BTC TRADE FOR DEVELOPMENT

AN ASSESMENT OF MARKET POTENTIAL FOR VANILLA PRODUCTS IN EAST AFRICA

(TANZANIA, KENYA AND UGANDA)

MARCH 2013

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1.0 INTRODUCTION

Vanilla is a flavoring derived from orchids of the genus Vanilla, primarily from the Mexican species, flat-leaved vanilla it is the second most expensive spice after saffron, because growing the vanilla seed pods is labor-intensive. Despite the expense, vanilla is highly valued for its flavor. In the modern world it is widely used in both commercial and domestic baking, perfume manufacture and aromatherapy.

Synthetic vanilla has been growing in popularity over the years. While the world trade in natural vanilla is at around 2,000 tonnes of cured beans or approximately 50 tonnes vanilla extract, the demand for synthetic vanillin in 2010 was more than 50,000 tonnes a year. The consumption of the synthetic variety is growing at a rate of almost 7.5 per cent per annum with nearly 60 per cent used in the food and beverage industry. Globally, companies prefer the chemical alternative because it is cheaper. The price ratio between the synthetic and natural product is approximated to 1:15. The preference of synthetic vanilla is the fact that prices of the artificial variety do not fluctuate. Therefore industries which make a lot of common edible products—from ice cream, biscuits, confectionery to beverages have switched to using synthetic vanilla.

In East Africa, vanilla is offering an alternative for cash crops such as coffee. Despite the fluctuation of prices in the world market, vanilla can be a good alternative or act as a supplement for farmers income in integrated systems. Though there is a big potential in the international and regional market value chain development need to be undertaken with much emphasis on quality management, market development and building the necessary infrastructure to support production and marketing of Vanilla.

This survey was done as part of Vanilla value chain development for MAYAWA cooperative in Bukoba and was aimed at establishing the market potential for natural vanilla in East Africa. The study found that the market for vanilla in East Africa is big especially for vanilla essence but is dominated by synthetic vanilla preferred due to its cheap cost and high concentration. There is however an emerging market for natural vanilla which if well tapped can provide a lucrative market opportunity for MAYAWA farmers. For this to happen the production system should be geared towards providing the right quality of vanilla as required by the market: fine vanilla in terms of flavor, taste and aroma and offered at the right price.

2.0 OBJECTIVES OF THE SURVEY

The survey was set to achieve the following objectives:

1. Identification of vanilla products available in the market; Brands, prices Country of Origin and outlets selling them)
2. Exploring the market demand/potential for natural vanilla in East African market.

3.0 SCOPE

The survey was to collect information about market of vanilla in East Africa, specifically in Dar es Salaam, Nairobi and Kampala (Sampled Cities). This is with the realization that the major market of vanilla is in major cities in East Africa namely above. The information collected included prices, brands, quantities and sources. The information was collected from selected organizations based in big cities. The targeted source of information included:

1. Supermarkets
2. Food/processing industries e.g. Ice cream, bakers, and yoghurt makers.
3. Retail shops.

The survey was conducted through scheduled interviews with key value chain actors in order to collect the required information.

4.0 SURVEY METHODOLOGY

The organizations/businesses which participated in the survey were purposively selected to cover the key possible market actors for vanilla and achieve the required sample size. Since more than 60% of consumers in sampled cities shop in supermarkets, collecting information from the supermarkets was therefore considered appropriate. The survey also used snow ball methodology to identify importers and processors of vanilla, taking specifically the ice cream makers, bakeries and yoghurt makers. The identification of specific staff to be interviewed was made using a screener which among other things elaborated the position of the staff in the company, ability of the staff to provide the required information and his/her level in decision making. Information was collected on the three areas of development (economy/market, resource management, social/institutional).

5.0 FIELD WORK AND LOGISTICS

Data was collected from 17th January – 28th February, 2013 to finish up Tanzania (Dar es Salaam), Kenya (Nairobi) and Uganda (Kampala). Initial contacts were made through telephone to set up interview day and time. Follow ups were done where the relevant respondent was not reached through physical visits. Data was collected using questionnaires which were administered to selected respondents in identified supermarkets, processing industries, wholesalers/importers and retail shops within Sampled cities Town and its environs.

6.0 RESULTS

6.1 DISTRIBUTION OF THE ACTORS INTERVIEWED

To meet the set objectives of the survey, 25 supermarkets, 10 retail shops, 15 wholesalers, and 16 processors were interviewed in selected cities of East Africa (Dar es Salaam, Nairobi and Kampala). The actors were specifically selected to cover the different stages of the value chain from the importers to the consumers as follows:

