

Performance of evening street markets of agri-food products in Morogoro municipality, Tanzania

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Abstract

The street food trade is a growing sector in many developing countries today. Street foods have recently begun to attract the attention of governments and various international agencies because one of the features of urbanization in developing countries has been a proliferation of the street food trade. For long, there was a lacuna in the studies of urban street food. Street food was considered as snacks offered by family enterprises to survive and, no further attention was paid to it. The present study showed that the market structure for both snack-meals and fresh fruits were competitive, with high concentration indices. In addition, gender product diversification and type of product had a significant ($P < 0.05$) positive effect on the sellers' profit. Snack-meals and fresh fruit sellers in the town centre earned more profit per day compared to sellers in the periphery. In this study, street evening marketing in Morogoro municipality was found to be profitable and competitive, with limited barriers to market entry. We recommend enhancing the operational efficiency of evening street agri-food markets and formalisation of the operations by the municipal council through allocation of hygienic premises, provision of business permits and facilitation of formation of sellers' associations to promote growth and credit worthiness of the evening agri-food street markets.

Key words: Agri-food, snack-meals, street food, Tanzania

Résumé

Le commerce des aliments de la rue est actuellement un secteur en pleine croissance dans de nombreux pays en voie de développement. Les aliments de la rue ont récemment commencé à attirer l'attention des gouvernements et de divers organismes internationaux, car l'une des caractéristiques de l'urbanisation dans les pays en voie de développement a été une prolifération du commerce des aliments de la rue. Pendant longtemps, il y avait une lacune dans les études des aliments de la rue en milieu urbain. La nourriture vendue dans la rue est considérée comme les collations offertes par les entreprises

familiales pour survivre et, aucune attention ultérieure n'a été accordée à celle-ci. La présente étude a montré que la structure du marché pour les casse-croûtes et les fruits frais était concurrentielle, avec des indices de concentration élevés. En outre, la diversification des produits selon les sexes et le type de produit avaient un effet significatif ($P < 0,05$) positif sur le bénéfice des vendeurs. Les vendeurs des casse-croûtes et des fruits frais dans le centre-ville ont gagné plus de profit par jour par rapport aux vendeurs de la périphérie. Dans cette étude, le commerce de la rue dans la soirée a été jugé rentable et compétitif dans la municipalité de Morogoro, avec des barrières limitées à l'entrée du marché. Nous recommandons l'amélioration de l'efficacité opérationnelle des marchés agro-alimentaires de la rue dans la soirée et la formalisation des opérations par le conseil municipal par l'affectation des lieux hygiéniques, la délivrance de permis d'affaires et la facilitation de la création d'associations des vendeurs afin de promouvoir la croissance et la solvabilité des marchés agro-alimentaires de la rue dans la soirée.

Mots clés: Agro-alimentaire, collations, aliments de la rue, Tanzanie

Background

The street food trade is a growing sector in many developing countries today. Its expansion is linked with urbanization and the need of urban populations for both employment and food. Migration from rural areas to urban centres has created a daily need among many working people who eat outside their home. Demand for relatively inexpensive, ready-to-eat food has increased as people, especially women, have less time to prepare meals (FAO, 1986). The term "street foods" describes a wide range of ready-to-eat foods and beverages sold and sometimes prepared in public places, notably streets (FAO, 1986) mostly in the evening. Street foods (SFs) have become an indispensable component of the socio-economic environment of many cities and towns in developing countries. Their nutritional significance to urban populations is considerable (FAO, 1997). Like fast foods, the final preparation of street foods occurs when the customer orders the meal which can be consumed where it is purchased or taken away. Therefore this study assessed the evening marketing system of street agri-food products in Morogoro Municipality, Tanzania.

Literature Summary

Street foods and fast foods are low in cost compared to restaurant meals and offer an attractive alternative to home-cooked food. In spite of these similarities, street food and fast

food enterprises differ in variety, environment, marketing techniques and ownership, for consumers, particularly from middle and low-income sectors of the population who depend heavily on them, most of them earning an income above the official minimum wage while some of them earn twice or more of this amount (FAO, 1986). Street foods outlets envisage a special marketing system of agri-food products.

Street food vendors operating in evening agri-food markets are often unlicensed, untrained in food hygiene and sanitation, and work under crude unsanitary conditions. Indeed street foods often reflect traditional local cultures and exist in an endless variety. There is much diversity in the raw materials as well as in the preparation of street food beverages, snacks and meals. Sellers' stalls are usually located outdoors or under a roof, which is easily accessible from the street. They have low-cost seating facilities, which are sometimes rudimentary. Their marketing success depends exclusively on location and word-of-mouth promotion. Street food businesses are usually owned and operated by individuals or families but benefits from their trade extended throughout the local economy. For instance, vendors buy their fresh food locally, thus linking their enterprises directly with small-scale farms and market gardens.

