



**Not by technology and  
money alone:**

# **The importance of functional capacity strengthening in agribusiness partnerships**

**Insights from 2SCALE**

2SCALE consortium

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Ministry of Foreign Affairs of the  
Netherlands

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The importance of functional capacity strengthening  
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July 2017



Photo courtesy: story authors, editors, Mahamane El Hadji Touré, Youssouf Traoré and Abidina Yakasai.

We specifically thank Mahamane El Hadji Touré, communications officer 2SCALE, for his professional support during the writeshop in Benin and his continued support throughout the realisation of this booklet.

Translations and copy-editing: Loosvelt, M.

Design and layout: Marjolein de Vette

ISBN: 978-90-73041-19-6



## Introduction

This booklet contains fifteen short stories told by field staff of the 2SCALE project about their personal experiences on how their work impacted a particular person or group. The booklet results from a regional review and capitalisation workshop that was organised in Benin in March 2017 within the framework of the 2SCALE programme. 2SCALE (Towards Sustainable Clusters in Agribusiness through Learning in Entrepreneurship) is a major agribusiness incubator programme implemented since 2012, and is aimed at promoting inclusive agribusiness partnerships in nine African countries. The programme is implemented through an international consortium, led by the International Fertiliser Development Centre (IFDC) together with the Base-of-the-Pyramid Innovation Centre (BoPInc.), and ICRA, an international centre for developing facilitation skills in agriculture.

The review and capitalisation workshop brought together professional agribusiness facilitators and trainer-mentors from Benin, Ghana, Mali and Nigeria, who have been involved with the 2SCALE programme for several years. Several days of in-depth analysis of selected agribusiness partnerships were followed by a two-day writeshop. The workshop analysed the importance of functional capacity (or soft skills) development in strengthening the partnerships, which is the common thread running through all the 15 stories that emerged from the writeshop as well.

The writeshop was based on the idea that we all tell stories about what we encounter in our work, but we often tell them orally. With this in mind we therefore started by telling stories out loud to each other before attempting to write them down. We asked the participants to highlight important business breakthroughs from 2SCALE interventions, and to focus on direct and indirect support to the business actors. In contrast with most project reports, we asked the participants (now authors) to write personal stories about the impact of the business breakthroughs on a particular person or group. While the stories are always written from the perspective of the author (who has supported the partnership as a trainer-mentor or facilitator), they focus on activities of different players in the partnership, whether of a farmer, a group of farmers, a processor, or private firm. And some stories are written in the first person, as the authors describe their own unfolding reflections on their role in strengthening partnership processes.

The method used for the writeshop involved different ways of getting feedback on the stories, firstly from one other person, then from the group, and then from the editors. On the second day, all papers were peer reviewed by colleagues and the team of bilingual writeshop facilitator-editors then managed the final editing through several e-mail exchanges with the authors. Still, the final stories presented here are those of the authors, field professionals (trainer-mentors and partnership facilitators) associated with 2SCALE. We respected as much as possible the original story line, format and logic, while also nudging them towards a final diversity of stories. Yet, even with 15 perspectives, we cannot tell the full story of all possible 2SCALE partnerships.

We have tried to keep the language in the stories as accessible as possible to readers. However, as they are based on field activities, results and experiences, the authors use terminology that might be seen as jargon.



## Concepts and terminology used in the stories

### Public-private partnership (PPP) or in short, partnership

An arrangement (supported by 2SCALE) in which public and private actors agree to promote inclusive business in targeted value chains/commodities. 2SCALE operates through a portfolio of about 50 commodity-based PPPs. Some of the PPPs started with a business idea initiated by a local so-called "champion" (who is often a *producers' organisation [PO]*<sup>1</sup> or *small to medium enterprise - [SME]*), to develop routes to the appropriate markets. Others were started by a larger-scale company seeking to source raw material from smallholder farmers. Each of the 15 stories relates to a specific partnership and one of these two types of PPPs.

### Agribusiness cluster (ABC) or cluster

A local (grassroots) network generally constructed around one or several group(s) of farmers, and interlinked enterprises, post-harvest managers, market agents, aggregators, processors and support services like input and credit providers, and transporters. In principle, each 2SCALE partnership groups several (5 to 18) ABCs. 2SCALE's focus on ABCs aims for the sustainable integration of smallholder farmers in the value chains to get better access to markets.

### Partnership facilitator

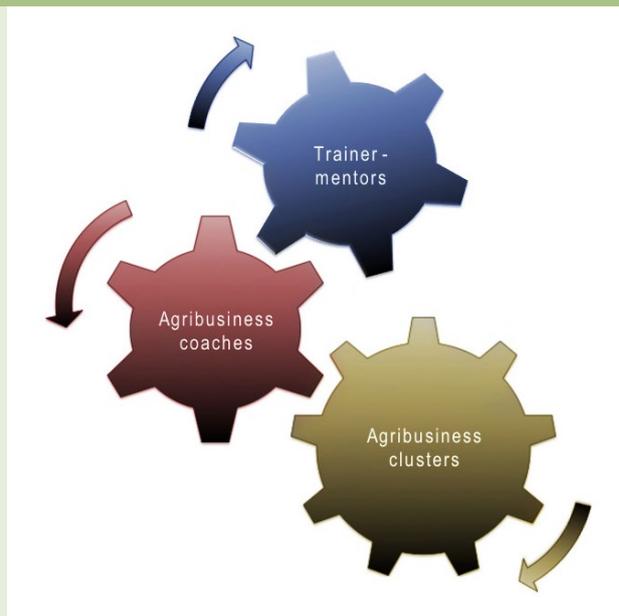
Professional agents contracted full-time by the 2SCALE project to supervise all 2SCALE support within a specific partnership and to oversee the development and implementation of yearly partnership action plans.

### Trainer-mentor

Professional ICRA associates, contracted part-time to support the design, implementation and evaluation of capacity strengthening activities in 2SCALE, as part of the yearly partnership action plans.

### Agribusiness coaches and Business support services (BSS)

Agribusiness coaches are local intermediaries who facilitate interactive learning between the different actors within the ABCs, leading to joint innovation. In principle, each ABC of a given partnership has a coach, although some coaches service more than one ABC in practice. Coaches organise **technical training** on "*hard skills*": for example, good agricultural practices, processing methods, etc.). They also **coach in** "*soft skills*" or "*functional capacities*" [also see next point], through brokering and building relationships, advising, developing networks, etc. The agribusiness coach can be an experienced



practitioner from a contracted BSS, such as an extension service, a research organisation, NGO, or consultancy; then we refer to them as "external" coaches (i.e. from outside the ABC actors themselves). But to promote sustainability and to limit external costs, the coaches of about 70% of the PPPs are staff members of the farmers' organisation or SME (trader or processor) that is part of the agribusiness cluster; in this case, we refer to them as "internal" coaches.

### Capacity strengthening (CS) and the CS model

In the 2SCALE context, the trainer-mentor is a higher-level professional trainer who develops and implements a yearly CS plan for the ABCs who serve one value chain; and who trains and mentors the associated agribusiness coaches. Typically, a CS plan includes several "learning cycles", each consisting of a thematic workshop involving the coaches within a given partnership, related coaching by these coaches within the ABCs, and then reflection sessions to consolidate the lessons learned. As well as training the coaches in the workshops, the trainer-mentor supports the coaches once they are in the field and backs up some of their coaching sessions with ABCs. We also call these coaching sessions soft-skills coaching or functional capacity strengthening. A trainer-mentor supports on average 5 to 10 agribusiness coaches who can be in charge of 1 to 3 clusters – whom they regularly visit.

<sup>1</sup> Producers' organisation (PO) and farmers' organisation (FO) are interchangeable in this document.

## Cross-cutting themes of the stories

A common perception in development programmes is that if farmers get access to improved technologies (for example better seeds, fertilisers, and modern agricultural practices) and finances, this will automatically lead to them being able to improve their farming livelihoods. However, this is not the end of the story. What the authors in this collection discovered through their facilitation and coaching work in the 2SCALE project is that in addition to access to better technologies and money, smallholder farmers and related business actors need a deeper understanding of how value chains and markets work, as well as strong networks and business relationships. For this, they need to develop functional capacities that give them the needed skills, confidence, mindset and attitude to achieve improvements that last.

