



**FEED THE FUTURE**

The U.S. Government's Global Hunger & Food Security Initiative

# Research methods for value chain analysis

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## Value chain research objectives

Generate policy-relevant information on:

- **Structure** – Actor type, number, size, geographical location degree of concentration, Social identity, Degree of concentration (or dispersion) in ownership of assets and market share
- **Conduct** – economic behavior, technological choices as actors acquire inputs, ‘make’ something with them, and sell the outputs
- **Performance** – how well a whole value chain, or a value chain segment, or a set of value chain actors, performs – e.g. in terms of: efficiency; inclusiveness working conditions; environmental sustainability; Food safety; product quality
- **Changes taking place in SCP over time**
- Identify options for policy and investment that reflect the situation on the ground



## How to think about VC actor conduct

All value chain actors transform **inputs** into **outputs** (goods or services) using **assets** and labor. These become inputs when used by other actors further 'downstream' in the value chain.

For example:

- Farmers use land, machines (assets), fertilizer, seed, fuel (inputs) and labor, to 'make' cassava (output). Farmers sell crops to traders or processors, who use it as an input for their businesses.
- Processors use land, buildings, machines (assets), cassava, packaging, fuel, and labor, to make an output (e.g. cassava chips). They sell the output to traders, or processors, who use it as an input for their own businesses
- Behavior of actors in each segment of the chain can be summarized as: **Assets, Buy, Make, Sell**
- All segments linked by logistics – transport services and storage



## Agri-food value chain segments and functions

Segment	Actor	Assets	Inputs (Buy)	Making	Outputs (Sell)	Notes
Upstream	Farmer	Land, Machinery Draft animals,	Seed, Fertilizer, pesticides, Labor, Credit	Growing crops	Crops	May employ family or hired labor, may use credit
Midstream	Traders	Capital, Warehouses, Shops, Vehicles	Crops (from farmers or other traders), Packaging, Labor, Credit	Aggregating Repacking, Grading, Distribution	Crops	Many different types of trader – e.g. ‘collectors’; ‘wholesalers’; ‘brokers’. Traders may be consumers or providers of credit
Midstream	Processors (e.g. mills, feed factories)	Land, Buildings, Machinery, Vehicles	Crops, Packaging Fuel, Labor, Credit	Sorting, Milling, Packaging, Marketing, Distribution	Oil, Flour, Feeds, Other processed foods	Often use hired labor. May be consumers or providers of credit
Downstream	Retailers	Shops, Vehicles	Crops and processed goods from traders & processors, Labor, Credit	Sourcing, Distribution	Crops, processed goods	Many types, from ‘traditional’ retailers in wet markets and mobile ‘hawkers’ to ‘modern’ retail – e.g. supermarkets, online

