristics.

This section helps you to ensure that you are talking to the right person, in particular: i) it is recommended to only interview traders that have been in business for over a year (otherwise, end the interview); ii) in line with your sampling strategy, the person should be involved in the type of trading activity that you are interested in - wholesaling, retailing or collecting (otherwise, end the interview)²²; and iii) the trader should be active in the market chain you are assessing (otherwise, end the interview).

This section also allows you to focus the interview on the product that you are interested in. The products listed in question 1.4 of the trader survey questionnaire (annex 2) should be adapted to reflect the local circumstances. When the trader has ranked the three most important food items and/or cash crops/products, you can select the commodity for the rest of the interview. It is recommended to do this as follows: start with his/her most important commodity and check if this commodity corresponds to one of the products selected for the survey (see chapter 8, sub-step 2c); if not, proceed to his/her second most important commodity, and conduct the check, and so on; if the selected products are not being traded by this trader, end the interview.

²² If direct trading from producer to consumer is important, this type should be included in the questionnaire, and sampling decisions (see sub-step 2f) should be adapted to take this fourth category of traders into consideration.

Section 2: Volumes and flows

This section provides information on the numbers of clients, which will, in combination with the information on the number of traders (in market questionnaire), market integration and profit margins, tell you something about the level of **competition in the market**.

The section also helps understanding if **sales volumes** have changed, and why, and what is expected. As it is very unlikely that a trader would disclose quantitative information on his sales volume, it is recommended to ask the trader only for qualitative information.

Further, through the discussion of the sources of the commodity, the trader survey will delve into the **sources of essential food items**: if this source has changed (or will change), prices and supply chains may be under pressure.

Also, an optional question on stock variation has been included in the generic questionnaire. This question is "optional" because of data quality problems often linked to questions about the stocks of a trader. However, in some cases, it may be particularly important to have some indication on stocks and traders may be willing to provide some information.

Finally, for the interviews with wholesale traders at the regional/(trans-)national level, important qualitative information may be collected on the causes of changes to sales levels and sources of supply. It is recommended to note this in the empty spaces.

Section 3: Constraints and response capacity

The main purpose of this section is to gather information on the **capacity of markets to adequately respond to increased demand due to, for example, cash or voucher distribution or increased local purchases**. In addition, the constraints (in questions 3.1-3.2 of the trader survey questionnaire in annex 2) may indicate specific interventions that may improve market functioning. The subsequent questions (3.3-3.7) should only be used during an interview if the selected commodity is an essential food item.

The point of these last five questions is to find out how traders may respond to cash or voucher interventions. Some of these questions are also useful when considering local procurement. The analysis will combine this information with other information (availability, market integration, access) to come to a conclusion.

Finally, for the interviews with wholesale traders at the regional/(trans-)national level, important qualitative information may be collected on the constraints to increasing turnover and participating in a voucher system. It is recommended to note this in the empty spaces.

Section 4: Credit and stocks strategy

This section provides a view of **households' demand for trader credit**, and the willingness of traders to provide it. In many cases, requesting more credit is an essential coping strategy to deal with shocks.

Credit obtained by the trader him/herself is dealt with in the constraints and food flows sections (if there is a specific reason to believe that the credit between traders has changed substantially, and this is important for the market system, some questions may be added).

Section 5: Prices and transaction cost

This is an important but difficult section. It's important because it provides information on the price households have to pay for food (which may be different from the price series collected by the government/WFP) and the price households obtain when selling cash crops/products at the market. You may wish to verify this information with prices obtained at the household or community level, but experience has shown that this requires a substantial investment in time/training/equipment (in particular at the household level).

This section is difficult because asking for purchase and sales prices basically means that you are asking for their gross profit margins - something that traders are generally reluctant to provide. Also, the provision of credit may influence the prices. Lastly, translating

the various local measurement units into kilograms may be burdensome; please note that scales are needed for this purpose.

These problems may be accentuated when trying to obtain reliable information on **transaction costs**. It is recommended to only include this topic in the more in-depth surveys. If you do this, and if you are able to deal effectively with the data collection problems, the questions on transaction costs (5.5-5.6 of the trader survey questionnaire in annex 2) will provide useful information on the level of competition and on opportunities to diminish cost and constraints to market functioning. In normal trader surveys (i.e. all but in-depth surveys), the information obtained from other questions can be used as a proxy for this topic.

Section 6: Price prospects

This section will help to inform the assessment on the possible future price evolution and the determining factors. The questions refer to the sales price, which means different things for a collector, retailer or wholesaler. If ample time for analysis is available you may wish to discern between these three trader types (using the answer to question 1.2); if not, the average per commodity price will give you a broad indication that should be assessed in conjunction with the analysis of macro availability and the price series.

The interviews with wholesale traders at the regional/(trans-)national level may reveal important qualitative information on future price developments. It is recommended to note this in the empty spaces.

Market questionnaire

A generic market questionnaire is included as annex 3. The market questionnaire has sections on: prices, local availability, number of traders, price-fixing and taxes/licenses²³. In addition, there is a section on market observations, which will allow for the compiling of qualitative data that may be useful for the analysis.

The relations between the questions and the analysis plan are identified in the generic market questionnaire. The following recommendations apply when adapting this draft questionnaire to local circumstances.

Section 1: Prices and local availability

It is recommended to include the products relevant for the livelihoods as identified in the *ex-ante* assumption formulation phase (see chapter 8, step 1c, Table 3). It is essential to clearly identify the specifications of the product (quality, type, colour, local versus imported) and make certain that there is a common understanding of terms used amongst enumerators and the rest of the survey team.

The interviews on local markets should gather retail prices; interviews on regional or (trans-) national markets (see chapter 8, sub-step 2e) should focus on wholesale prices²⁴. This should be clearly marked in the appropriate boxes on the market questionnaire.

The retail prices in local measurement unit should be translated into standard units (e.g. kilogram, litre...) on the spot, for which scales should be used. It is generally very difficult to translate price data per local unit into kilograms at a later stage as local measurement units may be different between locations and vary according to the season. For wholesale prices it may be difficult to use the scales (e.g. bags of flour are too heavy), but existing local market knowledge will help you to translate local measurement units into kilograms²⁵.

²³ Questions on storage facilities may be included if the survey serves procurement purposes. Otherwise these questions are not considered to be very useful as the concept for local produce is rather flexible on local markets, and the quality of information is often, at best, questionable.

²⁴ In the traders' questionnaire, collection, wholesale and retail prices will be collected.

²⁵ It is recommended to ask the key informant how many kilograms fit into a bag (please note that a 50kg bag may actually have more or less weight in it). Do you mean a bag labelled 50kg may have less in it?