These 15 stories take place in four countries and focus on ten commodities. In spite of this diversity, certain major themes emerge, that cross over countries and commodities. The main themes are: how building relationships and strengthening functional capacities (or soft skills) are necessary pre-requisites to technical improvements; the importance of organisations becoming more empowered; how to sustain support services beyond the project life; and a focus on gender and youth issues. These themes are explained further below.

### Relationships are key

All the 15 stories reveal the importance of building business relationships to get better business results. Relationship-building among farmers and providing support to the formation and strengthening of producers' organisations (POs) and cooperatives allow farmers to collectively buy agricultural inputs and equipment, negotiate better prices, organise financing of inputs and equipment with lower interest rates for loans. This theme comes out clearly in the Rice-Nigeria and Vegetables-Benin stories. Strengthening these horizontal relationships also allows POs to pool agricultural produce and to negotiate better prices (see the Sorghum-Nigeria, Maize-Mali, Cassava-Nigeria stories). The Soya-Ghana and Rice-Benin stories highlight strong organisation and leadership development of female-headed SMEs, and how they improved the processing, branding and marketing of their soya and rice products.

Most stories show the importance of local networking and the construction of vertical business relationships at the level of the ABC. The Soya-Benin, Soya-Ghana, Rice-Nigeria and Rice-Benin stories reveal the importance of strong business relationships between producer and processor groups to ensure marketable quality. The vegetable value chain stories from Benin and Ghana focus on building trustful relations between farmer groups, input providers and credit services. Clusters are not only important for producers' organisations to

develop reliable and sustainable market outlets, but also for larger-scale companies that want to source raw materials from smallholder farmers, as witnessed in the Sorghum-Nigeria story. Firms often start their sourcing activities in a rather centralised way, providing inputs and credit, as in the Sesame-Mali and Maize-Mali stories, but then gradually discover the need for decentralised business, which requires professional POs networking with other local-level business actors and support services (including local input providers, tractor services and financial institutions). The Maize-Benin story on the other hand shows that in the absence of a clear interest in decentralised business development, success can prove elusive.

### Functional capacity strengthening enables technical improvements

Several stories draw our attention to the fact that technical (hard skills) training alone does not necessarily lead to technological changes and business breakthroughs. There is often a very important ingredient missing and that is organisational and functional capacity development of the cluster actors to make it happen. In the Vegetables-Benin, Vegetables-Nigeria, Maize-Nigeria, and Sorghum-Nigeria stories, for example, training on good agricultural practices - including the use of certified seed, optimal fertiliser practices, but also mechanised planting and the use of irrigation devices - would not have resulted in wide adoption had farmers not also been coached in functional capacities (or soft skills), such as how to analyse production costs, identify options for cost reduction and efficiency, develop production, marketing and business plans, build good business relations, negotiate with other players, develop contracts, etc.

Initially, firms are generally interested in sourcing enough quality products. They often respond to this need by offering producers technical support only. Yet, as the HPW-Ghana and Pineapple-Benin stories show, firms can gradually discover the importance of functional capacity development, as a valuable complement to technical changes, leading to more sustainable, trusted partnerships and consequently larger volumes of quality produce. Agribusiness coaches, supported by the trainer-mentor, emerge in these stories as important contributors to strengthening functional capacities in terms of cluster and cluster-firm relationships.

### Organisational empowerment is crucial

That such functional capacity strengthening can lead to empowered organisations is highlighted in the Maize-Nigeria and Vegetables-Benin stories. The Cassava-Nigeria story then makes very clear that strengthening these capacities leads to improved access to informa-

## Overview of the stories and related cross-cutting themes

PPPs: Commodity-country	Relationship building			Functional CS enabling technical improvements	Organisa- tional Empowerment	Sustainability of support services	Gender and youth
	PO and SME	Cluster	Market & Farm-firm				
Soya – Benin		*		*			
Soya – Ghana	*	*					*
Rice – Benin	*	*					*
Rice – Nigeria	*	*	*	*			*
Vegetables – Benin	*	*		*	*		*
Vegetables – Nigeria		*		*	*		*
Cassava – Nigeria	*		*	*	*		
Sorghum – Nigeria <sup>1</sup>	*	*	*	*			*
Pineapple – Benin		*	*	*	*	*	
HPW – Ghana			*	*		*	
Maize – Mali	*	*	*			*	
Sesame – Mali	*	*	*			*	
Maize – Nigeria	*	*		*	*	*	
Dairy – Nigeria		*	*			*	
Maize – Benin	*		*				

1 This partnership is not part of the 2SCALE programme but of the Sorghum and Millet in the Sahel (SMS) project, funded by the BMG foundation; the SMS project uses the 2SCALE methodology including ICRA's CS approach and involves ICRA's trainer-mentor associate Lazarus Yarima (author of the story).

tion and insights into market trends, which allow the PO to negotiate fair deals with the company, and in time even without the direct backing of the partnership facilitator or trainer-mentor.

### Support services need to be sustainable without project support

Six of the fifteen stories report on the business actors' interest in continuing with providing support and coaching services to the ABCs beyond 2SCALE. This is however not a straightforward process given the fact that all coaches' activities have until now mainly been funded by the 2SCALE programme. As presented in the Dairy-Nigeria story, "external" coaches are now handing over tasks to "internal" coaches, and at the same time finding a way to commercialise their role within the business of the clusters. For example, by becoming a part-time input provider or milk transporter, they can



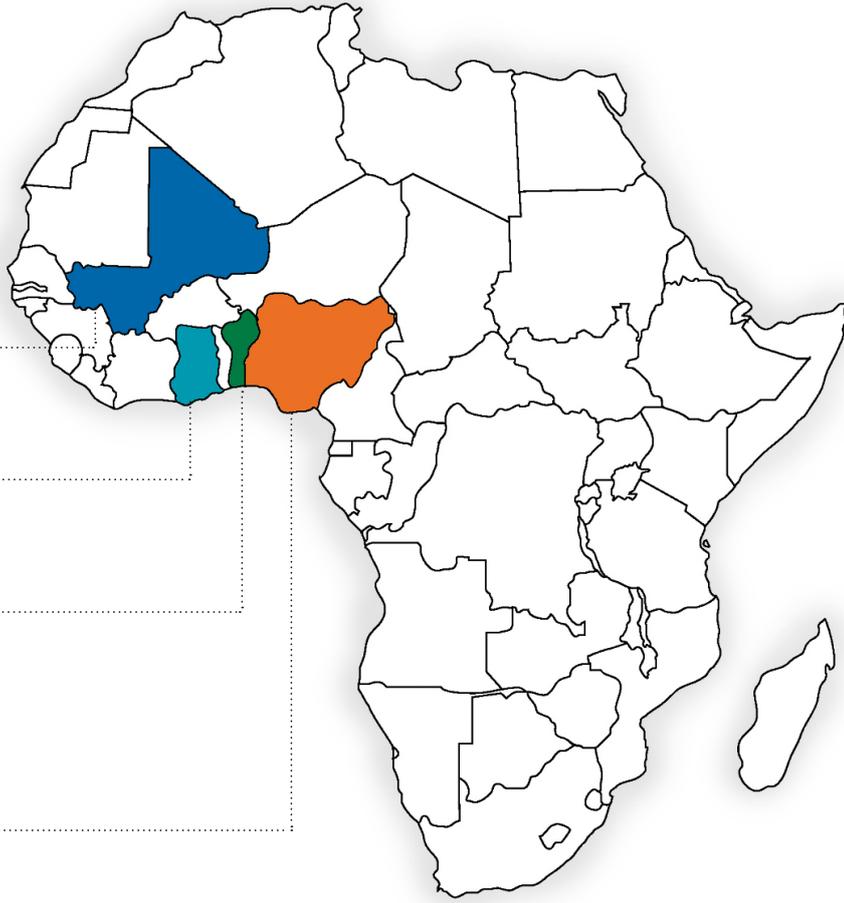
remain associated with the cluster and at the same time be in the position to continue to provide functional business support services when needed by the cluster. The Maize-Nigeria story also relates to this theme, as farmers and other cluster actors develop strategies to be able to pay for CS services themselves. The issue of integrating coaching services into the cost structure of the value chain ("embedding" the services) is also described in terms of internal coaches in the Pineapple-Benin and Maize-Mali stories, where plans are taking shape to deduct a small amount of the price of raw materials to fund coaching services.