Logistics

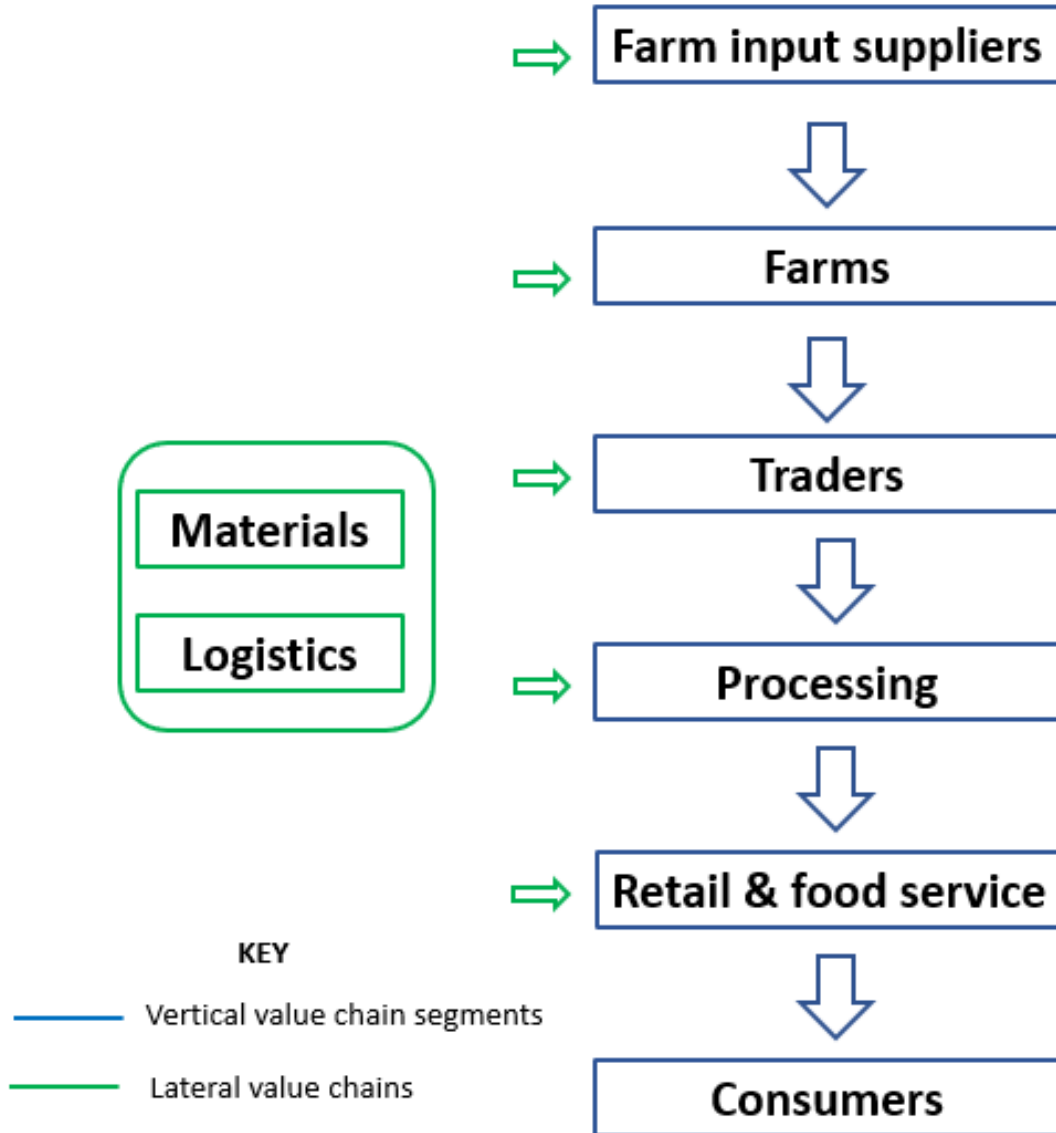




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## Vertical and Lateral supply chains





## Social dimensions

Pay close attention to: “**who**” is involved (e.g., gender, ethnicity, age, place of origin, worker/owner, family/hired labor)

**Who has what?** - e.g., land, machines, credit, education, status

**Who does what?** - e.g., paid/unpaid work, business operation

**Who gets what?** - e.g., wages, payment in kind, profit, interest

**What do they do with it?** – e.g., use for day-to-day survival, for expanding business, to buy assets

Change over time (**now; 5 years ago; 10 years ago**)



## Scoping research

- Intensive qualitative research: Keep asking the questions to new informants until 'saturation' (no new information emerging).
- Interviews: key informant, opportunistic, snowballing, but include wide range of locations, actors and perspectives.
- Open-ended, semi-structured interviews (using checklist of questions as guide) with actors: Assets, Buy, Make, Sell; Who has/does/gets what & what do they do with it
- Understanding how people think – e.g. units, timing, terminology.
- Collection of data that will help design sample frame (e.g., member lists for markets, associations, satellite images).
- Keep an open mind; Think critically; Triangulate



## *Assets - who has what/who does what/what do they do with it?*

- Human capital – education, age, ethnicity, gender etc
- When did you establish this business? What did you do before that? Where did you get capital needed to set up this business?
- Is the business a family firm? If so, in what capacity are other family members involved?
- Do you or other family members have any other businesses related to this one. If so, in what order did you establish them and why?
- Do you have any businesses unrelated to this one? What are they?
- Do you have any agricultural land? How much
- Do you own any vehicles used for this business? Give details
- Do you own any land or buildings used for this business? Give details
- Do you pay any rent or other fees for the land or buildings used to operate your business? Give details