Section 2: Market response

The commodities for this section of the questionnaire should only concern the selected products (see chapter 8, sub-step 2c); the generic questionnaire should therefore be adapted to reflect these two/three commodities. This section includes questions that can best be dealt with at the market level (and not at the trader level).

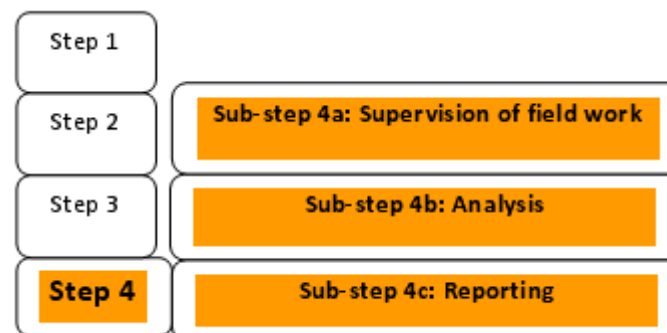
Sub-step 3c: Training

As stated in the key principles for trader surveys (chapter 6), **training of enumerators is crucial**²⁶. This is, of course, the case for all surveys, but especially for trader surveys as enumerators are often inexperienced in collecting market information. A two-day training session (including a real-life testing with traders) is the minimum. It is recommended to train 25% more enumerators than needed, as some might drop out and this gives the team leader the freedom to select the most capable enumerators at the end of the training.

The training should comprise the following blocks: First, the team leader and the team's analyst will have to present the survey plan, followed by a discussion session. Second, the method to select the traders will have to be thoroughly explained, as well as the way the scales to weigh products should be used. Third, the questionnaires have to be discussed question-by-question. It is essential that enumerators understand the importance of completing all questions, even when no answer is obtained (e.g. using "n/a", "no response" etc). A list of definitions and background information on key topics, such as the voucher/cash programme, should be circulated. Fourth, some case studies can be practiced in small groups.

During the second training day, the questionnaires are field tested by the enumerators. This allows clarification of the procedures and questions, and may lead to some modifications of the questionnaire. The test is followed by a check of the questionnaires and a plenary discussion of problematic questions. Finally, an evaluation exercise is used to select the best enumerators.

10. Step 4: Supervision, analysis and reporting



Sub-step 4a: Supervision of field work

Good supervision is necessary to ensure adequate data collection. It also helps to gain a better understanding of traders' behaviour. Immediately after the interview supervisors should check if all questions have been completed in an adequate manner, and clarify any questions on the spot.

The **day-to-day field work** will depend on the selection of market chains, market locations and traders undertaken during Step 2. In some cases, it may be feasible to have the household/community interview teams conduct the interviews at the local markets, while a market expert team visits the regional and (trans) national markets. However, there is often one crucial problem: local and regional markets are - in many countries - only active on one

²⁶ It is recommended to do a pilot test of the questionnaires before the training is given.

or two days a week. In this case, a more flexible approach with dedicated trader interviewers will be needed.

It is also recommended that the **team leader and/or analysts discuss the completed questionnaires with the enumerators during evening sessions of the field work** (“putting the questionnaires into context”). This will foster a better understanding of the data that will finally be produced by the data analyst. In practice, this may be difficult to organize as data collection teams may be operational in different locations. It is advisable to ensure that the team’s market experts/leader has at least one evening encounter with every data collection team, and that **the day immediately after the end of the field work is dedicated to discussions of the trader interviews** so that the people responsible for data analysis and report-writing have a clear understanding of the context in which the data was collected. This is all the more necessary if the analyst and team leader have not participated in interviews in all areas, as their views will tend to be biased towards their own experiences. Time for the nightly encounters and the debriefing session should be taken into account when establishing the day-by-day field programme and calendar of the survey.

Sub-step 4b: Analysis

Data will be entered into an appropriate database (support can be provided by Headquarters and the Regional Bureaux) and the data analyst will produce the tables as laid out in the analysis plan. The analyst and team leader will analyze the tables, answer the survey questions and provide their input to the rest of the food security assessment team so that response options and recommendations to decision-makers can be presented (see the Diagram 3 below and chapter 5 on decision-making).

In the analysis plan it is indicated at what level the data should be presented. Broadly speaking, the data on availability will be organized according to product and geographical criteria, and data on access will be organized according to product and livelihood group criteria.

Some of the twelve survey questions are relatively easy to answer, for example: “Do households have physical access to operational markets?”, whereas other questions require some interpretation, for example: “Will sufficient food be available ... in the coming 6 months?” For the latter type of question, some guidance is provided below.

If the data tables indicate that essential food items are not available in a certain area (in contrast to the normal situation) and if supported by the traders’ sales data, this requires flagging. This indicates that food consumption might be, or is coming under, (severe) strain. If the household data show dire food consumption in the same areas, priority consideration for immediate in-kind food support should be given.

If the macro availability of essential food items seems to be effected in a limited manner by the shock, and these items are locally available, it might not create much of a supply problem (assuming food is flowing from surplus to deficit zones), but it will create an upward pressure on prices.

This pressure may intensify if the sources of supply change to more remote locations. Longer supply chains will increase prices. This will have to be integrated in the projection of prices, which will use the analysis of price-series as a starting point. Guidance on analysing price series are available at: <http://www.wfp.org/food-security/guidelines>.

