# Tool 5: Market Supply Chain Mapping[[1]](#footnote-1)[[2]](#footnote-2)

This tool will guide the assessment team to create supply chain maps that can be used to update and record information as data is collected. By the end of the data collection it should be possible for teams to build something similar to the example map included below. This tool will be used in Step 3, when the draft supply chain map is completed and in Step 4, when the maps are revisited and completed with additional information. Refer to Annex A, Part 2.2 for guidance on mapping during emergencies and for preparedness programmes.

### About Supply Chain Maps

* Market maps are:
  + Developed for each good that has a different supply chain.
  + A visual tool to communicate useful information, including relationships between market actors and geographic areas (across and within borders).
  + Simple and easy to read and understand, focusing on the aspects that are relevant for goods of interest.
* Developing the maps is:
  + An **iterative process** that requires probing/ questioning and revising the maps. They are likely to be revised / redrawn multiple times and this should be encouraged!
  + Usually done in sequence but depending on the skills and knowledge of the team, can be done at the same time.
* Maps are used to:
  + Help the field team to decide which market actors and key informants to meet
  + Help to work out what issues and questions to focus on
  + Assist in the analysis of market data

**TIPS**

* *Ensure that the team have sufficient time to study and understand the example map below, this will save time and improve the quality of data recorded*
* *Ensure that price and volume data refers to specific unit and specifications of goods*
* *For this exercise you will need:* 
  + *Flip chart (or white boards), Post-its (various colours) and pens (various colours)*
* Placing market actors / service providers and such like on post-its will help the iterative (see below) process that takes place when mapping.

### Example Supply Chain: Wheat markets

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Questions 1-4, the draft supply chain map, will consider only the actors in the market chain – these actors will include anyone who regularly interacts with the movement of this good.

Question 5-9, the supply chain map, will involve adding more detailed information to the market actor and flow component and will consider the *Infrastructure & Services* as well as the *External Environment* in order to the understand the most important factors that contribute to the effective running of this market system.

Draft supply chain mapping

***Develop a Supply Chain Map for EACH CORE GOOD***

Start the supply chain by thinking about the connections between markets and the movement of goods. To do this, refer to the market place map that was done in Step 2. Using the following questions, draft the simple supply chain including the actors in the chain and the movement of goods between these actors.

* It may be useful to print a copy of the example map for all team members as the aim will be to develop something similar to this.
* Remember at this point you will not have all of the information and the maps will be revisited.

***Question 1: Is it possible to group items on the shopping list?***

Items on the shopping list may be grouped by supply chain if they are usually supplied by the same retailers and suppliers and if they usually follow the same journey from production to consumers.

***Question 2: Who are the actors that deal with the goods and what do they do?***

Name the actors according to the activity they undertake. Limit yourself to the most important actors (try not to exceed 6-8).

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| Example of market actors in a wheat flour market:   * Importers/exporters, * Producers (big and small farmers) * Millers (central and local) * District traders / Wholesalers * Retailers (urban and rural) * Consumers (urban and rural, refugee camp, villages) and listed by type of consumer (refugee/ local) |

* Ensure that all teams are using the same definitions / descriptions for different sized traders.
* The box representing the consumer can indicate both local and displaced communities. Choosing whether to represent displaced and local populations together will depend very much on the context of the assessment.

What matters most of all, is that the map being developed makes sense to the assessment team, that they understand what it represents.

***Question 3: How do the goods move in the market chain?***

It is important to identify the direction in which the goods flow from the producer to the final consumer. A good can flow in different directions depending on the size, specialization and location of the actors, among other factors.