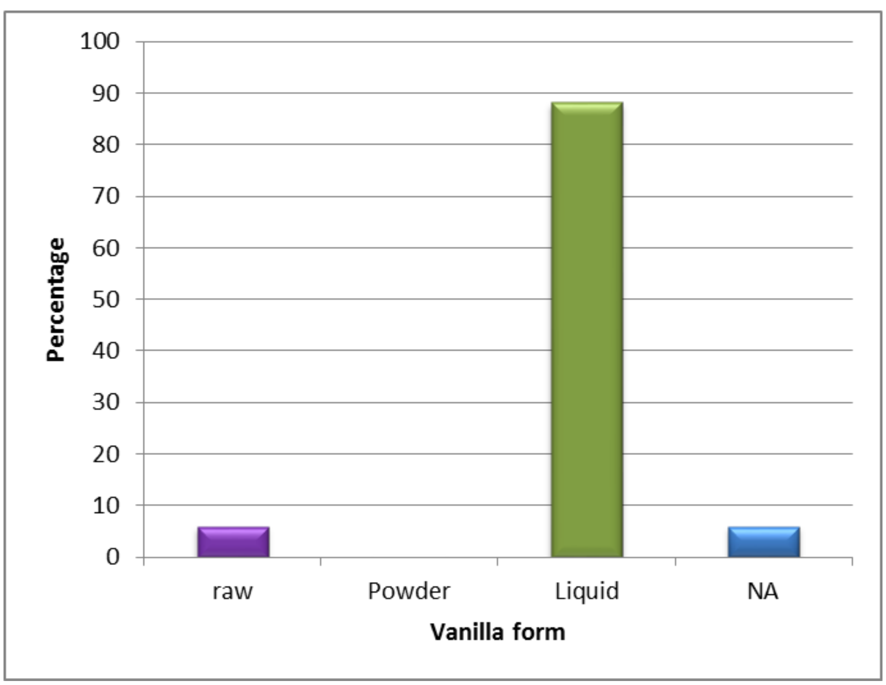
Most of the interviewed respondents were supermarkets. The selection of supermarkets was done on the basis of their market share determined by their turnover. Among the retail shops interviewed only one was stoking vanilla. The 5 wholesalers interviewed were specifically involved in trading vanilla essence, whereas processors were involved in yoghurt making, ice cream making, and cake making and making of other vanilla products.

6.2 Sources of Vanilla in East Africa

Many farmers in East Africa grow Vanilla on their small farms in central and eastern East Africa, where the rich, loamy soil, plentiful rainfall and tropical environment favor its growth. There is a general decline in vanilla production judging from the quantities coming from areas which were known for vanilla production almost in most parts of East Africa. There are two distinct vanilla seasons in East Africa and these include January and July. Around 2010th years have seen a rapid increase in the number of small farmers producing vanilla, as well as an improvement in quality and yields but currently the trend is going down.

One task of the study was to identify in which form vanilla consumed in large amount compared to other forms. According to many areas interviewed it shows liquid form is leading.

Figure 1 Graph showing consumer preferences of vanilla by form



Source: Market survey 2013.

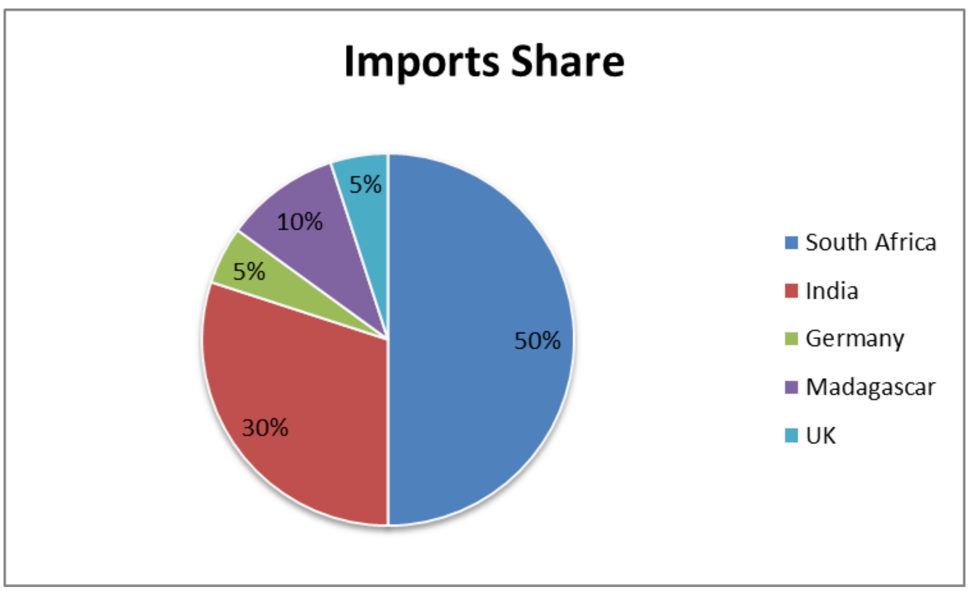
6.3 VANILLA VALUE CHAIN IN EAST AFRICA

Vanilla value chain in East Africa has a big concentration of actors at the retail level while processors and wholesalers are not many. While East Africa is not considered as a producer of vanilla, there are pockets of production in Kilimanjaro (Natural extract), Nyeri (central Nairobi) and Malindi (Coastal area). For Tanzania the Natural extract is still in arrangement to start production and targeting Azam to be their main customers while for Nairobi industry the production is however very low and usually towards meeting specialized European markets or cottage industries involved in homemade cakes.