## *Buy - who does what?*

- During which months does this business operate? Which are peak/low months?
- What are the most important products that you trade?
- How much of each of the main products/species do you procure on average in one month during high season, and during low season? How about 5, 10 years ago? Why has this changed?
- What are the main locations & type of suppliers that you source each of these species/products from? How about 5, 10 years ago? Why has this changed?
- How do you usually procure these products (e.g. buy at auction, make agreement over phone, advance contract)?
- How are they transported?
- Do you provide credit to any of your suppliers? Which suppliers? How common is this (e.g. how many of each type of supplier do you provide credit too?)
- What are the terms of the credit you provide (e.g. amount, duration, interest, requirement to sell to you)?



## *Make - who does what/who gets what?*

- How do you earn an income from trading – e.g. by buying and selling, or by taking a commission for organizing sales?
- How long does traded products usually remain in your possession?
- Do you grade, clean or store the products you trade? Do you experience any product losses during handling/storage? Why/how much?
- How many male and female workers do you employ (permanent and temporary)? What are their roles? How many of the workers in this business are family members (if any)? How are workers paid (e.g. daily, monthly, piece rate)? How much are they paid?
- Would you categorize your trading business as small, medium or large? Why?
- In the past 12 months, did you borrow money to operate/invest in this business? From what sources, on what terms?
- Are you a member of any business association? Which and why?; Does the association mediate disputes? Can you give an example?



## *Sell - who does what/who gets what?*

- Which months are high/low season for sales? How much of each of the main products/species do you sell on average in one month during high season, and during low season? How about 5, 10 years ago?
- What are the main locations (markets/areas) that you sell each of the main products to?
- What type of customers do you usually supply to (e.g. traders in other wholesale markets market, local retailers etc.)? What % of the product you trade is sold to each type of customer?
- How do you usually organize sales to customers (e.g. sell at auction, make agreement over phone, advance contract)?
- Do you provide credit to any of your customers? How common is this (e.g. what % of each type of supplier do you provide credit too?); What are the terms of the credit you provide (e.g. value, form, duration, interest, requirement to buy from you)?
- Do your customers usually collect product from you, or do you deliver to them? Do you deliver using own or rented vehicles? What type of vehicles? From whom do you rent?



## Scoping research

Provides:

- 1) Strong qualitative understanding of how VC is organized and operates  
*(can also be a complete piece of qualitative research)*
- 2) Inform the choice of research questions for structured surveys
- 3) Support design of questionnaire based on hypotheses
- 4) Context for interpreting quantitative results
- 5) Information that allows for choices to be made about what to include or exclude from survey
- 6) Enable design of a structured questionnaire that respondents can understand, and that will generate accurate responses

**More scoping → better research questions → better questionnaire design + better data + better data interpretation**



## Quantitative data collection (sample design)

- Aiming to collect data that is statistically representative of a population, usually by sampling a subset
  - (e.g. rural households in a particular area, traders in certain markets)
- Need to have information on the size of the target population (sample frame) to draw a statistically representative sample
- Need to make decisions about what to include/exclude based on objectives of survey, sample frame, limitations of budget/time



### COVER PAGE

No sub-sections, No rosters, Questions: 11, Static texts: 3.

### A. INTERVIEW DETAILS

No sub-sections, No rosters, Questions: 11, Variables: 1.

### B1. BUSINESS TYPE

No sub-sections, No rosters, Questions: 36.

### B2. BUSINESS ACTIVITIES

No sub-sections, Rosters: 1, Questions: 31, Static texts: 2.

### C. BUSINESS INVENTORY

No sub-sections, No rosters, Questions: 18, Static texts: 1.

### D1. BUYING MAIZE 2017/18

No sub-sections, No rosters, Questions: 20, Static texts: 14, Variables: 19.

### D2. BUYING MAIZE 2017/18

Sub-sections: 3, No rosters, Questions: 22, Static texts: 2, Variables: 1.