### Women and youths make good business too

Six of the fifteen stories specifically provide a gender or youth employment perspective on the development of the agribusiness, both important themes to rural agricultural development processes. The Sorghum-Nigeria story shows the importance of women farmer cooperatives and their negotiation power with the sorghum aggregators. Two stories show an evolution towards strong female-headed SMEs, for parboiled rice (Rice-Benin) and soya processing (Soya-Ghana). Two other stories describe how enhanced growing practices and related business development in Benin vegetables and Nigerian rice sectors can help youth return to the village and become entrepreneurs.

*The editors,  
Mundie Salm, Marie-Jo Dugué and Toon Defoer*

## The stories' origin



### Mali

- Maize
- Sesame

### Ghana

- HPW
- Soya

### Benin

- Parboiled rice
- Pineapple
- Maize
- Soya
- Vegetables

### Nigeria

- Cassava
- Dairy
- Maize
- Sorghum
- Rice
- Vegetables



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# 1. Agricultural advisor: New challenges for an old profession

*By Bernard  
Dédjélénou,  
trainer-mentor  
and coordinator of  
URP-AL, Benin*



**Key themes:** Cluster relationships, Functional capacities

## Soya-Benin PPP

Soya bean processing into various marketable soya products is at the heart of the partnerships. The CTAE is an SME connected to producers to ensure reliable quality soya beans.

## Summary

**This story is about the author's challenges advising the soya partnership in Benin as a trainer-mentor. CTAE, the soya processing company recognises the importance of addressing quality challenges in order to get sustainable markets. For that purpose, CTAE developed a direct relationship with their supplying farmers' organisations and other local actors, thanks to cluster development. Building strong relationships allowed for better coordination and made capacity strengthening on issues such as quality improvement and contracting easier.**

Being a paid staff member of a producers' organisation often presents new and formidable challenges to agribusiness coaches. They are working very intimately with the producers, and the best way they can support them in thinking strategically is to keep coming up with new ideas for action. The coaches need to keep their eyes open to innovative opportunities that can shake them out of their old habits and ways of thinking – which can also mean having to extend their roles and terms of reference. This was the case for me over the last four years as I have needed to extend my job into new directions. From being a purely technical advisor I

learned my way into my new position of facilitator and then of trainer-mentor for 2SCALE. How did this evolution come about, all the while staying committed to the farmers? And, how is it that soya came to be a treasure for the producers of the region? These questions are what my story is about...

Today, even the smallest child knows that the big challenge is not to produce but to sell, and to sell well! But, sell what? Cotton, the "white gold" that provides a living to many producers in other rural areas of West Africa, generating state revenue as well as jobs - can somehow not be produced in

the Atlantic Region of Benin. Pineapple, vegetables, cassava, maize or soya offer other possibilities, but they do not have the same potential. Yet, through the support of the 2SCALE project, we chose to focus on soya beans. As the coordinator of the Regional Union of Producers in the Atlantique and Littoral areas (URP-AL), I saw in 2SCALE an opportunity to make a difference to the URP's members as it focuses on strengthening the relations between producers, their clients and their suppliers. Value is added through all the links in the chain and all the actors involved benefit from the gains.

Through 2SCALE, the URP initiated a partnership with CTAE, a local cooperative enterprise that processes soya beans. You may ask: Why was CTAE interested in linking with the farmers? After all, establishing relationships takes time and energy and the results are often rather unpredictable.

### Solving the issue of poor quality

In fact, CTAE was facing the problem of low quality raw material. The bags of soya delivered by the traders in the market of Glazoué often contained chaff, sand and not fully dry grains that turned black. The poor quality of the raw material not only affected the quality of the processed products CTAE was putting on the market, but it also reduced the cooperative's turnover while also damaging its equipment. With such a poor supply base, buyers have little control over the product they end up with.

So, how did we go about solving this problem within the context of 2SCALE? CTAE is the champion of the soya bean Agribusiness cluster (ABC), which includes the producers' organisations (POs) and other actors. The processor's business model is to have a round of quality control of the soya before purchasing it from the farmers. This is possible because of the business relationships built up between CTAE and the soya POs of the Atlantique region, with the support of coaching.

Through ICRA, I and later on Joé Toho coached actors of the ABC, focusing on different learning cycles on topics such as the development of business relationships, negotiation and

contracting procedures, collective selling and stock management. Together, the soya producers and CTAE listed a set of quality specifications for soya requested by CTAE. When the quality requirements are respected, the contract will grant the producer a bonus of 25 CFA francs (about €0.04) per kg beyond the market price. The Atlantique POs are now able to provide enough soya of good quality at a price they find acceptable. CTAE is happy with this agreement, as the quality of the soya-based products it puts on the market has increased highly, thereby further increasing the demand.

### Better quality, better business relationships

Between 2013 and 2015, the number of producers linked to CTAE increased from 192 to 236, and local production from 82 to 228 tonnes, thanks to the stronger business links. The producers' commitment motivated CTAE to deliver documents to them serving as a guarantee for obtaining a loan from ALIDÉ (a micro-finance institution, also a member of the ABC). With this money, they could buy the inputs, such as improved seed and inoculants, required to maintain the quality of their products. Joé and I are thinking of drawing up a tripartite contract between ALIDÉ, CTAE and the producers to ensure direct repayment of the loans upon delivery and in this way deepen the confidence between the producers and the micro-finance institution.

After only a few years of work, we have clearly noticed that the quality of soya and of its derived products (like goussi, oil, soya bean cake...) depends on a solid contractual business relationship between the soya producers' organisation and the processing unit on the one hand and the accessibility of the producers to inputs such as improved seed and inoculants on the other. The answers to the technical challenges are not always where we expect them to be: they can sometimes be found simply in building relationships and better organisation.

- 2 *Union régionale des producteurs de l'Atlantique et du Littoral.*
- 3 *Coopérative de transformation, d'approvisionnement et d'écoulement de soya.*
- 4 *Association de lutte pour la promotion des initiatives de développement.*



## 2. A recipe for success: The story of the Banda-Borae women processing soya kebab

*By Alhassan Issahaku  
and Rowland Aggor,  
partnership facilitator  
and trainer-mentor,  
Ghana*



**Key themes:** SME, Cluster development, Gender

### **Soya-Ghana PPP**

With the increasing demand for healthy and affordable proteins, women's processing organisations are in the lead of the partnership, looking at penetrating the market of soya-based products.

### **Summary**

**In this story, the authors focus on the women's soya processor organisation – following Rose, a strong leader, as the central figure. It describes the skills developed by the women through 2SCALE, especially cooperative and leadership skills, but also their new insights into marketing. This encouraged the women processors to develop close links with a producers' organisation to secure quality raw material and thereby guarantee their new brand and market outlet of nutritious soya kebab.**

Triggered by the recent rise in soya bean production in North-Eastern Ghana, Rose Mbo has become very enthusiastic about turning all those beans into delicious soya products. Rose, an energetic local business "champion", has worked hard to mobilise her colleague processors to form the Cumoban women processors' cooperative in Kpandai town as part of the 2SCALE project. Prior to the project's intervention, women processors were few in number and operated individually, processing limited volumes of soya beans. But now after two years of support, Rose and her colleagues are able to turn out large volumes of the unique soya products at an affordable price.

Rose and the other women in her group had attracted the support of 2SCALE through their business idea to strengthen themselves by forming a processing cooperative. They then improved their skills in soya processing and business management to drive up their sales and the level of nutrition in Kpandai and surrounding villages in Banda Borae district. The soya kebab is a highly nutritious, delicious and cheap meat substitute. It is similar in appearance and taste to meat kebabs and is gaining in popularity, especially among children and low income earners in the region.

## Strengthening capacities for collective action

For the cooperative to become successful, the processors needed to improve not only their skills and techniques in the actual making of kebabs, but in other ways as well. The coach supported by the trainer-mentor worked with them to improve their soft skills, such as group dynamics, leadership skills, building relationships with other organisations, as well as financial education. These enhanced skills helped the women to effectively manage their resources both as individuals and as a group. They also needed a reliable supply of quality soya beans to meet the predicted increased demand for kebabs.