Virtually all the supermarkets and shops in sampled cities sell vanilla essence or vanilla products. The most common vanilla products sold in the market are cakes, yoghurt, ice cream and vanilla essence flavor. The importers/wholesalers control the market where up to 95% of vanilla sold in the market is through these companies which import vanilla as shown below:-

- South Africa
- India
- Madagascar
- United Kingdom
- Germany.

FIGURE 2: IMPORT SHARE OF PROCESSED VANILLA IN REGIONAL MARKET



The pie chart above clearly shows the dominance of South Africa as the source of vanilla essence to the East African market. This is followed by India and Germany in that order. The imports from these countries are synthetic vanilla essence. Madagascar and UK on the other hand provide natural vanilla in either pods or powder.

Regional and International prices

The island nation of Madagascar, off Africa's east coast, controls the global market because it produces and exports roughly 1,500 tons of vanilla annually. The rest of the vanilla is sourced from various countries including Tanzania, Kenya and Uganda although Uganda seems to have greater export amount compared to other East African Countries. The current international price is about USD 30 for the Bourbon vanilla type. Falling global production; robust demand; and depletion in vanilla stocks in the producer countries are likely to push up prices further in 2013**.**

There are many different actors along the value chain playing different roles namely; retailing, wholesaling processing and importing. These actors are distributed as was follows-

TABLE 1: CHAIN ACTORS IN DAE ES SALAAM

LEVEL IN THE CHAIN	PLAYERS
Supermarket (Retail)	Shoprite Pugu road and Mlimani City, Shoppers plaza Mikocheni and Masaki, Shrejees Oysterbay and Mtendeni, TSN Bamaga and Tegeta, Quality Plaza pugu road, Imalaseko Pamba house and Supermarket
Retail shops	Sinza shops and Kitumbini shops
Wholesalers/importers	Principal Company Ltd, R & S Intertrade, Mek One Traders, Azam Ice Cream Industry, Tabisco Company Ltd, Kipara Company Ltd, Tyson Spirit Industry, etc
Processing	Bakhresa Azam Food company (Biscuits and Ice cream company) , ASAS Dairy compamy (Milk and Yoghurt) Tanga Fresh and Serengeti Flavoured Coffee, Afri Tea and Coffee Blenders, Chai Bora co. Ltd
Exporters	Bokomo foods (Moirs) SA Main Import markets: SA, India and Germany.

TABLE 2: CHAIN ACTORS IN NAIROBI

LEVEL IN THE CHAIN	PLAYERS
Supermarket (Retail)	Uchumi Sarit, Chandarana Yaya, Tuskys Imara, Magunas supermarket, Nakumatt lifestyle, Kassmart Supermarket, Home Deport Supermarket, Ukwala Supermarket, Naivas East Gate, Jacmill Mega Supermarket, Mathai Supermarket

Retail shops	Zucchini Ltd, Corneshop Yaya
Wholesalers/importers	Pradip enterprises, Hennas Ltd, Alison Products Ltd, Dominion Ltd, Batian Ltd
Processing	Bio food products, Razco limited (Lyons maid), Glacier products (Dairyland), Batian Ltd, Alpha fine foods (ooh)
Exporters	Bokomo foods (Moirs) SA Main Import markets: SA, India and Germany.

BASIC CHAIN ACTORS AND THEIR DEMAND IN DAR ES SALAAM

Company name	**Type of franchise**	**Vanilla use type**	**Vanilla form**	**Purchased from**	**Quantity P.a**
Bakhresa Azam Food company (V.N. REDDY vnreddy@bakhresa.com)	**Dairy**	**Yoghurt and Ice cream**	**Liquid**	**Bokomo foods (Moirs) SA**	**1400L**
Principal Company Ltd	**Wh/saller / importer**	**Sell to smk and bakeries**	**Liquid**	**SA**	**680L**
Tabisco Company Ltd	**Dairy**	**Biscuits**	**Liquid**	**India**	**320L**
ASAS Dairy company	**Dairy**	**Flavored Yoghurts and ice cream**	**Liquids and pods**	**SA**	**760L**

BASIC CHAIN ACTORS AND THEIR DEMAND IN NAIROBI

Company name	**Type of franchise**	**Vanilla use type**	**Vanilla form**	**Purchased from**	**Quantity P.a**
Bio Foods Products	**Dairy**	**Yoghurt and Ice cream**	**Liquid**	Bokomo foods (Moirs) SA	**1680L**

Pradip E.A Ltd	**Wh/seller**	**Sell to supermarkets and bakeries**	**Liquid**	**India**	**960L**
Razco Ltd	**Dairy**	**Flavored Yoghurts and ice cream**	**Liquid**	Bokomo foods (Moirs) SA	**1600L**
Alison Products Co. Ltd	**Importer**	**Sell to spirit makers and supermarkets**	**Liquids and pods**	**Germany and Madagascar**	**400L 600kg**