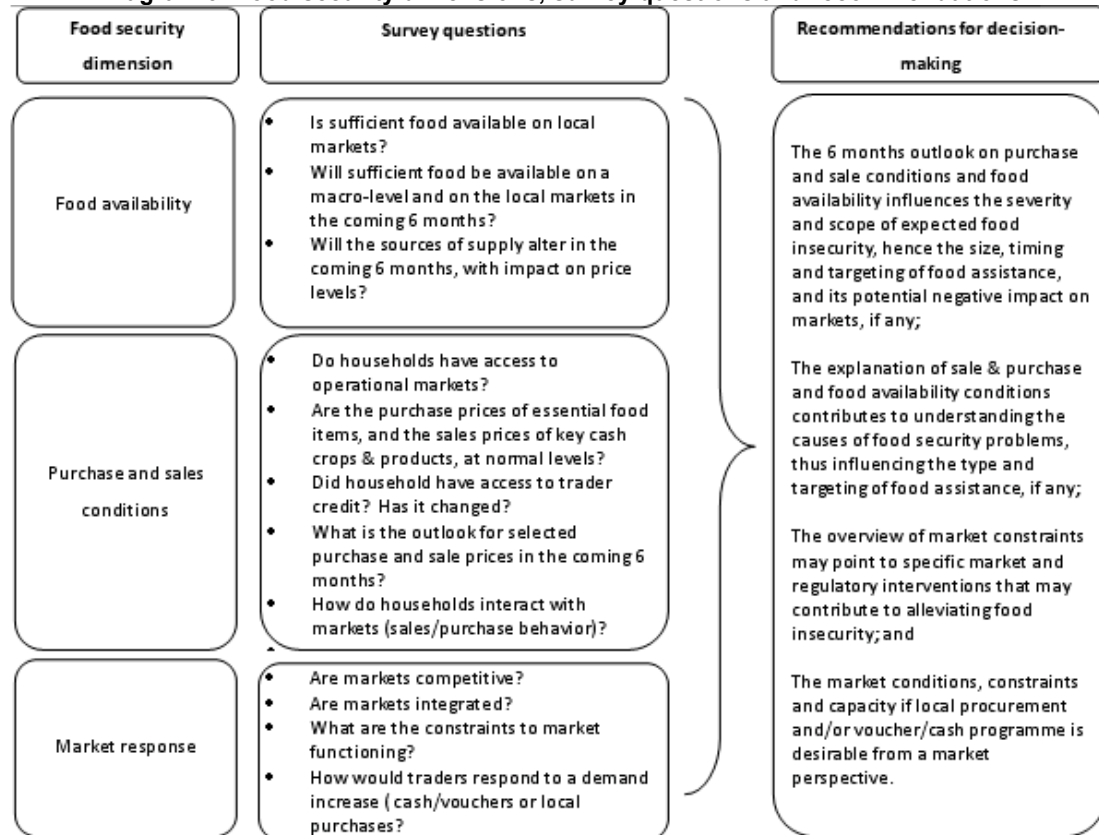
The analysis should take into account the seasonality of product and animal markets. The assumptions elaborated during the first step should be verified during the price series analysis and the trader survey. If the actual seasonality differs from the normal pattern (e.g. the cereals collection period ends much earlier), this may indicate that market conditions are not normal and this may pose a risk for food security.

An interpretation of the level of competition should combine data on the number of traders and customers, market integration (see guidance at <http://www.wfp.org/food-security/guidelines>) and profit margins. As the simplest tool, the number of traders would

provide an indication of the level of competition: the more traders, the less likely non-competitive behaviour (collusion) is to occur.

Finally, for the survey question on cash/vouchers, please refer to the end of chapter five where this has been discussed in detail.

Diagram 3: Food security dimensions, survey questions and recommendations



Sub-step 4c: Reporting

Conveying the message through a clear, concise report, including an Executive Summary/Brief, and the presentation of its conclusions are critical. **The issue is not only to get the analysis right, but also to inform decision-making.** Therefore, the analysis must be:

- Sound, credible, clear, understandable and practical;
- Timely and relevant to the issues that the decision-makers are dealing with;
- Presented in the correct format and sent via the correct channels to decision-makers; and
- Communicated effectively²⁷.

As indicated in the key principles (chapter 6) it is recommended to integrate the results of the trader survey into the main food security assessment report and avoid stand-alone reports²⁸. It may however be necessary to include a technical annex with the survey method used and some of the key result tables.

As part of the food security analysis, the results of the trader/market survey must report (at least) on food availability, purchases and sales conditions, market response capacity and their implications for food security and response options.

²⁷ See: *Technical Meeting report, Partnerships in Market Analysis for Food Security*, WFP, 2007.

²⁸ Except in the case of trader surveys conducted for procurement and during external shocks.

Annex 1: Generic Analysis Plan for market analysis including trader surveys

Topic	Topic for questionnaire	Indicators to be calculated and analyzed	report chapter	Prime source
Food availability. Indicative questions to answer : <ul style="list-style-type: none"> • Is sufficient food available on local markets? • Will sufficient food be available on a macro-level and on the local markets in the coming 6 months? • Will the sources of supply alter in the coming 6 months, with impact on price levels? 				
1. Macro food supply	A. Performance of domestic supply (main staples and cash crops) B. Main food commodity imports C. Reasons for changes in supply trends	A. trends of domestic production and stocks (growth rate, contribution to total supply and volumes per capita) over the last 3-5 years B. trends of food commodity imports both public and commercial (growth rate, contribution to total supply and volumes per capita) over the last 3-5 years C. policies and regulations, production failures (natural disasters)...	Food availability and markets	Secondary data analysis (including food balance sheets) and key informants
2. Availability of food on local markets	A. Availability of essential food items on markets B. Change in the availability of essential food items on markets	A. % of markets with no food availability, per food item, per market geo-segment (if more than one, see chapter 8, step 2 D, and include in every indicator below) B. % of markets that have worse availability compared to before the shock or usually during the same period (if no shock), per food item	Food availability and markets	Market questionnaire
3. Food flows	A. Change in sales of trader of essential food items B. Reasons for change of sales of trader of essential food items C. Expected time to recovery by traders D. Normal, actual and expected source of essential food items for traders E. Reasons for change of source of essential food items	A. % of traders that have lower sales, per food item compared to before the shock or usually during the same period (if no shock) B. % of traders that give a specific reason for change in sales, per reason, per food item C. % of traders that indicate a specific recovery time, per food market D1. % of traders that use a different source location compared to before the shock or usually during the same period (if no shock), divide closer or further away, per food item, food flow map and market chains D2. % of traders that expect to use a different source location in six months time compared to today, divide closer or further away, per food item E. % of traders that give a specific reason for change in sources, per reason, per food item A-E: qualitative views from the trader interviews on the regional/(trans)national markets	Food availability and markets	Trader questionnaire
4. Perceived staple food market performance	A. Actual collection, retail and wholesale prices of staple food items on visited markets B. Collection, retail and wholesale prices of staple food items before the shock or usually during the same period (if no shock) on visited markets C. Traders' expectation of the direction of future prices of staple food items	A1. Average actual collection, retail and wholesale prices, per food item A2. Average margin between collection prices and retail and/or wholesale prices, per item and per market geo-segment A3. Average margin between price series (secondary data) and the collected wholesale and retail prices; B. % change in collection, retail and wholesale prices, compared to before the shock or usually during the same period (if no shock), per food item C1. % of traders that expected a price increase / decrease, per food item, C2. qualitative views from the trader interviews on the regional/(trans)national markets	Livelihoods and access to food, section on purchase conditions	Trade & market questionnaires (collection prices may also be part of the community survey, see annex 4)
Market response capacity. Key questions to answer: <ul style="list-style-type: none"> • Are markets competitive? • Are markets integrated? • What are the constraints to market functioning? • How would traders respond to a demand increase? 				
1. Competition	A. Actual number of traders on the visited markets; B. Change of the number of traders on the visited markets compared to before the shock or usually during the same period (if no shock) C. Number of clients of the trader during	A. Average number of retail and wholesale (separate) traders on local and non-local visited markets, per food item B. % change in the number of traders, per food item C. Average daily number of clients per retail and wholesale trader per food item D. % of traders that perceive a decrease in the number of daily clients ; per food item	Food availability and markets, section on market functioning	Market questionnaire: 1a, b, e, g Trader questionnaire: 1c, d, f