### E1. HANDLING MAIZE

No sub-sections, Rosters: 1, Questions: 4.

### E2. GRADING MAIZE (2017/18)

No sub-sections, No rosters, Questions: 5, Static texts: 1.

### E3. HANDLING MAIZE (CONTINUED.)

No sub-sections, No rosters, Questions: 10.

### F. SELLING MAIZE 2017-18

No sub-sections, Rosters: 1, Questions: 27, Static texts: 2, Variables: 2.

### G1. MOST RECENT COMPLETE TRANSACTION + TRANSPORT

No sub-sections, No rosters, Questions: 30, Static texts: 2.

### G2. MOST RECENT TRANSACTION COSTS

No sub-sections, No rosters, Questions: 13.

### H. LABOR

No sub-sections, No rosters, Questions: 7, Static texts: 3.

## Questionnaire structure - examples

### COVER PAGE

No sub-sections, No rosters, No questions, Static texts: 1.

### A. IDENTIFICATION

No sub-sections, No rosters, Questions: 17.

### B. INTERVIEWEE DETAILS

No sub-sections, No rosters, Questions: 31.

### C. BUSINESS DETAILS

No sub-sections, No rosters, Questions: 57, Static texts: 3.

### D. MILLING EQUIPMENT

No sub-sections, Rosters: 4, Questions: 98, Static texts: 1, Variables: 1.

### E. INPUTS

Sub-sections: 9, Rosters: 4, Questions: 269, Static texts: 1, Variables: 24.

### F. MILLING

Sub-sections: 1, No rosters, Questions: 67, Static texts: 6, Variables: 12.

### G. MARKETING

Sub-sections: 4, Rosters: 4, Questions: 244, Static texts: 16, Variables: 28.

### H. END OF INTERVIEW

No sub-sections, No rosters, Questions: 1.



- Assets
- Buy
- Make
- Sell





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Module name & number

## Example of paper questionnaire (Excel)

Question number

A2. HOUSEHOLD ROSTER		Ask the household head first about the members of the household. Then ask the head about other people who have lived and eaten in this home for at least 6 of the past 12 months, even if they are not direct family members. Finally, make sure to include all household members who are currently absent because they migrated for work, even if they were away										Question number
	a201	a202	a203	a204	a205	a206	a207	a208	a209	a210	a211	A203
	Name	Sex	What is [..name's..] relationship to [household head]?	What is [name's] age?	What is [name's] ethnicity?	What is [name's] religion?	What is the highest grade [..name..] has completed?	Has [..name..] ever migrated for work (any period longer than a month)	Is [..name..] currently migrating for work?	How many months did [..name..] live in this home in the last 12 months (Mark 0 for full-time migrants)	What is [..name..]'s primary and secondary occupation?	
					<i>If mixed, specify which ethnicities</i>	<i>Ask only for head and spouse</i>	<i>ask only for children &gt; 5</i>	<i>ask only for members over 12</i>	<i>ask only for members over 12</i>			
		1 M 2 F		IN YEARS COMPLED			CODES BELOW	1 Yes 2 No >> a211	1 Yes 2 No	Number of Months	CODES BELOW	
01	PRELOAD NAME OF HH HEAD FROM COVER SHEET		1. HEAD									
02												
03												
04												
05												

Instructions

Filter question & Skip pattern

Cross referenced questions

Response codes

Question

Row numbers

- 1 Head
- 2 Spouse
- 3 Son or daughter
- 4 Sibling
- 5 Parent
- 6 Grandchild
- 7 Son or daughter-in-law
- 8 Brother or sister-in-law
- 9 Parent-in-law
- 10 Stepchild
- 11 Other relation
- 12 Domestic worker
- 13 Permanent Employee
- 14 Other nonrelation