TABLE 3: CHAIN ACTORS IN KAMPALA

Company name	Type of franchise	Vanilla use type	Vanilla form	Purchased from	Quantity P.a
Jesa farm ltd	Dairy	Flavor for yoghurt	Liquid	Gidauven (South Africa)	384L
Fresh Dairy	Dairy	Flavor for milk and Yoghurt	Liquid	(un-available)	800L
Hot loaf ltd	Bakery	Flavor for cakes & cookies	Liquid	Organic chemicals ltd	600L
Sheraton Kampala Hotel	Hotel	Flavor for cakes, Spices	Liquid	_	_
Nandos Kampala ltd	Restaurant	Spices & Flavor for baking & ice cream	Liquid	Private middlemen	100L
Tuskys Supermarket	Supermarket	Bakery & ice cream palour	Liquid	Kenya	60L

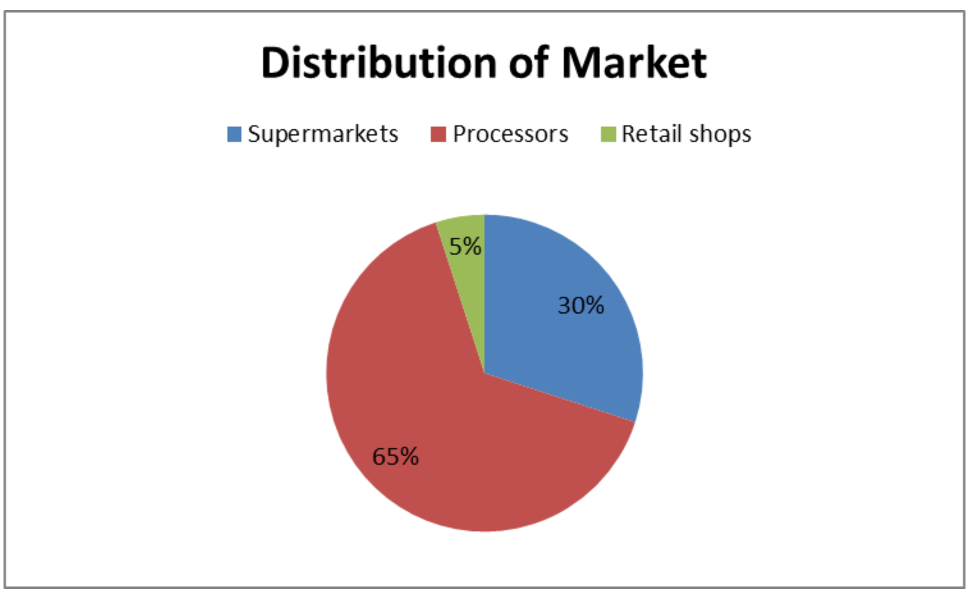
The importers were identified as providing critical role of importing, repacking and sometimes reconstituting and selling vanilla essence to distributers. They were importing the concentrated essence from South Africa, India or Germany. Two companies identified as key importers/ wholesalers included Bokomo foods from South Africa and ASM for India. Only one identified retailer in Dar es Salaam (Al-Hak Enterprises) was keen to sell natural vanilla in dried pods and powder which seems to be very expensive and at poor quality.

There exists a direct linkage between the wholesalers/importers on one hand and processors together with retailers on the other hand. Some importers have a direct linkage with consumers through their shop outlets in sampled cities. Market entry will therefore highly depend on how well strategies are developed to capture these actors of the chain and interest them to start selling natural vanilla. The survey identified 5 Key importers as the major players in sampled cities synthetic Vanilla business. The consideration of export markets can also take cognizance of India and South Africa identified as the major source of synthetic vanilla as they can also provide a huge potential export market for vanilla. The main demand for vanilla in processing was identified to be in yoghurt making and ice cream making. In total 5 actors in Nairobi, 1 in Dar es Salaam and 2 in Kampala were identified in this category. There were number of bakeries identified as a consumer of vanilla whereas supermarket can also provide a good avenue of launching distribution points for vanilla and vanilla products.

6.4 MARKET DISTRIBUTION

Compared to global market for Vanilla, the sampled cities market share for vanilla essence is still small. The current total market of vanilla for sampled cities can be estimated to the range of 3 tonnes of fine liquid processed vanilla annually. The market demand for fully cured natural vanilla can be estimated to be in the range of 1 tonne annually. A large percentage of vanilla available in the market is synthetic mainly imported from South Africa and India. The market for synthetic vanilla essence is concentrated at the processors and supermarket level as shown below:-

FIGURE 2: DISTRIBUTION OF MARKET



A big percentage of the vanilla essence in the market passes through processors who integrate in processing. A considerable amount is also sold through the supermarket to consumers for domestic use. This two market (Processing Units and Supermarkets) account for 95% of the vanilla sold in the market. Marketing strategy developed therefore need to focus on how to tap to this big potential markets.