	<p>the last week; D. Traders' perception on the change of the number of clients; E. Current price-setting mechanism compared to before the shock or usually during the same period (if no shock) F. Actual transaction cost (in-depth survey only) before the shock or usually during the same period (if no shock) G. Presence of license system and tax/fees</p>	<p>E1. % of traders who indicate that retail/wholesale prices are set by traders, per food item E2. % of traders who indicate that traders' influence on prices has increased, per food item F. Actual transaction cost as proportion of wholesale price differential between source and destination, compared to before the shock or usually during the same period (if no shock) G1. % of markets where it is not easy to obtain a traders' license; G2. Number of markets that levy certain taxes/fees;</p>		
2. Market integration	<p>A. Spatial price integration (retail or wholesale prices at regional, national and international level, of essential food items)</p>	<p>A. Spatial price differentials, price co-movement and transaction costs (if possible) and reasons. <i>Note that some reasons can be traced back to the section on food flows.</i> See tool on market integration on http://www.wfp.org/food-security/guidelines</p>		Secondary data analysis
3. Constraints to trade	<p>A. Today's key constraints for sales volumes B. Constraints that arose due to the shock or were deepened by the shock or compared to or usually during the same period (if no shock)</p>	<p>A. % of traders that give a specific constraint as one of the top 3 constraints, per food item B. % of traders that identified a specific constraint that was heightened by the shock, per food item A-B. qualitative views from the trader interviews on the regional/(trans)national markets <i>This analysis will be based on information gathered for topic 'food flows' (section food availability) and the topic below on the constraints to double turn-over.</i></p>	Food availability and markets, section on market functioning	Trader questionnaire
4. Capacity to respond to increased demand	<p>A. Time required to order and receive essential food items; B. Constraints to double turnover C. Traders' expectation of the consequences of a demand increase D. Interest and concerns in a voucher system E. Stocks strategy</p>	<p>A. Average lead time, per food item B. % of traders that identified a specific constraint for doubling its turnover, per food item C. % of traders that expect a sustained price increase if demand increases by 25%; D1. % of traders that have participated, or are willing to participate, in a voucher system D2. % of traders citing a specific concern when considering to participate in a voucher system A-D. qualitative views from the trader interviews on the regional/(trans)national markets E. % of retail and wholesale (separate) traders who employ a fast rotation strategy, per food item</p>	Response options	Trader questionnaire
<p>Food access / sale and purchase conditions for households. Key questions to answer:</p> <ul style="list-style-type: none"> • Do households have economic access to operational markets? • Are the purchases prices of essential food items, and the sales prices of key cash crops & products, at normal levels? • Did households' access to trader credit change? • What is the outlook for selected purchase and sale prices in the coming 6 months? • Did households change their market behavior, and to what extent? 				
1. Income opportunities and purchasing power	<p>A. Analysis of retail prices of main staple foods B. Actual collection, selling prices of essential cash crops & products C. Collection, selling prices of essential cash crops & products before the shock or usually during the same period (if no shock) D. Traders' expectation of the direction of future prices of essential cash crops & products E. Topics as with Food flows, but for flows of essential cash crops & products F. Price of wage labor as appropriate</p>	<p>A. Price analysis (real prices, volatility, seasonality, cycles compared to 5-year averages) B1. Average actual collection, selling prices, per item B2. %change in margins between collection prices and retail and/or wholesale prices, per item and per market geo-segment C. % change in collection, retail and wholesale price, compared to before the shock or usually during the same period (if no shock), per item D1. % of traders that expected a price increase / decrease, per item D2. qualitative views from the trader interviews on the regional/(trans)national markets E. As per above with the indicators on food flows F. % change in wage labor rates, compared to before the shock or usually during the same period (if no shock);</p>	<p>Livelihoods and access to food, section on market performance (for bullets A and G) Livelihoods and access to food, section on sales conditions</p>	<p>Secondary data analysis (for bullets A-B) Trader & market questionnaires (collection prices may also be part of the community survey, see annex 4)</p>

	G. Purchasing power analysis	G. % change in terms of change of i) cash crop price to staple food purchase price; ii) wage labor price to staple food purchase price; or livestock price to staple food purchase price, as appropriate		
2. Degree of market dependence of households for food		<i>See annex 4 for the analysis that should be conducted</i>	Livelihoods and access to food	Household survey (see annex 4)
3. Credit availability for household purchases	A. Change in households' demand for credit B. Change in provision of credit by traders to households	A. % of traders that received more requests for credit from households compared to before the shock or usually during the same period (if no shock) B. % of traders that provide credit at more restrictive conditions than before the shock (in terms of quantity/interest rate) or usually during the same period (if no shock)	Livelihoods and access to food, section on purchase conditions	Trader questionnaire
4. Physical access to operational markets	A. Number of months that villages do not have physical access to operational markets B. Distances to markets	A1. % of villages that do not have physical access (in any month) to an operational market during the coming six months, per geographical zone A2. average number of months that villages do not have physical access to operational markets per geographical zone B. Average distance of communities to market in their catchment area	Food availability and markets	Community questionnaire
Response analysis: The market analysis aims at adding value to the decisions on the appropriate combination of response modalities and interventions				
<i>On the basis of the analysis in column c, the following indicative questions about response options and the outlook need to be answered:</i>				
How does the 6 months outlook on purchase and sale conditions and food availability influences the severity and scope of expected food insecurity, hence the size, timing and targeting of food assistance, and its potential negative impacts on the markets; if any?				
How does the analysis of sale & purchase and food availability conditions contribute to understanding the causes of food security problems, thus influencing the type and targeting of food assistance, if any?				
The overview of market constraints, does it point to specific market and regulatory interventions that may contribute to alleviating food insecurity?; and				
How do the market conditions, constraints and capacity inform decisions on response options (e.g. local procurement) and modalities (e.g. food, voucher and cash interventions) from a market perspective?				