## Example of questionnaire coded in ODK

	A	B	C	D	E	F	G	H	I	J	K
1	type	name	label::English	label::Bengali	hint::Engli	hint::Beng	required	appearance	relevant	constraint	constraint
2	start	start									
3	end	end									
4	deviceid	deviceid									
5	time	A010	Interview start time	সাক্ষাৎকার শুরুর সময়							
6	select_one yn	Linkpreviousurvey	Was respondent interviewed in 2014?	এই ব্যক্তি কি আইএফপিআরআই (IFPRI) ২০১৪ জরিপে	true						
7	select_one s_name	name_enumerator	Name of the Enumerator	তথ্য সংগ্রহকারীর নাম				minimal			
8	note	consent_statement	CONSENT STATEMENT: My name is \${name_enu	সম্মতির বিবরণ: আমার নাম \${name_enumerator} এবং আমি আপনার ব্যবসায়ের একটি সমীক্ষার জন্য সাক্ষ							
9	select_one yn	consent_respondent	Do you agree to participate in the survey?	আপনি কি জরিপে অংশ নিতে আগ্রহী?							
10	begin_group	COVERPAGE	RESPONDENT IDENTIFICATION	উত্তরদাতার পরিচিতি							
11	begin_group	begin_group_u2W7EFHhi						field-list			
12	text	name_respondent	Name of respondent	উত্তরদাতার নাম			true				
13	select_one yn	mobileMyn	Do you have a cell phone?	আপনার কি মোবাইল ফোন আছে?			true				
14	select_one yn	mobileMintP	Could you please give us your phone number	আপনার মোবাইল নম্বরটি কি দেওয়া যাবে?			true			\${mobileMyn}='Yes'	
15	text	mobile_Mnumber	Phone number of respondent	উত্তরদাতার মোবাইল নম্বর			true	numbers		\${mobileMregex(.,'^[	Check the
16	select_one yn	A014	Is respondent owner of this business?	আপনি কি এই ব্যবসায়ের মালিক/অংশীদার?			true				
17	end_group										
18	note	GeoRespondent	Geographic identification household	মাছ ব্যবসায়ীর ভৌগোলিক পরিচয়							
19	begin_group	begin_group_0g1UM9Pff						field-list			
20	select_one division	farmer_division	Division	বিভাগ			true	minimal			
21	select_one district	farmer_district	District	জেলা			true	minimal			

- Design & test questionnaire in paper format, transfer to digital format when stable





## A201. Enter the household members' name: Start from Household Head

After first name entered in this list, add question: "is this the HH head?"  
If No, force enumerator to change first name on list to name of HH head

Aung Hein

Myat Thida Win

*Enter new item*

## A202. Is Aung Hein single or married?

Single

Married

Household Roster - Aung Hein

## A2. HOUSEHOLD ROSTER /

### Household Roster - Aung Hein

## A203. Sex

Male

Female

## A204. What is Aung Hein's relationship to Aung Hein [Household Head]?

The first person in the roster must be the household head.  
If the first person selected is not Household Head, please return to question A201 and change answer.

Spouse

Son/Daughter

Sibling

Parent

Grandchild

Example of  
questionnaire  
displayed on  
tablet



## Pre-test, enumerator training, survey implementation

- Rigorous pre-testing of questionnaire essential for effective data collection; survey should not be implemented unless completed
- Ensures questions are in format that respondents understand and can answer, and that all major issues are anticipated
- Enumerators should be recruited locally (same language, culture, local knowledge)
- Classroom and field-based training - 1-3 weeks, depending on complexity of questionnaire
- Implementation – permissions required, logistics
- Constant supervision needed to ensure data quality (small teams reporting to supervisors, daily data checks)



## Quantitative data analysis

- Key to analysis is to identify relationships between different variables
  - (e.g. how does size and location affect choice of marketing channel; how does gender/business size/credit access affect profits?)
- Initial analysis based on list of tables 'descriptive statistics' for each module: percentages, averages, income estimates, etc.
- Iterative process – looking at results from initial analysis gives clues about what other variables to combine.
- Statistical analysis comes next (e.g. tests of significance, regressions – testing relationship between different variables) – helps to strengthen interpretation of descriptive results
- Decide which results are important, and which are not, filter, interpret



## Example:

# Descriptive results prepared for survey of maize traders

Number of businesses interviewed (total and by township)

A203 – N&% gender

A204 – average age

A205 – N&% ethnicity

A206 - N&% in each educational category

A208 - N&% of businesses with name

A209 – N&% of businesses established by year (actual and cumulative)