On analyzing distribution of vanilla market among products and essence, the biggest share of emerged as liquid flavor constituting 65% as shown below:

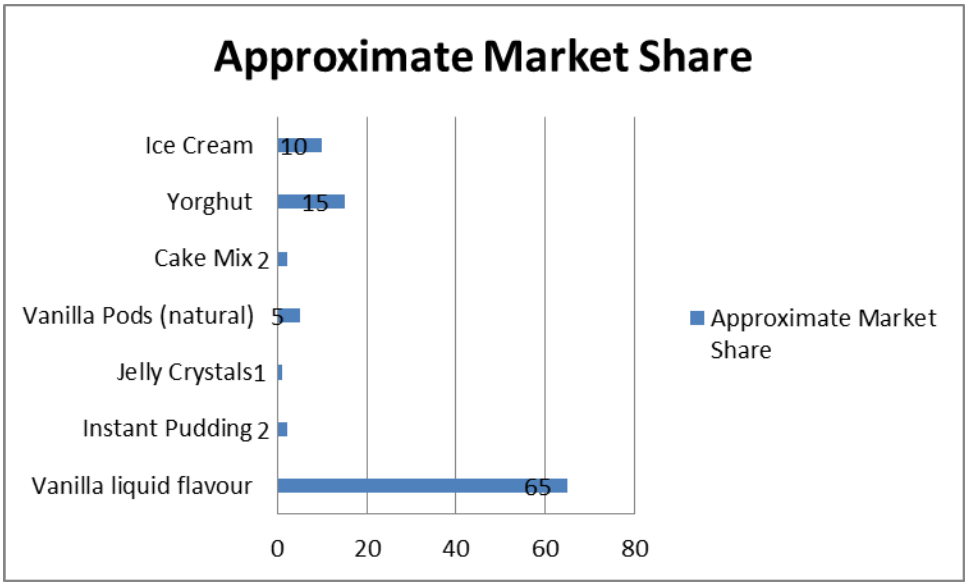


Figure 3: Market share per product

This shows that the entry into the market should focus on vanilla market flavor. Though processing of flavor is expensive and complicated, assisting the project to undertake it will be necessary. There are however opportunities of outsourcing such services from Natural Aromatic Company based in Nairobi or Natural Extract based in Kilimanjaro once it starts running, These companies are involved in extraction of essential oils and base oils for segregated markets.

6.5 WHOLESALING OF VANILLA ESSENCE

The major wholesaler and retail distributers of vanilla essence in sampled cities are Principal Company and Pradip Enterprises. According to the management of these companies, marketing the natural vanilla in the country would require awareness since people are used to the synthetic vanilla since it is much cheaper compared to the natural one. Designing a market entry for such as wholesaler will therefore require addressing the issue of perceived high price of natural vanilla and joint consumer awareness to promote use of natural vanilla.

In the processing category, Azam in Tanzania Jesa Farm in Uganda and Razco Limited in Nairobi s the biggest player in the ice cream industry. The company manufacturer's big brands like Azam Ice cream, Ooh! Ice cream and Lyons ***Maid*** products which command a substantial market share in the ice cream sector. The companies usually imports their vanilla flavor directly from S. Africa or sometimes source from their local suppliers. They use synthetic vanilla to flavor their products because of perceived high cost of natural vanilla. Targeting of such a processor will also require a good price strategy completed by consumer awareness.

There are 5 dominant vanilla flavours in the market all of who are sold as diluted vanilla liquid flavours packed in 50gm jars. The most dominant and preferred flavours are festival accounting for approximately 38% followed by Dominion brand which commands 36% of the market. Hennas is the third most preferred brand with a market share of approximately 14%. There are also Batian and Moirs brands which are imported and only account for 12% of the liquid vanilla flavor market.

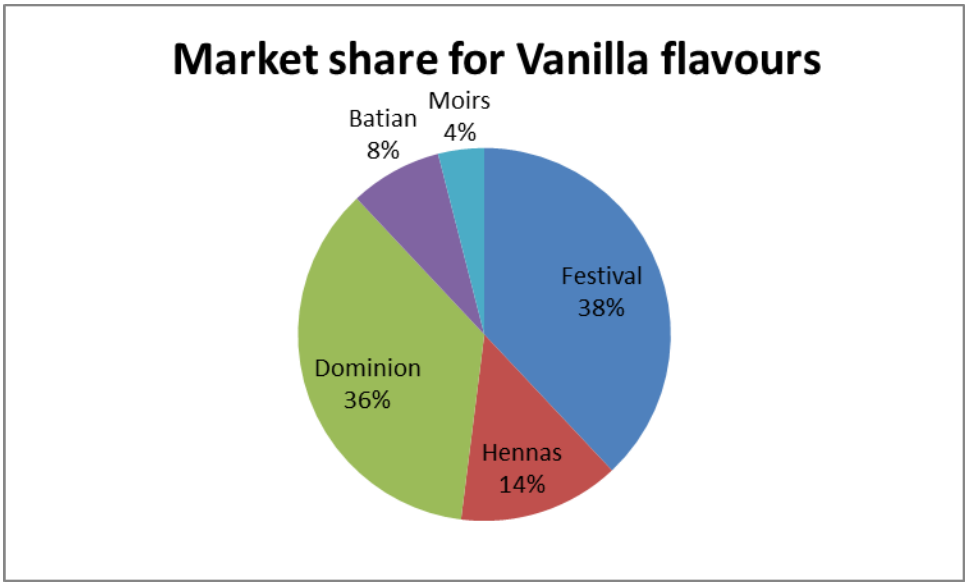


Figure 4: Market share for Vanilla Essence Brands

When probed on the preference of the brands, the retail markets and the processors indicated availability and preference by consumer as the reasons. This means that with proper marketing, distribution and branding, if new brands are introduced they can succeed in establishing their own market share.