Section 1: General characteristics of the trader				
1.1	When did you start your trading business? <i>[circle one of the numbers]</i>	1	Less than 1 year ago	
		2	Between 1-3 years ago	
		3	More than 3 years ago	
		99	No answer	
1.2	In what type of trading activities are you involved? <i>[circle all the numbers that apply]</i>	1	Purchase from traders, sell to consumers (=retailing)	
		2	Purchase from traders, sell to traders (=wholesaling)	
		3	Purchase from farmers, sell to traders (=collecting)	
		4	Other (specify: _____)	
99		99	No answer	
		1	Cereals	
		2	Fresh vegetables and/or fruit	
		3	Other vegetables, oil-containing food commodities	
1.3	Please indicate the type of products in which you are operating? <i>[circle all the numbers that apply]</i>	4	Other cash crops	
		5	Livestock	
		6	Fish and/or meat	
		7	Other (specify: _____)	
99		99	No answer	
		1	Local maize, average quality	<input type="checkbox"/>
		2	Local maize, low quality	<input type="checkbox"/>
		3	Red local sorghum	<input type="checkbox"/>
1.4	Please indicate the three most important – in terms of quantities - commodities traded normally by you? <i>[write in the empty cells: 1: for the most important commodity 2: for the second most important commodity 3: for the third most important commodity]</i>	4	Imported sorghum	<input type="checkbox"/>
		5	Imported broken rice	<input type="checkbox"/>
		6	Imported long rice	<input type="checkbox"/>
		7	Local rice (processed)	<input type="checkbox"/>
99		8	Cow peas, low quality	<input type="checkbox"/>
		9	Cow peas, average quality	<input type="checkbox"/>
		10	Beans /peas	<input type="checkbox"/>
		11	Groundnuts	<input type="checkbox"/>
99		12	Adult male goat	<input type="checkbox"/>
		13	Adult male sheep	<input type="checkbox"/>
		14	Adult cattle-bull	<input type="checkbox"/>
		15	Other (specify: _____)	<input type="checkbox"/>
<p><i>[The interviewer should by now determine the commodity that is selected for the remainder of the interview]</i> Please insert code here: <input type="text"/></p>				
Section 2: Volumes and flows				
<p>questions 2.1 – 2.2: see Analysis Plan, section 'Market Response' topic 1C & D questions 2.3 – 2.9: see Analysis Plan, section 'Availability' topic 2</p>				
2.1	Please provide an estimate of the number of customers to whom you have sold the selected commodity during the past week; <i>[circle one of the numbers]</i>	1	Less than 10	
		2	More than 10, Less than 70	
		3	More than 70, less than 140	
		4	More than 140	
99		99	No answer	
		1	Higher	
		2	Lower	
		3	Same level	
2.2	Please indicate if this number (see 2.1) is higher, lower or the same level compared to before the shock or usually during the same period (if no shock)? <i>[circle one of the numbers]</i>	99	No answer	
		1	Increased by more than 50%	
		2	Increased by 10-49%	
		3	Increased by 0-9%	
2.3	Please indicate if your sales during the last week of the selected commodity has increased, decreased or stayed the same compared to before the shock or usually during the same period (if no shock)? <i>[circle one of the numbers]</i>	4	No change	
		5	Decreased by more than 50%	
		6	Decreased by 10-49%	
		7	Decreased by 0-9%	
99		99	No answer	
		88	Not applicable (if 2.3 = no change or no answer)	
		1	Better harvest than last year	
		2	Worse harvest than last year	
2.4	If the sales volume is higher or lower (see 2.3), please provide the most important reason for this change? <i>[circle one of the numbers]</i>	3	More institutional procurement	
		4	Less institutional procurement	
		5	More effective demand from other districts/abroad	
		6	Less effective demand from other districts/abroad	
99		7	More supply coming from other districts/abroad	
		8	Less supply coming from other districts/abroad	
		9	More demand from consumers in district	
		10	Less demand from consumers in district	
99		11	Higher profit margins	
		12	Lower profit margins	
		13	Less capital/credit available for trade	
		14	More capital/credit available for trade	
99		15	Increased risk	
		16	Lower risk	
		19	Other (specify: _____)	
		99	No answer	

2.5	If the sales volume is lower than before the shock or usually during the same period (<i>if no shock</i>), (see 2.3), please indicate when the trader expects that sales will recover to the normal level? <i>[circle one of the numbers]</i>	88	Not applicable
		1	Within one week
		2	Within one week to one month
		3	Within one month to one year
		4	Longer than one year or never
		99	No answer
2.6	What is currently your most important source of the selected commodity (where does the trader buy the commodity)? <i>[circle one of the numbers]</i>	1	Farmers within district
		2	Farmers outside district
		3	Traders within district
		4	Traders in other districts within the country
		5	Traders in other countries
		6	Other (specify: _____)
99	No answer		
2.7	What was your most important source of the selected commodity before the shock or usually during the same period (<i>if no shock</i>) (where did the trader buy the commodity)? <i>[circle one of the numbers]</i>	1	Farmers within district
		2	Farmers outside district
		3	Traders within district
		4	Traders in other districts within the country
		5	Traders in other countries
		6	Other
99	No answer		
2.8	If the most important source of the selected commodity has changed (compare 2.6 and 2.7), please provide the most important reason for this change? <i>[circle one of the numbers]</i>	88	Not applicable
		1	Better harvest than last year
		2	Worse harvest than last year
		3	More institutional procurement
		4	Less institutional procurement
		5	More effective demand from other districts/abroad
		6	Less effective demand from other districts/abroad
		7	More supply coming from other districts/abroad
		8	Less supply coming from other districts/abroad
		9	More demand from consumers
		10	Less demand from consumers
		11	Higher profit margins
		12	Lower profit margins
		13	Less capital/credit available for trade
		14	More capital/credit available for trade
		15	Increased risk
		16	Lower risk
		19	Other (specify: _____)
		99	No answer
2.9	Do you think the most important source of the selected commodity will change during the coming six months, compared to the current source (see 2.6)? If so, to what source? <i>[circle one of the numbers]</i>	1	No change of most important source
		2	Yes, to farmers within district
		3	Yes, to farmers outside district
		4	Yes, to traders within district
		5	Yes, to traders in other districts
		6	Yes, to traders in other countries
		7	Yes, to other sources (specify: _____)
		99	No answer
Optional: 2.10	Could you please provide an indication of your stock levels (of the selected commodity) compared to before the shock or usually during the same period (<i>if no shock</i>)?	1	More or less the same level
		2	My stock level is much higher
		3	My stock level is somewhat higher
		4	My stock level is much lower
		5	My stock level is somewhat lower
		99	No answer
Section 3: Constraints and response capacity			
Analysis Plan, section 'Market response' topic 3 & 4			
<i>[Questions 3.3-3.7 of this section should only be discussed with the trader IF the selected commodity is an essential food item. If the selected commodity for this interview is a cash crop/product, please pose questions 3.1-3.2 and proceed to the following section.]</i>			
3.1	What are the three most important constraints preventing you to double the amount you sell (of the selected commodity)? <i>[circle three of the numbers]</i>	1	Lack of own capital
		2	Lack of credit / credit is too expensive
		3	Low or varying quality of produce (supply)
		4	Low or irregular quantity of produce (supply) incl. trade restrictions
		5	Lack of means of transport
		6	Poor road infrastructure / transport cost too high
		7	Too much insecurity
		8	Lack of storage
		9	Low profit margin (low sales price, high purchase price)
		10	Lack of demand
		11	Competitors would not allow me to grow so much
		12	Government would not allow me / taxes too high
		13	Too much food assistance
		14	Other(specify: _____)
99	No answer		
Optional 3.2	a. Is there a chance that a solution will be found for these constraints? b. If so, could you please indicate for which of the constraints listed under question 3.1	a.	Yes =1; No = 2; No answer: 3 []
		b.	The following constraints will be solved:

