**Facilitation Guide**

**Emergency Response Workshop**

**Session 1.4: Market Concepts 2hrs**

**Objectives of the session**

* To introduce participants to key market concepts that influence the choice of response options.

**Key Messages**

* Most people, especially the poor, rely on markets to provide food, essential goods and services; markets also provide access to paid work, and an outlet for selling commodities and services.
* Strengthening markets can improve everyone’s lives and livelihoods; harming markets can have serious negative impacts, particularly on the poor.
* It is important to understand markets, so we know if our programs are strengthening or harming them.

**Materials**

* Handout 1.4.1 Market Concepts Exercise Group 1: Market Integration
* Handout 1.4.2 Market Concepts Exercise Group 2: Government Policies
* Handout 1.4.3 Market Concepts Exercise Group 3: Seasonality
* Handout 1.4.4 Market Concepts Exercise Group 4: Competition & Market Power
* Handout 1.4.5 FEWS Policy Impacts Handout
* 1.4 Facilitator Cheatsheet, Market Concepts Exercise

**Facilitation**

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| **Time** | **Method** | **Facilitation notes** |
| 25 mins | Plenary (with or without PowerPoint) | **Introduce** the session by asking participants why markets are important (for beneficiaries, for our work).  **Review/define** key market definitions:   * + **Markets** – where buyers and sellers come together to obtain information and exchange *commodities*.   + A *commodity* is something tangible, that has value and can be exchanged.   + **Market chain** – sequence of *market actors* who buy, sell and transform a product or item as it moves from the initial producer to final consumer   + *Market actors* are all the different individuals and enterprises involved in buying and selling in a market system.   **Ask**participants to name different market actors, and write on flip chart   * + - Small-holder farmers, large-scale producers, assemblers, importers/exporters, traders, itinerant traders, processors, transporters, wholesalers, retailers and consumers.     - Along a market chain, each trader buys and sells at different prices; the difference between the buying and selling price – minus other costs (storage, transport) – is called the **margin**.   Show **Slide 8** and discuss market actors. Also note the terms “supply chain”, “value chain”, “market chain”.  Continue with **Slide 9**.   * + **Market system** – complex web of people, trading structures and rules that determines how goods and services are produced, accessed and exchanged.   **Ask:**When we consider the whole market system, who else might we consider in the list above? Add to the flip chart of market actors.   * Others behind the scenes: storage owners, input suppliers, credit suppliers, government officials and policies   **Introduce** the concepts of market characteristics and efficiency, using **slides 10-13**. Tell the participants that we will look more closely into a few of these issues in the following exercise. |
| 30 mins  60 mins | Groupwork  Plenary | Participants break into four (4) groups. Each group will be given a different market concept to discuss. A set of questions is given to guide the discussions.   * 1. Group 1: Market Integration (Handout 1.4.1)   2. Group 2: Government Policies (Handout 1.4.2)   3. Group 3: Seasonality (Handout 1.4.3)   4. Group 4: Competition and Market Power (Handout 1.4.4)   Each group will have 25 minutes to discuss the questions and to prepare a 5 minute presentation to the group on their subject.  **Facilitator tip:** Participants should be told that these are new concepts and it is not expected to that they will know all the answers. This is only to introduce the topics. Groups should ask for assistance if they are stuck.  Each group has five minutes to present their topic. After the group presents, the facilitator may need to supplement the information. Answers/discussion points are provided in the power point presentation (**slides 14-21**), as well in **2.4 Facilitator Cheat Sheet**.  Distribute **Handout 1.4.5 to the policy group**, for reference. |
| 5 mins | Plenary | **Slide 22. Conclude** with key messages; solicit any thoughts, reactions or questions on market concepts from the participants. |