The growth of this sector coupled with the inability of the governments to create jobs made the case for the politicians to strongly support street vendors and the people on the margins. There have often been strong statements that although street vendors are temporary in nature, and the government has failed to provide opportunity for them, they should not be disturbed (Msoka, 2005). They really operate as orphans by lacking meaningful policy support. The street evening sector has been left to strive on its own without supportive interventions from the state and other development stakeholders.

The central characteristic of evening street agri-foods in this definition is location, namely that they are sold on the street particularly in the evening. The SFs marketed in the evening share some characteristics with SFs marketed during a day. Chakravarty and Chanet (2005) found three additional distinguishing characteristics of street foods marketed in the daytime. These are: (i) food prepared in small or cottage-scale factories and brought to the street food stall for sale; (ii) food prepared at the home of the vendor and brought to the street

food stall for sale; and (iii) food prepared and sold at the street food stall.

According to Nyange *et al.* (2000), the main markets of fresh fruit are urban centres of Dar es Salaam, Arusha, Tanga and Morogoro, where traditional open air markets compete with street venders and road side mostly located in residential street and high ways bus stations, main bus stands, highly populated road side during evening as the main source for most urban dwellers especially low income earning earners.

It is recognized that street food vendors are often poor and uneducated and lack an appreciation of safe food handling. Consequently, street foods are perceived to be a major public health risk. In 1995, the World Health Organization (WHO) undertook a survey in over 100 countries to assess the situation with regard to street-vended food (WHO, 1995). The survey noted that the majority of countries reported contamination of food (from raw food, infected handlers and inadequately cleaned equipment) and time and temperature abuse to be the major factors contributing to food-borne disease. This was partly due to the fact that infrastructure development was relatively limited, with restricted access to potable water, toilets, refrigeration and washing and waste-disposal facilities. Moreover, registration, training and medical examinations were not among the selected management strategies.

Study Description

A socioeconomic research was conducted in the Morogoro Municipality, the headquarters and commercial capital of Morogoro region in Tanzania. Morogoro municipality is bordered to the north by the Morogoro Rural District, to the east by the Coast Region, to the south by the Kilombero District and to the west by the Kilosa District.

The study was conducted between the months of January and February 2011. Convenience sampling, a non-probability sampling method, was the sampling technique employed in this study. The method helped to maximize the time and effort placed on identifying the respondents, as there was no information on them that existed to be the basis of establishing the sampling frame. The final sample size was made of 158 households, 118 from sellers and 40 from customers.

Research Application

The concentration ratio and barriers to entry into the market using to analysis of market structure, the seller's concentration

(CI) indices for snacks and meals and fresh fruits were 20.6% and 19%, respectively. There are also low barriers to enter the evening market business due to low transaction costs including absence of licensing requirement, low capital requirement and security and safety at night. However, snacks and meal sellers had higher gross margin than fresh fruit sellers.

A regression analysis of the determinants of profitability, product diversification, type of product and gender had a significant influence on profitability. Also gender had significant negative relationship with the profit ($P < 0.05$) as anticipated, revealing that women received lower profit as compared to men. This could be attributed to factors such as security of the business; it is not safe for women to sell at night as compared to men.

From the study, three recommendations can be made. First, the local government in Morogoro should allocate suitable areas for street sellers to conduct their businesses. Agri-food sellers should be given legal permits to run their business and to be legally registered entities to avoid harassment from unscrupulous municipality officials. Secondly, Local government through municipality cooperative officers should facilitate street evening sellers to form saving and credit cooperatives societies (SACCOs) as an alternative to formal banks. This is because through SACCOs, sellers can operate their saving accounts and access credit on relatively simple regulations. The cooperatives need to be facilitated in accessing credits from commercial banks, for example through guaranteed lending and proper interest rate policy, in order to increase their capital assets. Thirdly, it is recommended that food vendors come together and organise themselves into an association to collectively voice their needs and for easier regulation by the municipal authority and other development stakeholders. It is further recommended that studies on evening street market need to be undertaken in other urban areas in Tanzania to improve their operating system and efficiency.

Acknowledgement

The authors are grateful to RUFORUM and the DelpHE project for financing the study.

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