Small farmers

Bigger farmers

Local mills

Rural Retailers

Large flour millers

Rural Population

(incl. 1 refugee camp)

District traders

Urban retailers

Urban population

(local + refugee)

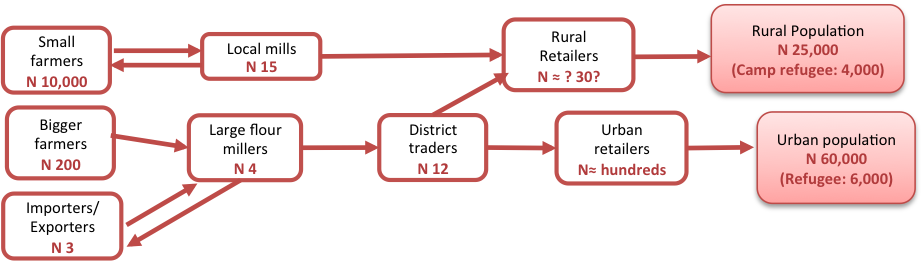
Importer/ Exporters

|  |
| --- |
| ***Keep in mind: Cross border trade[[3]](#footnote-3)***  Many displaced populations are located close to borders between countries. While cross border trade may not be large in comparison to the total national supply, it can be quite significant within a specific province or district.  Wherever there are significant formal or informal **cross border flows** of goods, it is important to account for the possibility that goods could move into and out of border areas and the broader market networks as the market conditions change. |

***Question 4: How many actors of each type are there?***

The data collected using Tool 3 will have assisted in answering this question. The map will now represent how many actors of each type are in the chain and how big the target group (consumers or producers) is.

If at this point in time exact numbers are not known, then, this is not a problem. Include what is known. **Where there are gaps in information – highlight these for investigation in the next assessment step.**



Supply chain mapping

Following more detailed assessment, this map will be used to expand upon the draft supply chain map, to include additional data and amended data.

* Start by reviewing the draft maps and any secondary information that was documented when the Draft Supply Chain Map was developed (Questions 1-4)
* Do not be afraid to redraft the map if necessary.
* Follow the questions below to continue to develop your market map,
* Refer to data collected using Tools 6 & 7 and guidance in Step 4.

***Question 5: What is the volume of goods in the market chain?***

The volume of goods that each actor handles are represented below in metric tonnes. Refer to Step 4 to determine unit of measurement.



***Question 6: How does the monetary value change throughout the chain?***

The monetary value can be shown as the price at which the good is sold. Use agreed unit as per the specifications



It can also be shown as the value that is added at every step throughout the chain. Deducting the difference will lead to an overview of the margins at the different steps.

***Question 7: What types of relationships and linkages exist?***

Relationships or linkages between market actors generally fit into one of three basic typologies:

* Spot market relations are created ‘on the spot’, i.e. actors make a transaction (including negotiations on price, volume and other requirements) with a specific duration and scope.
* Persistent network relations happen when actors have a preference for transacting with each other time and time again. These relations require a higher level of trust and some level of interdependence, and can be formalized by contracts.
* Horizontal integration goes beyond the definition of a ‘relationship’. It happens when the actors involved share the same (legal) ownership, and the same organization (a company a cooperative, etc.) deals with different processes throughout the market chain.



***Question 8: What infrastructure and services support the market chain?***

Including this information will allow you to identify and represent the most crucial elements of infrastructure and services and link them to their users within the market chain. This will be used when understanding market resilience and interpreting risk. It provides a space to record qualitative data that has been collected and allows you to understand the role that infrastructure and services play in maintaining the market system’s efficiency and accessibility.

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***Question 9: What factors in the external environment impact on the market chain?***

This component of the mapping is concerned with rules, regulations, issues and trends that have significant influence on the market environment in which market actors operate. See Step 6 for more guidance.

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1. Red Crescent and Cross Society (2014) Market Assessment Guidelines, Tool 1.3 [↑](#footnote-ref-1)
2. The mapping model presented here is based on the market-mapping tool used in the EMMA toolkit (Albu, 2010). [↑](#footnote-ref-2)
3. Adapted from: FAO 2008, p40, 53 [↑](#footnote-ref-3)