Markets and Market Strategies for Communities in Ancoraimes

Elizabeth Jiménez, Alejandro L. Romero, Corinne Valdivia

The three most important crops commercialized in Ancoraimes are onions, peas, and potatoes. Specialization seems to be a feature for some communities such as Chinchaya, Karkapata and Cohani that have specialized on the sale of either onions or peas. For communities such as Chojñapata and Calahuancani, sale of animals (sheep and cattle) are the most important source of cash income from agricultural activities.

How markets function: characteristics and transaction costs

The degree of commercialization and the types of crops commercialized varies across communities. In the case of onions for instance, they are the number one product for Chinchaya, where 98% of its production is aimed at the market.

For onions, can be commercialized either in the same community where they are produced or market of the city of El Alto located at about 95 km (figure No 4). In the city of El Alto, three different markets for onions have been identified (Faro Murillo, Río Seco, La Ceja). The price for arroba (about 11 kilos) is higher in the markets of the City of El Alto than in the community where onions are most commercialized in Ancoraimes are: (1) middle-men locally characterized as "rescatistas", (2) community members. As shown (Figure No 8) for all agricultural products (crops, animals and transformed goods) middle-men are indeed the most important source of information.

CONCLUSIONS

(1) There are not substantial differences on prices across the markets, (2) the need to sell at the closest market (including their own community) is largely explained by distance. Transaction costs as reflected in transportation and time needed to access more profitable yet distant markets (3) Reliance on rescatistas for market related information shows the high degree of dependence on middle-men and other intermediaries of the commercialization chain. Reaching markets with higher prices involves more than transportation costs. Transaction costs for reaching distant markets includes the need to cover living expenses and the possibility to access housing through community networks and relatives. Producers would also need to commercialize greater quantities in order to reduce transportation and other transaction costs. The fact that shifts in market prices are not perceived as a major source of risk does not reflect a secondary role for markets. It could reflect various other factors, including the fact that commercialization takes place as a result of the need to access cash income.