	the solutions will be found during the coming 6 months? <i>[list the codes from 3.1. or indicate no answer = 99]</i>				
3.3	In your opinion, would the sale price of the selected commodity decrease, remain the same or increase if demand on this market would in the coming six months be higher with 25%? <i>[circle one of the numbers]</i>	1	No change		
		2	Decrease		
		3	Increase		
		99	No answer		
3.4	If you expect an upward pressure on prices (3.3), do you think that this will be temporary (until supply has increased) or sustained (for the period of the demand increase)? <i>[circle one of the numbers]</i>	88	Not applicable (if 3.2 = no change, decrease or no answer)		
		1	Temporary		
		2	Sustained		
		99	No answer		
3.5	Assume that demand from your (existing or new) customers for the selected commodity would increase by 25%, would you have the capacity to deliver, and in what time frame? <i>[circle one of the numbers]</i>	1	No		
		2	Yes, within a week		
		3	Yes, within two weeks		
		4	Yes, within a month		
		5	Yes, but only after more than one month		
		99	No answer		
3.6	Aid agencies are considering the use of food vouchers as a means for allowing consumers to purchase food items. Please answer the two questions and insert the following codes in the adjoining column: 1 = yes 2 = no 99 = no answer	<input type="checkbox"/>	a. Have you ever participated in the use of vouchers in the past?		
		<input type="checkbox"/>	b. Would you be willing to participate in a food voucher system in the future?		
3.7	What are the most important concerns that you have when considering participating in a voucher system? <i>[write in the empty cells: 1: for the most important reason 2: for the 2nd most important reason 3: for the 3rd most important reason]</i>	1	No interest in expanding my business		
		2	Constraints to increase volume (including lack of capital, credit, supply, transport, roads, storage or security)		
		3	Reliability of timely payment (voucher into cash)		
		4	Too difficult to administer		
		5	Counterfeiting with voucher		
		6	Food price inflation		
		7	Possibility of having to pay high taxes		
		8	Other (specify: _____)		
		99	No answer		

Section 4: Credit and stocks strategy

Questions 4.1 – 4.4: Analysis Plan, section 'Food access', topic 3

Question 4.5: Analysis Plan, section 'Market response' topic 4

4.1	Do you provide credit to some of your customers? <i>[circle one of the numbers]</i>	1 = yes	2 = no	99 = no answer
4.2	If 4.1 = yes, what share of your total sales is currently in credit? <i>[insert a percentage for credit and one for cash, it should add up to 100%]</i>	Credit: <input type="text"/> % of sales	Cash: <input type="text"/> % of sales	88 = not applicable 99 = no answer
4.3	Have there been any changes in the number of people who have been requesting credit compared to before the shock or usually during the same period (<i>if no shock</i>)? <i>[circle one of the numbers]</i>	1 = yes, less people	2 = yes, more people	3 = no, same number 99 = no answer
4.4	Do you provide more credit to your customers compared to before the shock or usually during the same period (<i>if no shock</i>)? <i>[circle one of the numbers]</i>	1 = yes	2 = no	99 = no answer
4.5	How many weeks do you usually keep your commodity between purchases and sale?	<input type="text"/> weeks		99 = no answer

Section 5: Prices and transaction costs

Questions 5.1 – 5.4: Analysis Plan, section 'Food access' topic 1 & 4 and 'Food Availability' topic 4

Questions 5.5 – 5.6: Analysis Plan, section 'Market response' topic 1

	<i>[Introduce the concept of a completed transaction: from the moment the trader purchases the commodity until he/she sells it; and discuss a concrete example of such a completed transaction]</i>	Price (local currency in local measurement unit)	Unit	Price (local currency in kilograms)
5.1	What was the purchase price of the selected commodity?			
5.2	What is the sales price of the selected commodity?			
5.3	For a similar transaction before the shock or usually during the same period (<i>if no shock</i>), what was the <u>purchase</u> price of the selected commodity?			
5.4	For a similar transaction before the shock or usually during the same period (<i>if no shock</i>), what was the <u>sales</u> price of the selected commodity?			

[The following two questions should only be included in a procurement trader survey or in an in-depth trader survey]

5.5	<p>Could you please provide the various transaction costs for the above completed transaction (see 5.1 and 5.2) of the selected commodity?</p> <p>a. Loading b. Transport c. Off-loading d. Fumigation e. Cleaning/drying f. Bagging g. Storage h. Losses i. Transport to buyers j. Loading and off-loading k. Financial expenses l. Informal and formal taxes m. Other</p>	<p>Price (local currency in local measurement unit)</p> <p>a. b. c. d. e. f. g. h. i. j. k. l. m.</p>	<p>Unit</p>	<p>Price (local currency in kilograms)</p> <p>a. b. c. d. e. f. g. h. i. j. k. l. m.</p>
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5.6	<p>For a similar transaction before the shock or usually during the same period (<i>if no shock</i>), could you please provide the various transaction costs for the above completed transaction (see 5.3 and 5.4) of the selected commodity?</p> <p>a. Loading b. Transport c. Off-loading d. Fumigation e. Cleaning/drying f. Bagging g. Storage h. Losses i. Transport to buyers j. Loading and off-loading k. Financial expenses l. Other</p>	<p>Price (local currency in local measurement unit)</p> <p>a. b. c. d. e. f. g. h. i. j. k. l.</p>	<p>Unit</p>	<p>Price (local currency in kilograms)</p> <p>a. b. c. d. e. f. g. h. i. j. k. l.</p>
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Section 6: Price prospects