The cooperative then joined the existing agribusiness cluster (ABC) in Banda Boraie district to source soya beans. This ABC is a network of various local-level actors (producers, input suppliers, credit union, etc.) in the soya value chain who were linked through business relationships and coaching facilitated by 2SCALE. The producers' organisations in this cluster were able to improve their soya bean production, and could meet the quality required by the processors. Being members of the ABC, Rose and her colleague processors are more comfortable working with these organised producers as opposed to sourcing from the open market. Through this relationship and with their strengthened soft skills, both parties now meet as equals to negotiate on prices and volumes. Some of the more promising processor members also got sponsored to visit processing facilities in the south to learn from agro-processing cooperatives there. Rose and her group received additional coaching to implement a village savings and loans association (VSLA). With this, the cooperative meets weekly to make contributions and to lend the mobilised savings to their members who are in need of credit to invest in the expansion of their businesses or to solve pressing needs. Through these savings, the group also plans to acquire some land where they will construct a shed to facilitate group processing.

## Branding and marketing soya kebab

The marketing of the soya kebab started with a pilot project, targeting low income and vulnerable consumers, often women, in the area. By developing a special brand for the soya kebab, and packaging and marketing it in a new way, the pilot aimed to reach more of these "bottom of the pyramid" (BoP) consumers, and in the process support the women processors. Rose and her colleagues suggested several brand names, and finally agreed on Daadi Soya Kebab. This brand was then promoted in every corner of Kpan-dai town and surrounding villages, and has now become a household name among school children. Two kiosks, one located at a cluster of schools and another close to a market, serve as outlets where consumers can buy the product. The cooperative members are now identified by their brand, which is printed on their containers, as well as on aprons and T-shirts. This effort has resulted in more than a 50%

increase in sales over a period of 6 months.

School children and other low income earners in the region now have access to affordable (and tasty) protein, which they missed in the past. The women processors have also provided employment opportunities to other women and youth, who they recruit as sales persons. For the women, working together has greatly strengthened them and this initiative has been an inspiration to other women as well. As Rose says, "We are now financially independent, and also support the upkeep of our families and households."



# 3. Parboiled rice: A new super highway to empowerment for Benin's rural women

By Léonard Cossi  
Hinnou,  
trainer-mentor, Benin



**Key themes:** SMEs organisation, Cluster development and functioning, Gender

## Parboiled Rice- Benin PPP

The partnership emphasises the promotion of nutritious parboiled rice in Benin, through the engagement of grassroots women-based parboiling organisations connected with paddy producer organisations and various market outlets.

## Summary

**Highlighted in this story is the pathway of women processors from working as individual rice parboilers to becoming organised full partners in a rice agribusiness cluster in Benin. Thanks to capacity strengthening in organisational soft skills as well as improved parboiling techniques, the processors were able to obtain the raw material supplies needed to improve their product and thereby develop high quality branded parboiled local rice and venture different marketing channels. The author has witnessed this development as trainer-mentor to the rice agribusiness cluster in focus.**

In the past, consumption of rice in Benin was a luxury for rural families who had low purchasing power. Rice used to only be reserved for festive meals. And because of the low quality of local rice, those who could afford it would only buy imported rice. In spite of many development projects to support local actors of the rice sector, and women in particular, this situation hardly improved at all. But today, rural women have started to invest in the parboiled rice value chain, in order to change their situation.

Surprisingly, despite their large numbers, women parboilers have always maintained a secondary role in the different local rice value chains. Now, for the first time, these women have organised themselves into associations such as *Anti sua* (meaning: take care of yourself) and *Mialébouni* (taking good care of rice) to collectively produce or process rice. As Djibril Biba, the president of *Anti sua* says: "Together we are stronger".

## This school is different

For several years, *Anti sua* and *Mialébouni* have been members of the parboiled rice ABC of Gogounou (Alibori) and of Lalo (Couffo), developing their processing activity with whatever means they could find. Since 2015, I have been working with the women parboilers as a trainer-mentor in the 2SCALE programme. I was moved when I saw how motivated these women were to learn together – and I was also flabbergasted by how quickly their know-how has led to such outstanding progress. As stated by Yovo Micheline, the president of *Mialébouni*: “The 2SCALE coaching sessions strengthened the capacity of the women by throwing a light on knowledge previously hidden to us, on important economic aspects of our business. We have always worked with projects in various fields of the agricultural sector – but your ‘school’ is different from the others!”

As if to echo these feelings, Kpadonou Toussaint, programme manager of ESOP (a servicing enterprise for farmers’ organisations, including a milling and marketing unit) confirmed: “The coaching in agribusiness capacities has been an important factor in increasing the ABC’s competitiveness”. The local names of their associations tell us that the women parboilers took great care of the local parboiled rice in order to support themselves.

## New skills, improved quality, new markets

If we compare the parboiled rice produced by *Anti sua* and *Mialébouni* with the local rice sold five years ago, the difference is like night and day. The groups have acquired skills in new parboiling techniques, brand development, negotiation with the other actors and traders, contracting stimulated by the group dynamics, participatory management and collective action, and prospection of the markets. These improved technical and soft skills have clearly contributed to creating a new and better type of product. The women of *Anti sua* and *Mialébouni* have managed to change how consumers in both rural and urban areas choose rice, by offering a good-quality local rice brand called yovo. If the

retailers are to be believed, the consumers have become crazy about the parboiled rice of the two associations. *Anti sua* and *Mialébouni* have succeeded so well in developing yovo that it is now well-known in both rural and urban areas, as a new, high-quality parboiled brand of rice.

Both associations have also developed business relationships with farmers’ organisations through the ABCs they belong to, to obtain quality paddy – their raw material. On top of that, *Anti sua* has consolidated its business relations through economically viable contracts with Nigerian traders of parboiled rice and has thereby extended its marketing channels. *Mialébouni*, on the other hand, took another venue to extend marketing options and thereby strengthen its status as “economic operator”. It negotiated a fair price for a part of its parboiled rice with ESOP who ensures processing and marketing and sells under its own brand, *Délice*. These arrangements are consistent with the principle of “collective business” in the ABCs. In both cases, the women changed their status from “assisting” actors in the value chains, to become more “professional” actors. In other words, the women parboilers who were previously employed as “workers” for some specific operations have now become full-fledged entrepreneurs.

In this way, the local parboiled rice value chain has given new hope to the women of *Anti sua* and *Mialébouni*. And while *Anti sua* sells its rice now at 450 CFA francs instead of 375 and *Mialébouni* at 500 CFA francs instead of 400, this rise in price has not hindered the competitiveness of their product. On the contrary, their sales increased through their participation in agricultural fairs and their contacts with retailers. *Mialébouni* for instance sold about 19 tonnes of parboiled rice in 2016, compared to only 8 tonnes in 2015. In this way, Yovo Micheline and her peers have increased their income and strengthened their financial and economic power.

Better organisation and more professional practices have opened doors for women rice parboilers who were for too long economically marginalised. While they still have a way to go to become financially independent, if they can continue on this new super highway of progress, they should get far.



## 4. From a spark to a flame: Nigerian youths farming with business in mind

*By Ndukuba Chika,  
partnership  
facilitator, Nigeria*



**Key themes:** Youth organisation, PO & Cluster development, Functional capacities

### Rice-Nigeria PPP

The partnership focuses on increasing the productivity of quality paddy and linking producer groups with local value chain actors to serve the national rice market.

### Summary

**The development of youth cooperative organisations and leadership skills within the 2SCALE rice partnership in Nigeria is the main story line here, with the author focusing on an entrepreneurial young farmer called Shimave. When the youth cooperatives came up against obstacles to get credit for inputs, coaching on building business relationships and credit management provided the right stimulus. The youths then built links with local input dealers and credit providers and developed their clusters. As a result, marketing options are now expanding.**

Shimave Felix was not the kind of young person anyone would ordinarily listen to. He did not have the air of a local youth leader or a politician of influence. That was a couple of years ago. Today, the 25-year-old Shimave is not only respected in his community in Zango but his influence is growing fast. He is part of the young population in Nigeria's North-Central region where the state slogan is "Food basket of the nation". Even so, young people in the region are generally disinterested in agriculture. There are many challenges, such as lack of inputs, available market, pricing and technical skills, that make agribusiness unattractive to

them. Young people make statements like "...tah!, better make I go town go dey wash people motor get money than to farm" meaning "better to work as a car washer than to farm."