6.6 VANILLA PRICING

The average price of synthetic vanilla essence across the retail market was calculated as Tsh800 per 50 gms translating to Tsh 16,000 ($10)/kgs. The price of synthetic vanilla however has been oscillating as a result of changes in foreign exchange. The price as per brand is as follows:

Table 4: Vanilla Essence Brands and Prices

VANILLA LIQUID BRAND	APPROXIMATE MARKET SHARE	PRICES In Tsh
Festival	38	1120
Hennas	14	1100
Dominion	36	1100
Batian	8	1200

Moirs	4	1780

The price of natural vanilla essence was not established since it is not available in the market. The price for dried vanilla beans was retailing at Tsh 5200 per 50gms translating to Tsh 104,000 ($65) per Kg

6.7 CONSUMERS OF VANILLA FLAVOR AND VANILLA PRODUCTS

The major consumers of vanilla flavor and vanilla products in East Africa are the general public. The consumption of these products from processors and wholesalers are largely supermarkets, hotels, schools and Airports. The demand for vanilla flavored yoghurt has gained ground and is currently rated as number 3 in volumes and value sold behind strawberry and natural flavored yoghurt. Other vanilla products that are gaining popularity among consumers include instant pudding, jelly crystals and cake mix.

The natural vanilla pods have a niche market and are also sold in various supermarkets. For example in Chandarana supermarket in Nairobi customers preferred the ***Ooh!*** Vanilla pods though expensive compared to the synthetic vanilla due to the taste. The current trend in the East African market towards healthy food due to increased awareness have created a potential for launching marketing of natural vanilla in the East African market. This is because some respondents in the supermarket indicated that inaccessibility of natural vanilla has also lead to its low uptake by consumers. The key to success in market entry is to present high quality vanilla which is fine in terms of **flavor**, **taste** and **aroma.**

7.0 CONCLUSIONS AND RECOMMENDATIONS

The current market for vanilla and vanilla products in East Africa is dominated by synthetic vanilla flavor (Vanillin). There is tendency from some processors to import natural vanillin made from lignin. In general, the market for natural vanilla essence, pods and powder and other natural vanilla products have not been exploited in East Africa. MAYAWA project therefore have an opportunity to utilize and advantage of the market in the advent of common market in East Africa.

To enhance success in market entry, it will be advisable to develop a good pricing strategy incorporated in a marketing strategy. Some of the key areas of considerations are to create a good relation and partnership with big processing company like Azam , Fresh Dairy and Bio foods (Dar es Salaam, Kampala and Nairobi) whom their per year looks attractive and since they already indicated their willingness to buy natural vanilla during survey. Other options could be to liaise with processors and key supermarkets especially those that indicated willingness to initiate selling of natural vanilla.

Regional markets are considered as more stable compared to international markets. The utilization of the regional East African market will help caution farmers participating in the project in case of fluctuation of prices in the world market. Consideration of entry into the East African vanilla market is therefore encouraged.

In their participation at Biofac there were number of potential customers whom show some interest in buying MAYAWA vanilla but only the Gourmet and first grade (They have a list and their contacts). This will be a good opportunity for MAYAWA to start communicating with them and fetch better price at fist grades and the lower grade can be used in extraction process targeting the industries mentioned above.

MAYAWA can communicate with TOAM for link to the extraction industry (to process their lower grade vanilla) and potential liquid vanilla customers as their target markets. Better gain from international and Regional market will increase MAYAWA income and ultimately they can pay their farmers well which will motivate them to increase production.

ANNEX 1: INTERVIEWEES AND CONTACTS (DAR ES SALAAM)

NAME OF THE COMPANY	LOCATION	NAME OF INTERVIEWED PERSON	CONTACTS
Shoprite supermarket	Pugu Road	Mathew Kaubo	Box 2700 DSM mkaubo@shoprite.co.za
Shoppers Supermarket	Mikocheni	Procurement Manager (Makaya)	Box DSM 0754 042 744
Uchumi Supermarket	Quality Centre	Procurement Manager	Box 69057 DSM 0656 622720
Shrijees Supermarkets	Oysterbay	Mr. Vijej Khan	.Box 2007 DSM
Principal Company Ltd	Sinza Kumekucha	Mr. Moshi	Box 2249 DSM 0763 888 074
Tambaza Cakes Center	Upanga	Evangelista Mango	Box 791 0786 651 948
Happy Cakes Bakery	Sinza Makaburini	Happy Mangesho	0714 023 623
Bakhresa Company (Azam)	Vingunguti	Mr. Prakash	Box 7646 DSM 0718 8000 000
Tanga Fresh Dairy	Chang’ombe	Hellen Usiri	Box 3023 Moshi 0754 587 043
TSN Supermarket	Tegeta	Isaya Mwaipopo	0717 577721
Marys Restaurant	Msasani	Gabriel Chitambo	Box 13991 DSM 0713 971017
Kipara Company Ltd	Kariakoo	Hamis Kipara	0754 310 707
Serengeti Instant	Mikocheni	Quality Controller	0754 609721