Analysis Plan, section 'Availability' topic 4

6.1	<p>What is today's sales price and what is your opinion on the sales price of the selected commodity in six months time? [circle one of the numbers]</p>	<p>Today's price in local currency in local measurement unit: [_____]</p> <p>Price in 6 months in local currency in local measurement unit: [_____]</p>	
6.2	<p>If there will be an increase or a decrease in sales prices (see 6.1), what is the main reason for this? [circle one of the numbers]</p>	<p>99 1 2 3 4 5 6 7 8 9 99</p>	<p>No answer Lean season or bad harvest (Good) harvest More imports / inflows from surplus zones Less imports / inflows from surplus zones More exports / outflows Less exports / outflows More food assistance Less food assistance Other (specify: _____) No answer</p>

Specific remarks about the interview:

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SECTION 2 – MARKET RESPONSE

2.1 & 2.2 (to be used for Analysis plan, section market response, topic 1)	How many retail (who sell to consumers) and wholesale traders (who sell to other traders) are there operating on the busiest day of the week on the market, for each of the following products?						
	2.1. Last week (99 = no answer)			2.2. Before the shock or usually (if no shock) (99 = no answer)			
		Commodity	a. Retail traders (number)	b. Wholesale traders (number)		a. Retail traders (number)	b. Wholesale traders (number)
	2.1.a	Maize			2.2.a		
	2.1.b	Cow peas			2.2.b		
2.1.c	Ground nuts			2.2.c			
2.3 & 2.4 (to be used for Analysis plan, section market response, topic 1 e)	How are retail prices for maize, cow peas and ground nuts determined on the market?						
	2.3. Last week			2.4. Before the shock or usually (if no shock)			
	2.3.a	Maize		2.4.a	Maize		
	2.3.b	Cow peas		2.4.b	Cow peas		
	2.3.c	Ground nuts		2.4.c	Ground nuts		
Codes for 2.3 & 2.4 1. Prices are fixed by a government official 2. Prices are fixed by several wholesalers on the market 3. Prices are fixed by several wholesalers outside of the market 4. Prices are fixed by one wholesaler on the market 5. All traders together fix a range of prices or a minimum retail price before the market begins 6. Each trader determines her own price 7. Prices are fixed by the traders' association before the market begins 8. Prices are the same as on another market 9. Other (specify: _____) 99 = no answer							
2.5 & 2.6 (to be used for Analysis plan, section market response, topic 1)	2.5. Do traders need a license to operate on this market? (yes = 1; no = 2; no answer = 99)						
	2.6. Assuming that you have the money to pay for the license, is it easy to get a license? (yes = 1; no = 2; no answer = 99)						
2.7 & 2.8 (to be used for Analysis plan, section market response, topic 1 g)	2.7. What types of taxes / levies are being paid by traders on this market? (yes = 1; no = 2; no answer = 99)			2.8. How much has to be paid? (amount in local currency per unit; no answer = 99; unit can be month/year/bag/animal/amount)			
	2.7.a	License fee		2.8.a			
	2.7.b	Market tax/fee		2.8.b			
	2.7.c	Sales/purchase tax		2.8.c			
	2.7.d	Veterinary tax		2.8.d			
	2.7.e	Other		2.8.e			
OBSERVATIONS DURING MARKET VISIT: [PLEASE DESCRIBE KEY FEATURES RELATED TO THE FOLLOWING TOPICS:]							
3.1 Number and profile of people accessing markets							
3.2 Amounts and type of products for sale on the market							
3.3 Access and market infrastructure							
3.4 Activity levels on the market during the visit							
SPECIFIC REMARKS ABOUT THE INTERVIEW:							

Annex 4: Examples of questions for household, community and focus group discussions

I. Community level

As indicated by the generic analysis plan (annex 1), two market-related topics may be addressed in a (closed) community questionnaire.

Physical access

It is recommended to include the following six questions in the community questionnaire. Questions 1 & 2 are useful for guiding the trader survey team to the relevant local markets. The third question allows drawing up a village profile, and may alter the recommendations of the assessment team if markets are very far away. Questions 4 & 5 are the most important questions, as this will show the impact of the shock on the physical market access, and it will inform the decision on the possibility of distributing cash/vouchers. Question 6 may indicate possible interventions to improve physical market access.

1	Where do you purchase your essential food items most often? <i>[Please note the name of the market/shop, village and district]</i>	1. Market/shop: [_____] 2. Village: [_____] 3. District: [_____]																																																				
2	a. Do you go to the same location for selling your food and cash crops/products? b. If no, where do you sell them most often? <i>[Please note the name of the market/shop, village and district]</i>	a. [____]: yes = 1; no = 2; 99 = no answer b. 1. Market/shop: [_____] 2. Village: [_____] 3. District: [_____]																																																				
3	How far is the food purchase market from the village? <i>[circle one of the numbers]</i>	1. Less than 15 minutes 2. 15 minutes -1 hour 3. More than 1 hour, but less than 2 hours 4. More than 2 hours, but less than half a day 5. More than half a day 99. no answer																																																				
4	During which months of the year are the purchase and selling markets/locations not accessible? <i>[cross the boxes if not accessible]</i>	<table border="1" style="width: 100%; border-collapse: collapse; text-align: center;"> <thead> <tr> <th colspan="2">Purchase market</th> <th colspan="2">Sales market</th> </tr> </thead> <tbody> <tr><td>January</td><td>[]</td><td>January</td><td>[]</td></tr> <tr><td>February</td><td>[]</td><td>February</td><td>[]</td></tr> <tr><td>March</td><td>[]</td><td>March</td><td>[]</td></tr> <tr><td>April</td><td>[]</td><td>April</td><td>[]</td></tr> <tr><td>May</td><td>[]</td><td>May</td><td>[]</td></tr> <tr><td>June</td><td>[]</td><td>June</td><td>[]</td></tr> <tr><td>July</td><td>[]</td><td>July</td><td>[]</td></tr> <tr><td>August</td><td>[]</td><td>August</td><td>[]</td></tr> <tr><td>September</td><td>[]</td><td>September</td><td>[]</td></tr> <tr><td>October</td><td>[]</td><td>October</td><td>[]</td></tr> <tr><td>November</td><td>[]</td><td>November</td><td>[]</td></tr> <tr><td>December</td><td>[]</td><td>December</td><td>[]</td></tr> </tbody> </table>	Purchase market		Sales market		January	[]	January	[]	February	[]	February	[]	March	[]	March	[]	April	[]	April	[]	May	[]	May	[]	June	[]	June	[]	July	[]	July	[]	August	[]	August	[]	September	[]	September	[]	October	[]	October	[]	November	[]	November	[]	December	[]	December	[]
Purchase market		Sales market																																																				
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November	[]	November	[]																																																			
December	[]	December	[]																																																			
5	Did the physical access to the market deteriorate compared to before the shock or usually in the same period (if no shock)?	[____]: yes = 1; no = 2; 99 = no answer																																																				
6	What is the main reason for lack of physical access to the markets, if any?	1. Market is not operational during some months 2. Insecurity 3. Long distance 4. Lack of roads/bad road conditions 5. Weather conditions (floods) 6. Other, specify _____ 88. Not applicable 99. No answer																																																				

Prices

As indicated in the analysis plan and in chapter 9, section 3 B of the guidance sheet, you may wish to include 'collection prices' in the community questionnaire, mainly to verify the data provided by traders. It is not necessary to include the prices paid by the villagers for essential food items in this questionnaire, as this data will be collected on the local markets, and cross-checked with the existing price series.