### Modeling a new journey

Shimave's new journey began in 2013 with his participation in the 2SCALE project. He joined other in training workshops on good agricultural practices, including rice nursery management, use of improved seed, transplanting of young

seedlings and water management. Shimave took the **lessons** he'd learned in the trainings seriously and applied them on his one-hectare rice farm. His yield increased in the second season of the year and he then expanded to three hectares of land, generating about 3.1 tonnes per hectare, compared to less than 1 tonne before. He was soon a model for other young people who had left Zongo Village in Benue for the state capital, Markurdi, where they'd hoped to find jobs.

When the youths returned home and saw the drastic changes in their friend's farm, they wondered how he had done it. When they began to ask him to share his secrets with them, Shimave saw the opportunity to organise them into groups. Since then, three youth cooperatives have been formed under the umbrella Zongo Youth Association. The young farmers have pooled their resources to jointly cultivate a total of 100 hectares of rice farm during the current rainy season. Shimave now leads about 60 young people who are tilling the soil to farm rice. But unlike their predecessors they are doing it with business in mind, which they have learned through the several coaching sessions on economic analysis, crop budgeting and production efficiency. These soft skills development sessions started in 2016, given by the 2SCALE business support service called "The Inventive Mind".

### In search of funds to put their skills into practice

Yet, despite all their newly acquired hard and soft skills, the young producers still came up against a few obstacles: they were not organised enough to be able to sell at competitive prices, and it was difficult to get going because they could not access money to buy inputs. And being young farmers, no one was willing to give Shimave and the other youths a loan. At least, not at first...

But a light was after all shining on the youths when Mikap Nigeria Ltd, Nigeria's leading rice marketing company, selling locally produced "Miva" rice, was brought into the partnership. With this development, the farmers' market ac-

cess issue was immediately resolved. The young farmers soon organised a business meeting with Mikap, to discuss other issues like access to credit. In this however, Shimave and the others were to be disappointed. Mikap decided not to organise inputs like fertilisers on credit, and the youths were left with the feeling that Mikap simply wanted to use them.

### The long journey to building business relationships

Yet the spark was ignited and the young entrepreneurs were not ready to give up after their first disappointment. The Inventive Mind continued its support by coaching the groups on how to build good business relationships and to improve their negotiation skills. The coaches also helped the young farmers to establish links with local input dealers like Notore (fertilisers) and the Premier Seed Company. This allowed them to make deals directly with the companies on mutually agreed terms and discounted rates. Other cluster farmers (in Tarka, Guma and Kwande) have brokered a new relationship with LAPO Microfinance and reached an agreement for loans (at a single-digit interest rate) for the coming planting season. And recently, the market options expanded for the youths, with new companies like Afex and OLAM Nigeria Ltd offering them better prices for paddy rice and even providing them with inputs (improved seeds, agrochemicals and fertiliser).

Rice business is gradually starting to boom. Zongo youths are trickling back to the village to enter agribusiness. Like Shimave, most rice growers are now making a profit of over 400,000 Naira (€1,100) per hectare. The Zongo Youth Association has sold about 10 tonnes of paddy to OLAM Nigeria Ltd and some women are starting up processing units as well. And Shimave is carefully leading the association to ensure the young farmers' confidence, through coaching in hard and soft skills development. He is nurturing the youthful spark to become a flame... All the while reflecting on how to get back to Mikap Nigeria Ltd and become part of the Miva Rice brand.



# 5. New wings for vegetable growers in Benin: Raising €1 million of credit

By Eric Lakoussan,  
partnership  
facilitator, Benin



**Key themes:** PO & Cluster development, Youth and Gender, Functional capacities

## Vegetables-Benin PPP

The partnership focuses on creating the conditions for increased profitability and connecting vegetable producers and their organisations with wholesale traders to serve the growing urban markets in Benin, Togo and Nigeria.

## Summary

**This story relates how strengthening business linkages at the cluster level constitutes an alternative to “hard” guarantees for young female vegetable growers to get credit. Focusing on two farmers, Bernadette and Danielle, the author further describes how strengthening organisational skills and business relationships led to farmers being able to repay their loans on time. This in turn built the confidence of the credit service to further expand their credit scheme, giving farmers more options.**

I don't remember exactly where I read this, but I fully agree with the statement: “It is not science that brought men to the moon, but motivation, our largest source of energy”. But where does this motivation come from? How can we keep the battery fully charged? Each of us has its own strategies, but for me one strategy lies in asking the question: “What makes me feel proud?” For example, something my daughter might proudly relate about me in a story to my grandchildren. This could be one such tale.

### We tried and tried but to no avail

In June 2012, I was entrusted by the 2SCALE programme with the facilitation of a vegetables partnership in Benin. This sector, which mobilises thousands of smallholder producers in my country, offers many opportunities due to the increasing demand for vegetables in the urban markets. Yet “potential markets” does not equate to “absence of obstacles”. I do remember, that during one of my first workshops with the actors – I had just finished explaining in my lo-

cal language, Fon, the interest of ABCs – when one of the presidents of a vegetable-growing group called out: “Young man, your explanation of ABCs is good, but don't forget: without money, we will go nowhere and people do not want to finance vegetable growers. We have tried and tried but to no avail.”

Indeed, we could foresee that gains would not come without pain, all the more since the actors were used to receiving short-term solutions like free inputs, subsidised equipment, etc. for challenges that are actually rather structural, such as lack of organisation of actors, and access to knowledge, to markets, to financial services, etc. Moreover, short-term solutions are not what 2SCALE stands for – it wants to promote an entrepreneurial spirit embedded into the local economy.

But apart from this old-fashioned development model, we came up against a few more challenges. In Calavi for instance, yields were generally low because of technical problems; more specifically, local seed had become susceptible to bacterial infections such as *Ralstonia* wilt, and there was insufficient water control as well. Many producers were unable to deal with these issues, and some had started to look for odd jobs in town to survive. This scenario was not at all attractive to bankers, especially as they have limited understanding of agriculture. Moreover, the risks are generally considered too high, and only some micro-finance institutions as well as a few “loan sharks” operate in the sector. Their interest rates are very high and their access conditions (procedures, administrative documents and material guarantees) are so difficult to fulfil that the majority of vulnerable actors such as women and young people are excluded.

### Restoring confidence

In the face of these challenges, the number one priority was to restore confidence in the agricultural sector: confidence not only of the bankers, but also of the farmers, traumatised by their failures and uncoordinated actions. In partnership with the East-West Seed International (EWIT) company, we started supporting the set-up of 24 demonstration and learning sites on good agricultural practices in the major vegetable-growing areas of Benin.

Beyond paying attention to the technical issues mentioned above, these sites have consolidated the partnership relations between farmers, input suppliers and vegetable traders, thus giving life to my discourse on ABCs. Also convincing were the substantial changes that came about for the vegetable farmers. For example, Bernadette and Danielle, two friends and tomato producers of Grand Popo and Calavi who adopted the popular technology package had yields of 59 tonnes per hectare, compared to only 12 tonnes in the previous crop year. These performances boosted the production at Abomey-Calavi and Grand Popo. The next step needed was to allow a large number of producers to access credit to seize the opportunities of the Nigerian market.

To that end, we negotiated and established a guarantee fund with ALIDÉ, a local micro-finance institution that is familiar with agriculture. This fund allowed for a lower interest rate, down from 24% to 12% per year, with a repayment schedule based on the crop production cycle. Instead of the material guarantees previously required, the producers negotiated and obtained the principle of collateral security. Supported by their coach, they set up management committees responsible for identifying potential beneficiaries, and to ensure correct use of the credit and its timely repayment.

### Benefits from loans

Besides monitoring of the management committee, we organised learning cycles on topics like management, negotiation techniques, strategies of joint purchase and sale, etc. The coaching focused on strengthening business relationships between the actors, and greatly contributed to the actual functioning of the ABCs. Furthermore, exchange visits between ABCs allowed for a discussion on the management mechanisms and strategies and on the recovery of the loans set up in each farmers' organisation.

