From Farmer to Supermarket

How can food producers sell to supermarkets?

This Checklist looks at three areas – demand, supply and process – where producers can take action and adapt their own processes and/or products so that they successfully secure and maintain business from supermarkets. This Checklist is aimed at the producers themselves, and also at the NGOs and other organisations who support them.

Market demand

It is crucial that producers get to know their ultimate customers and not assume that they know what they want. It is also essential to understand that supermarkets usually buy their products from another business, not the producers themselves.

The end consumer

☐ How well do I know the end consumer – the person who goes into the supermarket and buys a product in which my end product is an ingredient?
☐ Should I talk to these consumers directly?
☐ How might I survey them?
☐ Could I look at research done by others?

The supermarket

☐ Do I know the products that the supermarket is retailing – and does my product fit within this list?
☐ Do my products meet the retailers’ quality standards? Can I prove that they do?
☐ Is my production system safe?
☐ Do I have the flexibility and ability to scale up if the supermarket wants to buy in larger volume or change their request at the last minute?
☐ How does the supermarket choose its suppliers? Is there an organised group of farmers that is able to sell direct to the supermarket that I could be part of?

The supplier to the supermarket

☐ Do I know who the supermarket’s suppliers are, where they are located and understand what other organisations are also active in the supermarket’s supply chain?
☐ Do I understand the challenges the suppliers faces doing business with the supermarket? How will buying from me help them with these challenges?
☐ How do I develop a strong relationship with the supplier?
☐ Can I have a bigger say in the price of my product which is negotiated between the supplier and the supermarket?
The market place
- How well do I understand trends in the market and how they will impact on me?
- Are retailers increasingly looking for ‘organic’ produce or any other kind of produce that I am well placed to supply?
- Are consumers shopping more in supermarkets rather than bazaars for the product that I sell?
- Are retailers interested in contract farming and how could I benefit from that?

The ability to supply
Once the producer has a better understanding of demand in the market, there are a number of ways in which they might change their own business to make them more attractive to the customers along the value chain.

Basic business skills
- How do I increase my general business skills so that I can be a reliable source of produce?
- Can I learn from the supermarket’s supplier that I sell to? Do they offer any formal training or support?
- Do I know how much it costs to produce my product? Am I making a profit? Do I know the fair price to accept for my product?
- Do I have access to enough information about price or am I dependent on ‘middle men’ who might provide unreliable market information?
- Could I make links with Farmers’ Associations or agricultural extension officers who can provide impartial information?
- Have I protected my business against risks, such as extreme weather, illness or theft?

What if the retailer requires a slightly different or modified product?
- Could I change my product by using a different variety?
- Should I alter my production process to plant or harvest at a different time of year?
- Will my packaging have to change to meet the need of the supermarket?

The process to get there…
By improving awareness of the path that a product takes once it leaves the producer’s hands, producers will have a better appreciation of why certain requirements are necessary and be better equipped to engage in the supermarket supply chain.

Further Information
This Checklist is based on the work of Emma Wardle of Accenture Development Partnerships. She was part of a Business Innovation Facility project which worked with a well-known supermarket chain in the Bangladesh to increase the capabilities of small to medium enterprises (SMEs) supplying them with perishable food products.

For further information and to view other materials on this Agora project, go to: http://businessinnovationfacility.org/page/agora-inclusive-fresh-produce-supply-chains-bangladesh

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For further information and to view other Checklists, go to: Practitioner Hub on Inclusive Business: www.businessinnovationfacility.org

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