B101 – N&% of businesses began trading maize by year (actual & cumulative)

B102 – N&% of businesses selling seed; fertilizer; pesticide; herbicide; animal feed

B103 – N & % of businesses with >1 branch; average numbers of branches per businesses (zeros out)

B104 – N&% main & sub-branch

B105 – N&% of businesses with branches located in market

B106 - N & % of businesses operating maize collection centers

B107 - Average numbers of maize collection centers per businesses (zeros in and zeros out)

B108 – N&% of businesses exporting maize directly

B109 - N&% of businesses supplying exclusively to other businesses

B110 - N&% of businesses supplied exclusively by other businesses

***Numbers interviewed***				
1	Numbers of trac	218	66.67	66.67
2	Numbers of inpi	109	33.33	100
3	Total	327	100	
4				
5				
****Numbers of traders interviewed****				
6	Townships	Freq.	Percent	Cum.
7	Taunggyi	19	8.72	8.72
8	Hopong	23	10.55	19.27
9	Pekon	4	1.83	21.1
10	Pindaya	17	7.8	28.9
11	Lawksawk	40	18.35	47.25
12	Hsi Hseng	37	16.97	64.22
13	Kalaw	6	2.75	66.97
14	Nyaung Shwe	10	4.59	71.56
15	Nam Sang (Shan S	12	5.5	77.06
16	Langkho	4	1.83	78.9
17	Moe Nae	8	3.67	82.57
18	Lashio	18	8.26	90.83
19	Muse	20	9.17	100
20	Total	218	100	
21				
22				
23				
24				
25				
26				
****Gender of traders****				
27	Gender	Freq.	Percent	Cum.
28	Male	175	80.28	80.28
29	Female	43	19.72	100
30	Total	218	100	
31				
32				
****Average age of traders ****				
33	Mean	Median	Min	Max
34	Average age of tra	47.11468	47	20 77
35				
36				
37				

****Numbers of input suppliers interviewed***				
1	Township: Freq.	Percent	Cum.	
2	Taunggyi	17	15.6	15.6
3	Hopong	2	1.83	17.43
4	Pinlaung	16	14.68	32.11
5	Pekon	4	3.67	35.78
6	Pindaya	9	8.26	44.04
7	Lawksawk	6	5.5	49.54
8	Hsi Hseng	6	5.5	55.05
9	Kalaw	19	17.43	72.48
10	Nyaung Sh	9	8.26	80.73
11	Nam Sang	2	1.83	82.57
12	Langkho	1	0.92	83.49
13	Moe Nae	2	1.83	85.32
14	Lashio	11	10.09	95.41
15	Muse	2	1.83	97.25
16	Seinni	3	2.75	100
17	Total	109	100	
18				
19				
20				
21				
22				
23				
24				
25				
26				
****Gender of input suppliers****				
27	Gender	Freq.	Percent	Cum.
28	Male	70	64.22	64.22
29	Female	39	35.78	100
30	Total	109	100	
31				
32				
****Average age of input suppliers ****				
33	Mean	Median	Min	Max
34	Average age of	46.8899	47	21 73 109
35				
36				
37				



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Table 8. Probabilities of making formal contracts and informal agreements with suppliers