Coffee		Mr. Abdallah Tibenda	
Afri Tea and Coffee Blenders	Gerezani	Procurement Supervisor Mr. Eugine	0754321100
Tanzania Distilleries	Chang'ombe	Pax Masiomba	Box 65001 DSM
Tyson Distilleries	Mwenge	Prakash Muthali	
Yami Yami Restaurant	City Center	Procurement Manager (Mr. Dickson)	Box 11019 DSM 0719 917640
Kimanga Bakery	Tabata	Managing Director Mr. Masika	0655 611131
Buguruni Modern Bakery	Buguruni	Mohamed	Box 79027 0713533286
Pension Tower Bakery	New Posta	Sales Manager (Hafidhi)	Box 69004 DSM
Magic Kingdom (Steers)	Posta	Supplies Officer (Ms Anna)	0787 122 133
Bio Shop	Slipway	Silke Koningsman	Box 80491 DSM 0684111950

ANNEX 2: INTERVIEWEES AND CONTACTS (NAIROBI)

NAME OF THE COMPANY	LOCATION	NAME OF INTERVIEWED PERSON	CONTACTS
Uchumi Sarit Centre	Westlands	Joseph	Box 73167- 0200 NRB
Glacier Products Ltd	Accra Rd Industrial area	Production Manager	info@dairyland.co.ke.
Chandarana Supermarket	Yaya Centre	Theuri, Stock taker	
Zucchini Ltd	ABC, Westlands	Jandu S., Proprietor	254-20-4444433 info@zuchini.co.ke.
Cornershop Green Grocers	Yaya centre	Yash Wadhwa, Proprietor	csl@mitsuminet.com 2712268/9
Healthy U			
Tuskys Imara	Tom Mboya	Mwaura, Lines manager	020- 2244793
Maguna's	Kahawa Wendani	Mwikali, Manager	kahawamagunas@gmail.com

Supermarket			Box 990-00600
Nakumatt Lifestyle	Muindi Bingu Strt	Joseph	Box 78355-00507 Tel.0722204931, nakumatt@nakumatt.net.
Kassmart Supermarket	Githurai 45	Joseph Mulwa	Box 1305-00100 Thika, Tel. 020 813774 /0721353676
Hennas Products			0733 778269
Alison Products Co.Ltd			info@alison.co.ke.
Home Deport Supermarket	Zimmerman	Gerland Customer care	Box 62651-00200 Tel. 0718637360
Ukwala Supermarkets	Tom Mboya Stt	David, Line Manager	Email: ukwala@wananchi.com, Tel: 020 51211370, Box: 34667-00100
House of Manji	Likon Road		
Naivas East Gate	Outering Road	Kamau Attendant	Tel. 020-2463441
Jacmil Mega Supermarket	Kinoo	Mary, Self Attendant	Box 39749-00623Kikuyu
Bio Foods Products	Road C, Mombasa Road	Mwangi, Production Manager	info@biofoods.co.ke Box 27623-00506 Sampled cities, www.biofoods.co.ke
Pradip E.A Ltd	Biashara Street	Dinesh, Manager	Box 49916-00100 Sampled cities Tel: 2221926; Email. info@pal-ea.co.ke.
Razco Ltd	Baba Ndogo	Production Manager	Box 63538-00619 Tel. 2379994/ 0722786149/ 0732 786146; email. info@lyonsmaid.com.
Mathai Supermarket	Ruiru	Stephen, line manager	Box1499 Ruiru, Tel. 0712909789; email. mathairuiru@yahoo.com
Healthy U Limited	Mombasa road	Anne Muhoro, Marketing	info@healthyu2000.com

ANNEX: 3 INTERVIEWEES AND CONTACTS (KAMPALA)

UVAN Limited

P.O.Box 31564, Kampala, Uganda

Mr Aga Sekalala Sr: +256 772 702 905

Mr Aga Sekalala Jr: +256 772 700 800

e-mail: sekalala@infocom.co.ug

Esco Uganda Limited

P.O.Box 7892, Kampala, Uganda

Mr Philip Betts: +256 752 755 066

Office: +256 312 261 601

e-mail: info@escouganda.com

General inquiries can also be addressed to:

The Association of Vanilla Exporters of Uganda (VANEX)

Contact: Ms Evelyn Kanagwa

Mobile Tel: +(256) 712 402 244

E-mail: vanex@ugandavanilla.com

Uganda National Bureau of Standards (UNBS)