Finally, in 100% of the cases, the farmers' organisations settled all loans on time. Bernadette and Danielle did so as well. Over the past three years they have contracted and respectively repaid 5 million and 1.3 million CFA francs (€7,600 and €2,000). With the income generated from their onion and tomato business, they expanded their fields and bought equipment including a sprinkler irrigation system. Bernadette expanded her field from 3 to 5 cultivated hectares and what is more, her five children have now been liberated from the chore of watering and can now spend more time on school studies. As for Danielle, she bought a motorbike.

The success of this pilot phase strengthened the confidence between the vegetable growers and ALIDÉ. For the following season, the farmer organisations have negotiated directly with ALIDÉ without needing the intervention of 2SCALE coaches, and the allocated credit has increased quickly.

Within two years' time, more than 6.5 million CFA francs (€1 million) of credit have been provided to 921 producers. Of this group, 30% are women – though only 21% of that amount went to the women. This is one of my regrets. It is also the reason why we renegotiated with ALIDÉ around a new objective for the coming years: increase women's and young people's access to credit to allow for other Bernadettes and Danielles to emerge. More than an objective it is a new challenge that gives me wings.

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<sup>5</sup> *Association de lutte pour la promotion des initiatives de développement.*

## 6. Better tomato produce, better grouping, more money!

*By Sola Fagorusi,  
trainer-mentor,  
Nigeria*



**Key themes:** Cluster development, Organisational empowerment, Functional capacities

### **Vegetables- Nigeria PPP**

With the growing demand of quality vegetables for urban markets, the partnership supports producers and their organisations within networks of traders, input suppliers, service providers and financial institutions.

### **Summary**

**The benefits for tomato farmers of being part of a cluster are emphasised in this story. Being better organised and in a network, the tomato producers' experience more trust and visibility and therefore can attract investment into their enterprises. This empowered situation has come at the end of coaching in functional capacities such as negotiation and collaboration skills, as well as improved technical practices.**

Let's place a bet! Take a group of farmers from any agribusiness value chain and ask them what their problems are. One of the first two responses will be "money"! If no one mentions any word in this vein – money, finance, funds, or a synonym in their local language – then I'll gladly ask you to send me your account number!

The Iya Ibeji cluster actors working in the tomato value chain in Nigeria are no different. Iya Ibeji means "mother of twins", named after the history of the community where the cluster took off. At the beginning of their engagement, they thought their most important need to make progress was – more money! They reckoned that more money was simply

what they needed to make even more money. They brought up a Yoruba proverb to explain this, owo n'fin wa owo. This means "we use money to chase money". In this, the cluster actors were not totally wrong. But they were putting the cart before the horse.

I remember one agribusiness coaching session where the cluster members were asked how much money they would need if they were to farm tomatoes on an acre of land. I had expected their answers to be similar. But they turned out to be remarkably different. Same people, same product, same land size, same inputs – but their idea of costs involved was very different! Something was certainly missing. One

actor, whose name I cannot remember went so far as to say he needed half a million Naira (over €1,300). Others hysterically shouted him down. Also noteworthy was the group's general fear of obtaining loans and the uncertainty of whether they would be able to repay them on time.

### Not with money alone

This whole situation changed after we carried out 2SCALE trainings on good agricultural practices including the use of new and improved tomato seed, and coached them on credit-input management, post-harvest handling, marketing and business plan development. The cluster actors actively participated in these processes and took ownership over them. It then became obvious to them that what they most needed was not in fact money.

Let me illustrate with a scenario I painted for them during one of the coaching sessions:

Mr Ogbamadu is a lender who is approached by two tomato farmers for a loan of the same amount. One of the farmers writes down all she wants and how she will repay him, and then also notes down what she will expect to get in terms of yield. The other farmer tells the lender about her situation, but this time nothing is written down. Mr Ogbamadu asks the second one when she will pay him back. She responds that she is not sure as the market will decide – but she trusts that all will be well.

I then asked the cluster members: "Which of these farmers would you lend money to?" The answer was obvious, though they could see a reflection of the all-will-be-well farmer in themselves.

### Getting together, obtaining loans, doing business

One year later, the cluster officially registered its business with the federal government and is now officially known as "Overcomer Fadama Agro-processor Multipurpose Ltd". Coming up with an official name that could be used to open a bank account and other legal businesses was a

challenge that took time; and understandably so. It's due to the 2SCALE project that all these different actors along the tomato value chain were even brought into one network, or cluster. The actors were hitherto organised separately in farmers' unions and a few other independent unions of processors and transporters. Their new name reflects the fact that different actors – including the input dealers, agro-processors and transporters – have joined together for the first time.

After this development, the tomato farmers found out that they suddenly had access to loans, a feat they could only dream about while they operated as a small and scattered group. They are confident that the 70 members who could access loans of 100,000 Naira each (altogether coming to more than €19,000) thanks to their new group identity, will be able to pay the money back. The average yield has increased by thirty times – from 0.3 tonnes per hectare to 10 tonnes per hectare. These farmers were also the first in their community to begin staking their tomato plants, which drastically reduced spoilage and allowed good growth.

Using the information learned in their coaching sessions, the cluster actors have become conscious of how better vegetable handling processes reduce losses and increase profit. The clusters' input dealers and transporters are excited about the implication of this – more business for them as extra inputs will be bought and more trips will be needed from the farm gate to the open market. They still patronise this market whilst on the chase for a contract with organised markets in Lagos and Ibadan, two neighbouring commercial cities. This in itself is a result of information gathered through the clusters' coaching sessions.

From being a small and weak group of independent people involved in tomato production and value chain-related activities, the Iya Ibeji actors now discuss issues with business in mind. They see the numbers, they see the produce and they make profitable decisions while addressing challenges in the process. And they realise fully that it is much more than money that has led them to their current success.



## 7. Big firm and small farmers on the journey toward a fair deal

*By Francis Alelumhe, partnership facilitator, Nigeria*



**Key themes:** PO development, PO-Firm relationship, Organisation empowerment

### **Cassava-Nigeria PPP**

The partnership is led by Psaltry Ltd, a cassava starch processing company supplying Nigerian Breweries, that intends to secure its supply of raw material from small-holder farmers through organisational support.

### **Summary**

**This story highlights the reflections of the author on how strong an apex farmers' organisation has become since they have been coached in soft skills. The farmers have become so empowered that they can now embark on negotiations with the Psaltry Ltd processing company on their own, and without the support of the partnership facilitator.**

In March 2017, I got a call from Nasiru Oladokun that the apex farmers' organisation was planning to meet Psaltry Ltd, the lead firm processing cassava into starch for sale to Nigerian Breweries. The meeting was to enable them to negotiate a new price for their cassava produce. I told him to give me about an hour to be ready to join them. To my dismay, he said the call was just to inform me and not necessarily to invite me.

Two hours later, my UB40's Many Rivers to Cross ring tone came alive again. It was Nasiru Oladokun at the other end. He sounded upbeat. "We just agreed to 18,000 naira (€50) per tonne, he told me. Before I could respond to congratu-

late him, he added again, ... "and this time excluding transportation costs to Psaltry." This came as another shock as I could not have pulled a better deal. This was a victory for the cassava farmers – but I also wanted to make sure that Psaltry could stay in business as well. This was another step on the journey toward fairness.

### **The actors involved**

Nasiru Oladokun is the chairman of Psaltry's out-growers association, an apex body of 33 farmers' groups with about 1,300 members. The group under his leadership had com-

plained that Pсалtry set prices of cassava tubers on their own, and this set price was not favourable to the farmers. This occurred because the farmers were not organised into groups, had poor access to information and low productivity.

Nigerian Breweries is the largest brewing company in Nigeria that markets well-known brands of beers, malt drinks, and soft drinks. The company is interested in strengthening and expanding its local business activities particularly in the local procurement of cassava-based products. Pсалtry is a medium-sized agribusiness company that works to supply high-quality cassava starch to food and beverage companies. The company also produces cassava on its own farmland but this is far below the company's yearly 100,000 metric tonnes needed.

### Price negotiation, a continuous challenge

To compensate for the gap, the company runs a comprehensive outgrower scheme with smallholder cassava farmers. It also provides incentives such as agro-inputs on credit (stems, agrochemicals), through linkages with banks and clear contractual arrangements with farmers (at annually set prices). Despite the incentives, price negotiation has been a challenge in the continued relationship between the company and the farmers. Yemisi, Pсалtry's director explained that she had a yearly contract with buyers and could therefore only negotiate prices once a year.

