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Food Distribution Research for Developing Countries

Discussant

Food 70's

Support for the position paper and the suggestion of need to consider the political and social situations, as well as the economic problems.

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● I heartily agree with Martin Kriesberg about the Food Distribution Research Society's qualifications for carrying out meaningful research toward the improved marketing of food. Having spent some time in several overseas assignments in Japan and Chile, I have felt greatly reassured in the work I was doing because of the many references I had to research done by the USDA, private industry, and many of you people present here today. Let me thank you for all of that and for the many reference materials we have used over the years in our food distribution program at California State Polytechnic College, Pomona.

In looking over the program of this 11th annual meeting of the Society, I didn't find the presence of a political scientist on the agenda. While Martin himself and others of you, too, might qualify in that regard, it occurred to me that some expertise in that regard might be helpful. Political science is an inexact one at best. Some insight in this regard seems important if one is to work effectively in a foreign country.

Then, of course, there are the sociological problems. So I suppose we need the counsel and close working relationships of the sociologist if we are to engage in studies about how better an underdeveloped country can distribute its produce.

I could go on and add nutritionists, and anthropologists to this list, and I suppose there is even need for a psychologist or two. You name it. The list can go on and on. What I am

saying, I guess, is that one needs a lot of help if one is to do research in a strange country.

I suppose my pitch here today is for the kind of information needed if one is to work effectively in a foreign land. Martin mentioned the need for research concerned with market structures and systems. Included here would be prices, taxation, government policies, and institutions. In Chile a large proportion of the prices of fresh as well as processed foods are set by the government. For example, the government sets the retail price of casuelo, a cut of beef meat, which is very popular with the lower income groups. The price the retailer gets for it is several cents a pound less than what he pays for it. In effect, this is a charitable contribution demanded of the retailer.

Because of the tax structure, wholesalers own very little of the commodities they handle. They distribute but do not take title. In that way they avoid the addition of taxes which are imposed at each point of sale. Then, too, the checkstand operation is complicated because of different and varying taxes that are added at that point.

The handling of produce enroute to the market is a fright. Martin is exactly right. Much research needs to be done here. Assembly and transportation rank uppermost, I suppose. And then there is the "customary" central market that may not be the nearest or even the best.

In Chile, for example, produce harvested hundreds of miles away is shipped to Santiago and then back to market near where it was produced. Hundreds of miles and several days time only because "This is the way they have always done it". Involved here, no doubt, is the political, and the social, and the economic. The institutions of handlers, shippers, brokers, and wholesalers add to the costs and make the producer's share miniscule. I suspect proof of this folly isn't needed and that is why I am making a case for understanding the customs that are so outmoded.

The street vendors and public market stalls are such well accepted institutions that some of the supermarkets do not carry fresh meat and produce. These vendors aren't always cheap, either. Prices in supermarkets that do carry meat and produce are often much less. Here is a "fruitful area", to coin a pun, for some price studies in the "consumerism" vein.

Due to government attitudes and pressures, Chilean supermarkets are constrained from providing better selection, improving the handling and displaying of their fresh products, and providing better variety. A certain percentage of the population, possibly fifteen percent or so, appear willing to pay higher prices for better quality and selection. Even before research is applied, it seems to me, one needs to know the social, political, and economic factors which apply. In this regard, there was some talk of setting up a demonstration store where these ideas could be tried. Some said that people would just not pay more for better selection and quality; others felt differently.

In some respects, the government labor code resembles a union contract. Chilean supermarkets have two types of people employed. One category is called "workers". Then there is a group called "employees". They operate the checkstands, stock shelves, etc. Workers are prohibited from doing employees work. Of the two major supermarket firms, one believed in using a higher percentage of "employees" because they felt this made for increased employee motivation and gave added prestige. The other company, took the economic attitude and used a higher percentage of workers because the pay scale was substantially less. Neither had facts. Both seemed to enjoy the stance they were taking.

The government enters into business in another major way by enforcing the closing of supermarkets in certain downtown areas from 1:00 to 4:00 P.M. daily. A legalized government sanctioned "split shift". The reason for this was never clear. These are just a sample of what may confront one who starts out to do research or apply it in a foreign country.

One thing for sure is that they don't view everything the way we do. I found this out in setting up an industry steering committee for an industry-wide employee and management training program. It seemed appropriate, I thought, to include some wholesaler representation on the committee. Nothing was said at the time and the committee began to function in grand style. Everyone seemed satisfied and all was well. Finally, the wholesaler missed a meeting and the retailers present took it upon themselves to educate me. They wanted to know just why I thought it was important to have wholesalers represented. Actually, it was more in the interest of industry relations and liason. They proceeded to tell me why they felt as they do. I didn't realize, it seems, that in Chile the wholesaler doesn't fulfill the same service functions so ably provided by the U. S. wholesalers. In fact, they were downright autocratic with the retailers and would refuse to sell to them, for instance, if the retailer bought direct on occasions. It was "all or nothing" making it very difficult for the retailer and leaving him few alternatives.

In the eleven weeks I was in Chile, I must have spent half of that time learning about some of these things which, had I had some prior information about, would have been understandable and my time could have been more efficiently spent.

I'm not suggesting the researchers involve themselves in the tangle of the political, the social, the cultural, and all other relative matters. I am saying that the Food Distribution Research Society ought to be tuned in to the myriad of problems inherent in other countries and cultures, and that research itself, however needed and pertinent, must be approached from the standpoint of the social and the political, as well as the economic. ●