Variable	Formal contract with suppliers				Informal agreement with suppliers			
	MLOGIT		PROBIT		MLOGIT		PROBIT	
	Practice un-changed	Practice started	Practice increased	Practice changed due to covid (1/0)	Practice un-changed	Practice started	Practice increased	Practice changed due to covid (1/0)
Female owned enterprise (1/0)	0.057 (0.038)	-0.0025 (0.013)	-0.054 (0.037)	-0.065* (0.037)	0.075 (0.047)	0.017 (0.014)	-0.093* (0.045)	-0.071 (0.045)
Rural (1/0)	0.14 (0.085)	-0.22** (0.084)	0.077* (0.036)	0.046 (0.040)	-0.059 (0.056)	-0.094 (0.020)	0.060 (0.053)	0.062 (0.056)
Upstream (1/0)	-0.12 (0.092)	0.23** (0.088)	-0.11* (0.043)	-0.076* (0.043)	-0.047 (0.091)	0.23** (0.085)	-0.19*** (0.049)	0.145*** (0.049)
Midstream (1/0)	-0.18 (0.092)	0.24** (0.089)	-0.056 (0.041)	-0.013 (0.042)	-0.090 (0.093)	0.24** (0.088)	-0.15** (0.049)	-0.100** (0.051)
Lateral (1/0)	0.047 (0.040)	0.00058 (0.0026)	-0.046 (0.040)	-0.055 (0.043)	-0.11 (0.088)	0.22** (0.082)	-0.11* (0.048)	-0.085* (0.051)
Non-small business (1/0)	-0.010 (0.033)	0.021 (0.014)	-0.010 (0.031)	0.011 (0.031)	-0.053 (0.040)	0.0097 (0.014)	0.043 (0.038)	0.051 (0.039)
North (1/0)	0.21*** (0.035)	0.0042 (0.011)	-0.21*** (0.033)	0.202*** (0.029)	0.17*** (0.036)	0.011 (0.013)	-0.18*** (0.033)	0.174*** (0.034)
N	435	435	435	435	435	435	435	435

Robust standard errors in parentheses. \*\*\* p<0.01. \*\* p<0.05. \* p<0.1

Example:  
Regressions on relationship between key business characteristics (gender of owner, location, size, position in VC) on likelihood of adopting different behaviors



## **Results (for each value chain segment) – qual & quant**

- 1) The **structure of the segment** (the main **geographical locations** where the segment exists; estimates of the **number of the main types of actor** in each location; **size of actors**)
- 2) Characteristics of **main types of actor** in the segment in terms of social, cultural and economic characteristics (scale, religion, ethnicity, wealth, political power, etc.)
- 3) Details of the **main products** produced or traded in each location studied (including estimated volumes)
- 4) Details of the **main activities conducted** by the main types of actor in each segment (Buy, Make and Sell, and type of work performed)
- 5) Details of **performance** (e.g., productivity, profitability, employment, product quality, inclusiveness, environmental performance)



## (Dis)/enabling environment

**Infrastructure:** Road, canals, large irrigation schemes, telecommunication, electrification, physical marketplaces - mainly provided (or facilitated) by government

- Lack of infrastructure inhibits the chances of growth taking place, and vice versa

**Policies:** Economy is comprised of interlinked VCs, so policies that effect one area can affect other up- or downstream VCs:

e.g., Decision to open Bangladesh's economy to import of Chinese motors:

→ made shallow tube well irrigation widely available → facilitated massive increase in rice cultivation → lowered price of rice so consumers have more money to spend on other foods like fish/poultry



## (Dis)/enabling environment

### Institutions

**Government:** (e.g. Universities & research institutes; agricultural extension departments; banks; marketing boards provide services)

- R&D; training; regulation; credit; geographical indications (e.g. OTOP)

**Non-government & private** (e.g. NGOs, media, financial institutions)

– Pressure to improve environmental performance, labour standards; certification; credit





**Analyze a value chain:** 4 groups; 4 value chains:

- e.g., Chicken; Rice; Mangos; Maize (or pick another one that your group prefers)

Make notes on the following and report **for each VC segment** :

**Main types of actors** (farmers, processors etc.), their **scale & location** (e.g., small/large, subsistence/commercial; rural/urban), their **social characteristics** (gender, age, ethnicity)

Main **Assets** used by actors in each segment (land, buildings, machinery, vehicles etc.)

**Buy:** The main inputs used in production; the lateral VCs that supply them; how they are sourced (own production/ spot markets/ contracts etc.)

**Make:** Any activities that add value – grading, sorting, storing, processing - & labor used

**Sell:** Main products/byproducts sold; end markets (rural/urban; domestic/export; consumer/downstream VC actors); how they are sold (spot markets/ contracts etc.)

Any **logistics** services used (e.g., transport rentals; storage services) & **credit** sources

Supporting **infrastructure**; **policies** that affect the sector

**Changes** occurring in past 5-10 years in any of these



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