The challenge therefore became how to bring both parties towards a win-win sustainable business. This question be-

came more important as new buyers came into the picture, making competition for cassava tubers tougher than in past years. To help the farmers address these issues, 2SCALE's trainer-mentor and agribusiness coaches facilitated workshops on farmers' group formation and registration, farm operation planning, use of improved farm inputs, access to finance strategies and negotiation skills. After these and other capacity-strengthening exercises, the farmers gained better access to information and market trends, became better organised and now meet regularly. And finally, their cassava yields rose from 9 metric tonnes per hectare in 2014 to 14 metric tonnes per hectare in 2016.

As our phone call ended, it took me some time to understand the new reality. In 2015, shortly after the partnership started, Nasiru Oladokun, requested that I lead their group to negotiate prices with Pсалtry. Now in 2017, they no longer needed me as their lead negotiator. Our months of hard work were yielding results before my very eyes. That evening, as I opened a bottle of Goldberg beer, I was happy at the progress made so far. The farmers' association is getting to understand the business dynamics within the cassava value chain. For them, the journey to a fair deal is beginning, and they can ensure that Pсалtry never runs out of good quality starch.

<sup>6</sup> An apex farmers' organisation represents all the local level farmers' organisations linked to this partnership.



## 8. Tenacious sorghum smallholders win the pricing battle by joining together

*By Lazarus R. Yarima,  
trainer-mentor,  
Nigeria*



**Key themes:** PO and Cluster development and PO-Firm relationship; Gender

### **Sorghum-Nigeria PPP**

The partnership is part of a pilot project to support smallholder farmers to realise agricultural productivity gains by getting access to Nestlé's demand for high-quality sorghum.

### **Summary**

**This story focuses on Nigerian cereal farmers' organisations, and on one sorghum farmer leader in particular, Danliti Kuki. Farmers are now being attracted back to producing the indigenous crop sorghum, which they had recently abandoned because middlemen did not give them a fair price, and maize had become more lucrative. Getting better organised and linking up with aggregators from Nestlé, the farmers now get a better deal in supplying sorghum for the company's products. Soft skills coaching has also helped women farmers to add their voice to on-going negotiations.**

It was another Thursday, market day in Bebeji, North Central zone of Nigeria, where Danliti Kuki normally sells his sorghum. Danliti had to travel 84 km since there were no buyers in the town of Kuki, where he lives. As the truck turned the last bend to approach the Bebeji market, Danliti wondered if there would be another "battle" with the middlemen at the market. His mind drifted to the experience of the year when he had to pay for storing his sorghum for another four weeks. He'd decided to do this rather than

paying the ridiculous prices offered by the middlemen, as it was of course unthinkable for him to return to Kuki with his sorghum: What would he do with it? Who would buy it? More and more often he was thinking this might be the last time he produced sorghum. After all, he could sell maize more easily in Kuki and with modern varieties he could produce 18 bags compared to the 11 bags of sorghum on the same farm.

## Not giving up

This was two years ago. Despite the rich nutrient content of sorghum, this indigenous crop was all but completely abandoned in the North Central zone, because farmers could not earn enough through their dealings with middlemen, and because of the crop's poor yields. But Danliti is one of those people who never give up and he was until recently one of the few farmers in the region still producing sorghum. This tenacity has served him well as new opportunities have suddenly arisen for farmers like him. In the last years, production in North East Nigeria has been on the decline due to armed insurgencies of Boko Haram, and demand has started to rise for sorghum from the North Central zone.

As a response to market needs, the Sorghum and Millet in the Sahel (SMS) project was established to support small-holder farmers in the North Central zone of Nigeria to improve their agricultural productivity, and to set up structured agribusiness channels with cereal-processors such as Nestlé. Supported by the project, Danliti is one of the leaders of a smallholder farmers' umbrella group in Kano State. He mobilises and coaches the farmers to meet the needs of buyers like Nestlé. Sorghum is a major raw material for this multinational company's range of baby food products. The new arrangement with Nestlé aggregators sits well with both parties. Farmers' organisations (FOs) collectively sell their cereals to them at prices higher than those of the local market. In this arrangement, Danliti and his farmer groups are sure of a ready market while Nestlé is also certain of a regular supply of high-quality sorghum. It was this ready market and coaching on business skills that spurred more farmers to join up.

## Coaching farmers to get organised

While the availability of a market triggered the formation of farmers' groups, the coaching led to the actual set-up and registration of 45 farmers' cooperative societies, out of which 17 are for women farmers. In three states of the North-Central zone (Kano, Kaduna and Katsina), a total of 1,195 farmers including 285 women now participate in the societies. These cooperatives then joined together to form within each state an umbrella organisation with solid governance structures. All the producer members agreed to a financial commitment to their new organisation and now make monthly contributions. The need to organise themselves in this way became apparent to the farmers through the coaching sessions. They came to understand that some middlemen had been able to cheat them before because they were all coming to the market as individuals with little power to negotiate.

The business support sessions did not stop at market access. Input suppliers were also brought into the agribusiness clusters. Further coaching on economic analysis helped the farmers realise that to produce a 75 kg bag of sorghum costs them 7,500 Naira (about €20). This knowledge

informed the strength of their negotiations. The **cooperatives'** leaders agreed on collection points for their white sorghum, and on volumes to be periodically delivered – with prices and price mechanism agreed after a long back and forth between both parties. For the first time, the farmers agreed to a written sorghum supply arrangement with Nalmaco, one of the Nestlé aggregators. This arrangement was made as a forward purchase agreement and they also agreed to use a reference market price in the region to set their price on the day of selling.

## Women confident about quality

The coaching sessions have led to farmers becoming much more confident about their position and the quality of their product. For women producers, this has had an especially strong impact. One example of this can be found in Mrs Hanna Musa, one of the two women producers in the negotiations team. Prior to the coaching, she had been too shy to speak up, but being able to participate in the negotiations on Nestlé's terms of delivery and payment, she grew into her role of leader. She spoke up for the group of farmers that needed cash immediately upon delivery – and who also needed inputs, especially improved seeds. The negotiators then considered many options and finally accepted the offer by the aggregator to make a 50% payment advance to meet the needs of these smallholder farmers, especially women like Hanna. The success stories of these farmers across the three states are spreading, and more smallholder farmers are pleading to be admitted into this arrangement.

With such an assured buyer for sorghum, Danliti is now convinced he has won the battle most smallholders face against unfair pricing practices, unreliable markets and poor yields. The battle for maintaining a highly nutritious indigenous crop like sorghum in the face of widespread maize production has also been won. Indeed Danliti has now made up his mind to concentrate on sorghum production given the arrangements currently in place for the farmers to collectively market their produce and source for seeds, fertiliser and herbicides for the next season. His tenacity has paid off.

7 Boko Haram is an Islamic extremist group based in northeastern Nigeria, also active in Chad, Niger and northern Cameroon. Boko Haram's insurgency started in 2009, and the movement has led to the deaths of 20,000 people and displaced a further 2.3 million from their homes by November 2015 ([https://en.wikipedia.org/wiki/Boko\\_Haram](https://en.wikipedia.org/wiki/Boko_Haram) - retrieved 21 April 2017).



# 9. Coordination and collaboration: Far from being a waste of time

By Dieu-Donné Konnon,  
trainer-mentor, Benin



**Key themes:** Cluster and platform development, Sustainability of coaching services, Functional capacities

## Pineapple-Benin PPP

The partnership is led by Promofruit, a company that looks for increasing its sourcing of fresh pineapples from smallholders organised into POs to process into juice for marketing in several West African countries.

## Summary

**This is a lively dialogue between a pineapple farmers' organisation leader, Athanase, and his cousin, Marcel, visiting from the north. With great patience and conviction, Athanase finds argument after argument to convince his sceptical cousin about the many benefits farmers have achieved by being part of an ABC and pineapple platform of the processing company Promofruit. Coaching support comes out as a strong drive behind the positive changes. The author re-enacts this dialogue based on the account of it from one of the agribusiness coaches, Nina.**

"You people of the South, you definitely prefer to make speeches than to work! The last time I was here, you were talking about capacity strengthening to have access to production inputs – or was it on strengthening your business relationships – I don't remember exactly!"