Plot M217 Nakawa Industrial Area

P.O.Box 6329 Kampala

Tel.: +256-414-505995 ,+256-414-222369, 0800133133 TOLL FREE

Email: info@unbs.go.ug

ANNEX 4: CHECKLISTS

Criteria	**What information do we need?**
Demand	For the product: • Type of consumers (characteristics of the customers: community, district, national and international) • Relative amounts of the product sold at the community, district, national and international levels • Income and margins at the community levels (per person men and women or household) • Losses (spoilage, lack of buyers, etc.) • Fees and taxes at the village or district level • Surplus at the community level (estimate based on unfulfilled demand and on resource)
Competitors, prices	For the product: • Estimate of the number of companies, middlemen, processors, etc that are involved in the market chain and their relationship to each other • Price received and prices of sale in each level of the market chain (if any) • Determine the trends in pricing and competition at each level of the market chain for the past three years
Infrastructure	Quality of infrastructure: • Can the product be efficiently moved through the market chain (transportation constraints and other bottlenecks)? • What is the primary mode of transport through the market chain or to the market (bicycles, trucks, planes, etc)? • What are the costs of transportation from one transaction to the next [e.g. cost per kilogram]? • Communication infrastructure and possibilities for communities to maintain forward linkages with buyers and markets • What are the major sources of market information for actors in the market • Do farmers have access to communication means and information?

ANNEX 4: CHECKLISTS

Criteria	What information do we need?
Distribution **Access to credit** **Market positioning** Quality **Requirements**	• What is the destination for the product (community, district, national, international)? • How long does it take the product to move from producer to consumer? • Who are the direct actors who are involved in the movement of the product and how many are there? For the product: • What are the credit needs and access of the members involved in production? • What are the credit needs and access of the members involved in marketing? For the product: • Who are the consumers of the product? • Is the producer aware of the consumers' preferences? • Is the product sold in a processed or unprocessed form? • Is there a way of value adding to the product in order to meet certain customer preferences? • Can the product meet international standards/requirements?

Criteria	What information do we need?
Role of institutions and organizations **International policy** **International certification**	For the product: • What are the roles of MAYAWA • What are the roles of other institutions: local, national or international (NGOs, government agencies, research institutions or private sector associations and chamber of commerce) in collection, processing and marketing • Are there any international policy constraints on the product or on processing or current trade agreements, which might help or hinder product marketing? • Certification requirements, and standardisation required by international markets

ANNEX 5: QUESTIONNAIRES

Guide for Data collection on processing and marketing of vanilla

1. Name of Institution/company: ………………………………………..

   Physical location: …………………………………..
   Address: ……………………………… Tel: ………………………..
   E mail: ………………………………… Website: ……………………..
   Is the office in a branch or Head office

   ☐ Head office ☐ Branch

   If it is a branch provide details of the head office
   Physical location: …………………………………..
   Address: ……………………………… Tel: ………………………..
   Email:………………………………… Website: ……………………..

2. Name of Respondent and position ………………………………………………

3. Years of operations ………………

4. Main company activities:
   1. ……………………………………………………………….
   2. ……………………………………………………………….
   3. ………………………………………………………………..
   4. ………………………………………………………………..

5.Do you buy raw or processed vanilla?
Raw……………………………..1
Processed……………………2
6. Where do you get vanilla? Please specify name and location
1. Direct from farmers?...
2. Through middlemen? ……………………………………………………….
3. Marketing association? …………………………………………………….
4. Processors?...
7.How do you recruit new suppliers? (Probe whether is on enquiries, other suppliers, networks)
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…………………………………………………………………………………………………..
…………………………………………………………………………………………………..

8.Do suppliers deliver at your premises or you pick from their premises?………………………………………….

9.What is the estimated quantity of raw vanilla have you purchased for the last three years

Year 1………………. Year 2……………… Year 3…………….

10.Do you prefer natural vanilla? Yes ……… No……..

If Yes, why …………………………………………………………………

11.What has been the lowest and the highest buying price in the three years?

Lowest……………………….

Highest………………………

12. After processing, what is the final product?

- Powder
- Liquid
- Other (specify) ……………………………..

13.Do you also deal with vanilla products Yes……. No……..

14. What is your price for different types and sizes of vanilla and vanilla products?

Name of product	Size	Unit price

15. Are there constraints or problems facing the company in terms of supply of quality raw materials? YES ………… No …………….

If Yes, please provide details of the constraints

……

……

……….

16.Who are your main target consumers of vanilla and vanilla products? (Tick more than once)

General public…………………1

Young children …………………2

Youthful population………….3

Mothers ……………………………4

Men ………………………………….5

Middle Income …………………6

High income ………………………7

Low income ………………………8

What is the most preferred vanilla product by your customers?..........................

17. Do you have any comments regarding the vanilla and vanilla product marketing in:

- Local market
  ………
  ………..
- Export market
  ………
  ………..

Thank you, your responses have been very helpful and more informative