

Transportation Cost Estimate for Remote Areas

In interviewing a former commodity trader/transporter in Zambia it was mentioned that she had to triple the ton/km freight charges when operating off the tarmac to reach remote communities. This appeared excessive but could actually be fairly transparently accounted for when considering the following issues:

1. Smaller vehicle with less load capacity for off tarmac use.
2. Tran-shipment of goods to or from the smaller vehicle somewhere near where the tarmac and unpaved roads meet.
3. Warehouse space and storage costs to make the transfer.
4. Additional fuel because the smaller vehicle is actually less fuel efficient on a ton/km basis.
5. Additional time required to travel each km on unpaved road, increasing the labor costs.
6. Additional number of trips to deliver or pick-up the same amount of commodities, again increasing the labor costs.
7. Additional fuel required due to slower travel with more frequent braking, accelerating, etc.
8. Additional frequency of repairs, from more bouncing around, adding wear and tear to the suspension, brakes, axles, etc.
9. Are there other concerns?

Unfortunately these extra charges can only be charged to the smallholder producers as a discount on what they receive for their goods or a surcharge on what they have to pay for inputs. This is because once you reach or depart the tarmac, you are competing with those more fortunate in having a better transport infrastructure and thus cheaper costs.



Off-tarmac road serving smallholder communities in Indonesia.



Overloaded Land Rover providing commercial transport services to remote community in Kenya. How much extra will this cost the smallholders?