Including the 'collection prices' is optional, and may be particularly useful for cases where a large discrepancy is expected between the prices villagers get and the local market prices. However, it may not be easy as the enumerator will have to translate the prices into standard measurement units (e.g. Kilograms, liters...) on the spot, and he/she is probably interviewing a group of people, having sold their products for different prices. Please refer to the guidance sheet for further guidance on the selection of products. An example of the question is presented below:

	What is the current price for which you are selling your products to traders?	What was the price for which you are selling your products to traders before the shock or usually during the same period (if no shock)?
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		Price (local currency per local unit) 88= not sold 99 = no answer	Units	Price in kilogram in local currency (only non-livestock items) 88= not sold 99 = no answer	Price (local currency per local unit) 88= not sold 99 = no answer	Units	Price in kilogram in local currency (only non-livestock items) 88= not sold 99 = no answer
1.01	Local maize, average quality						
1.02	Local maize, low quality						
1.03	Red local sorghum						
1.04	Millet						
1.05	Wheat						
1.06	Onions						
1.07	Local rice						
1.08	Cow peas, low quality						
1.09	Cow peas, average quality						
1.10	Beans /peas						
1.11	Groundnuts						
1.12	Male Goat 2 years old						
1.13	Male Sheep 2 years old						
1.14	Cattle-Bull 2 years old						
1.15	Cattle-Bull 5 years old						
1.16	Wage labour						

II. Household level

The generic analysis plan aims to answer the question **how future price developments impact food security conditions** in the coming 6 months. This requires that the assessment clarifies – at the minimum – what commodities households buy and sell on the market, while detailed income-expenditure shares and demand elasticities are needed to provide a more comprehensive view.

In the latter case, you would be able to inform the elaboration of the livelihood profiles in a detailed manner, and project the impact of expected market developments on household food security in a quantitative manner¹. However, the necessary (monthly) household income-expenditure data is not always available, nor do reliable estimates of the elasticities for the target group of people. Yearly income/expenditure data are sometimes available from national income-expenditure surveys, but they generally use a different sample than in food security assessments/analyses. Collecting this level of detailed data through the food security household level survey would be quite burdensome and change the scope of the survey (although nothing is impossible).

Therefore, a **minimalistic approach** would be appropriate to draw-up a picture of the main selling and purchasing commodities of households:

- households could be asked to rank the food items they purchase and the cash crops/products they sell throughout the year;
- households could be asked to indicate if they are deficit/surplus in the overlapping (both sell and purchase) commodities on a yearly basis (in quantity terms);

This would allow indicating if households are dependent on the markets for each of the most important commodities. Graphs could be prepared to show the dependence of the various livelihood groups on these commodities (or commodity groups as was piloted during the CFSVA in Mauritania). However, it would not allow to assess the degree of dependence (does the household purchase a lot of rice, or only a few times a year?). If you wish to gather this kind of information, **the comprehensive approach**, you may include the following in the questionnaire:

- households could be asked to estimate their yearly expenditure on the two or three essential food items; depending on the local circumstances, the most reliable way to get to these estimates is to ask what quantity the household has purchased in January, February, etc. (often this is known pretty well: 'we buy two bags of rice per month), and what the purchase prices have been;
- this data (previous point) could be compared with the detailed expenditure of the last month / six months (standard question in household level surveys) and with data of existing national income-expenditure surveys to see if the data makes sense;

¹ Please refer to the PDPE market tools on elasticities and the large number of assessments conducted to evaluate the impact of the food price hike on household food security, such as the Pakistan Inter-agency Price Rise Impact Assessment, June 2008 (www.wfp.org).

- households could be asked to estimate their yearly earnings on the two or three key cash crops/products, either through adding a new question to the questionnaire similar to the monthly purchases (see above) or through putting much more answer-options in the existing question on income sources (this last option is preferable as households may not be willing to provide precise income data);
- this data (previous point) could be compared with the data of existing national income-expenditure surveys to see if the data makes sense;

This would allow to make a rough estimate of the relevant income and expenditure shares of households, and hence on the degree of dependence on markets for each of the most important commodities. However, collecting this kind of data, and analyzing it, may be a tall order for most surveys. Also, data quality will certainly be an issue. Finally, it will not provide much information on how the market dependence varies during the year, which is believed to be substantial for most livelihood groups (and hence impacts the food security prospects for the coming 6 months). It is advisable to only conduct such an assessment if the quality of enumerator training and supervision can be ensured, for example during a Comprehensive Food Security and Vulnerability Assessment (CFSVA).

As an alternative, or in addition to the above questions, the issue of market dependence may be discussed in a qualitative manner during focus group discussions with the various livelihood groups. The motivations to purchase and sell commodities may then also be discussed, as well as their responses to price changes (elasticities). The drawback of the qualitative approach is that quantitative projections of the number of food insecure people due to market developments cannot be estimated.

To conclude, the perfect solution for estimating the quantitative impact of price developments on household food security may go beyond most food security assessments, but some very useful and important data collection and analysis can be done: It is recommended to: i) apply the 'minimalistic approach' to market dependency to all household surveys; ii) to include the proposed discussion points (see below) in the focus group questions lists; and iii) pilot the more comprehensive approach to see if it leads to reliable income/expenditure estimates for the various livelihood groups.

III. Focus group

Start a discussion around the following questions:

- What food items do you purchase normally most often, per period (harvest, pre-lean season, lean season)?
- Did the shock alter the type of products purchased, and the timing? How? Why?
- How would your purchase behavior change if purchase prices were 25% lower, or higher?
- What commodities (including animals) do you normally sell most, per period (harvest, pre-lean season, lean season)?
- Did the shock alter the type of commodities sold, and the timing? How? Why?
- How would your sales behavior change if sales prices were 25% lower or higher?

Note: A separate technical guidance sheet addresses the issue of household market dependence, emphasizing issues regarding net buyer/net seller status.