Nina, the agribusiness coach, is a bit taken aback. She had come to inform Athanase about the next coaching session for the pineapple cluster which includes his farmers' group together with input and credit suppliers, extension officers of the zone, as well as representatives of Promofruit, the enterprise processing pineapple into juice. She found Atha-

nase together with his cousin Marcel, who was visiting from Alibori, a city in northern Benin. It was Marcel who made the exclamation above.

But Athanase remains unfazed: "First of all, we are not making speeches, that is for politicians. With the help of our coach Nina, we discuss, exchange and reflect together with all actors involved in the pineapple cluster to explore ways to improve our business. As you know, we produce pineapples for the juice processor, Promofruit, but that does not mean that we are no longer interested in what happens with our pineapples after they are transported away."

Marcel is not really convinced: “Well, in any case, the processor makes much more profit than you do, it is always like that. Look at Promofruit’s directive on inducing pineapple flowering, where you had to take account of your neighbours’ production calendar, but in the end it is the processor obtaining a regular supply of pineapples!”

### Concrete benefits

Still, Athanase has plenty of counter-arguments: “Ah, but you do not understand that those speeches as you put it, generate money in a very concrete way! They lead to better coordination between all the actors involved, helping them to become more competitive. And this goes on at all levels – from the field to processing and even beyond. Do you know that because I am a member of the ABC, with the support of our platform, the CLCAM (local branch of the mutual agricultural credit institution) granted me a loan at only 11% interest?” Marcel then exclaims: “What? But the normal rate is 24%!!” Athanase continues: “Indeed, we are now involved in the pineapple partnership, which is considered as a kind of guarantee! By the way, the processor also benefits from this positive image. They received a bonus of 1% on their investment credit – and as we are talking about millions, even 1% counts!”

Marcel still needs more convincing: “Okay, but your work as a farmer is in the field in the first place and not in a meeting or a banker’s office!” Ever patient, Athanase keeps explaining to his cousin: “But being a member of the pineapple partnership also serves my purpose! Do you recall seeing the plastic sheet covering my pineapple field?” Marcel responds: “Oh yes, it avoids you breaking your back from weeding.” Athanase: “Precisely. It is saving me a fortune on labour costs for weeding. In fact, the idea of that plastic sheeting came up during our meetings, and it was because we bought a large amount of it as a group that we were able to pay an affordable price. It was the same for that bag of fertiliser over there... Perhaps your cotton would not appreciate it, but believe me, we are very happy that we could finally buy fertilisers with nutrients specifically assembled to meet the needs of pineapples. This did not come about by knocking one-by-one at the door of the supplier. It happened because we were represented by a platform that groups nine pineapple ABCs as well as other local actors in the value chain. We are talking about more than 3,600 farmers (of which 1,600 are women) which is an impressive number of people! When you add up all the new develop-

ments, our yields increased from 35 to 60 tonnes/ha. And even better is that we no longer have low graded pineapple due to small-size pineapple, non-uniform coloration, etc. and the price we get is negotiated with the company.” With all these arguments, Marcel starts to falter: “Okay, Okay, you have some good results, but then I do not see why you still spend your time in meetings – and by the way, what are you going to discuss this time?”

### Coaching: now and beyond 2SCALE

Nina who didn’t miss a single word of the exchange and was very happy to hear Athanase’s arguments, now speaks: “You know, in business, if you do not keep moving forward, you will fall behind – and this goes for farmers too. In the next session we need to think about our future. Maybe Athanase did not tell you all the details, but 2SCALE has been supporting the farmers technically for several years, also with capacity strengthening programmes adapted to our needs that helped us to improve our coordination and collaboration. Along with a team of coaches for the different ABCs, we facilitate coaching sessions on group dynamics, how to professionalise the platform, good governance, enterprise management, and so on. But as you may know 2SCALE is withdrawing its support by the end of this year.”

With this information, Marcel has found new arguments to feed his scepticism: “Meaning that Athanase will not have any more meetings when I visit him the next time? We know how it goes when projects withdraw their support! Sorry that you will not be here anymore... It is a pity, you look to be a charming young lady!”

But his cousin quickly responds: “You are wrong, actually. We are grateful to our coaches who share information and help us manage our enterprises and business relationships better. This is why we started to develop a system to finance internal coaches: we will set aside a small number of CFA francs from each kilogram of pineapple supplied to the processor. In this way, the coaching cost will be spread over all the actors, including the processor, Promofruit. You will understand by now that we are all in the same boat!”

Marcel finally gives in to defeat: “Okay, I give up, I am really impressed... but in any case, I will wait to see if your plan will work!”

Nina adds a final point: “We shouldn’t underestimate the challenges ahead of us, however. Because, to be able to pay all the coaches with this contribution, the processing unit will have to operate at full capacity – that is, it will need to process 135 tonnes of pineapples a day instead of the present 60 tonnes.” Still she ends the conversation with a laugh: “Anyway, without challenges to be met we would be bored! See you next year Marcel, I will certainly still be here!”



8 The pineapple platform is formed by representatives of all the local-level ABCs and some other regional actors involved in the pineapple value chain.

9 *Caisse locale de crédit agricole mutuel.*

# 10. People, perennial pineapples and partnerships: Making it happen

*By Benjamin Horlali  
Kofi Atidjah,  
trainer-mentor,  
Ghana*



**Key themes:** PO-Firm relationship, Sustainability of coaching services, Functional capacities

## HPW-Ghana PPP

The partnership is led by the company HPW Fresh and Dry Fruits Ltd, and aims at securing the sourcing of quality traceable pineapple and mango from small-scale farmers and their organisations.

## Summary

**Here, the main story looks at the relationship between pineapple farmers and the well-established HPW processing firm from the point of view of the author's reflecting on his own role as trainer. He explains the process of developing the farmers' functional capacities, supporting them to become more professionally organised and business-minded. Because of the trustful relationship that emerges over time between the farmers and HPW, the author celebrates how the firm comes to realise the importance of coaching on these soft skills is as a complement to technical training.**

Some emails you get can colour your day or make you walk with a jump like an excited teenager. As trainer to the 2SCALE pineapple partnership in Ghana, I got one such email on the 21st of March, 2017. An extract: "... A farmer of the Pepawani Block Farm who harvested his pineapple ... reached the record yield of 28 tonnes and there is more to come. Everybody is very happy and proud ... our best wishes and kind regards." The mail came from Veronika Hofer, Leader of the technical sourcing team of HPW Fresh and Dry Ltd - and I read it again and again.

Pineapple is a major crop in Ghana and HPW is a medium-sized company involved in dry processing of fruits such as mangoes, pineapple and coconut. A large percentage of the processed dried fruit products is exported to Europe. The challenge of HPW lies in how to get a regular supply of raw materials, like pineapple in this case, and at a level of quality that satisfies its various exports and local markets. It is a competitive space and other companies also source hard for the same raw materials, leaving them all too often at the mercy of the producers.

When the 2SCALE project began to engage with HPW as the lead firm of the dried fruit partnership, the idea was to find a solution to this perennial pineapple sourcing problem. The farmers, already organised in cooperatives, got training on technical issues like pest management, health and safety procedures, traceability, and good agricultural practices. The farmers' yield began to increase but there was still a major problem: despite an agreement to sell to HPW, the farmers continued to sell to other buyers and processing companies just as they had been doing before entering into the partnership.

### Changing mindsets ... Building trust

When the idea was broached to begin to coach farmers in soft skills to improve the business interactions, HPW's representatives did not think much of it. But they agreed to try it out. I facilitated coaching modules on building business relationships and on financial education, adapted for the nine farmer cooperatives linked to the company. In each of the nine cases, we had not only invited members of the cooperatives, but also other local value chain actors, including transporters, input dealers, credit providers, and some staff of the Department of Agriculture. I had trained some selected farmers of each cooperative and supported them now during the debates with the cluster actors; they were becoming farmer coaches interacting with cluster actors.

Soon after the discussions, the attitudes of the farmers began to visibly change towards HPW. We began to build their trust in the company's intentions and the farmers came to act more in a collective way, seeing the advantage of doing business with a preferred value chain actor and buyer like HPW. This change in attitude has also increased the trust of the company in the farmers and their cooperatives.

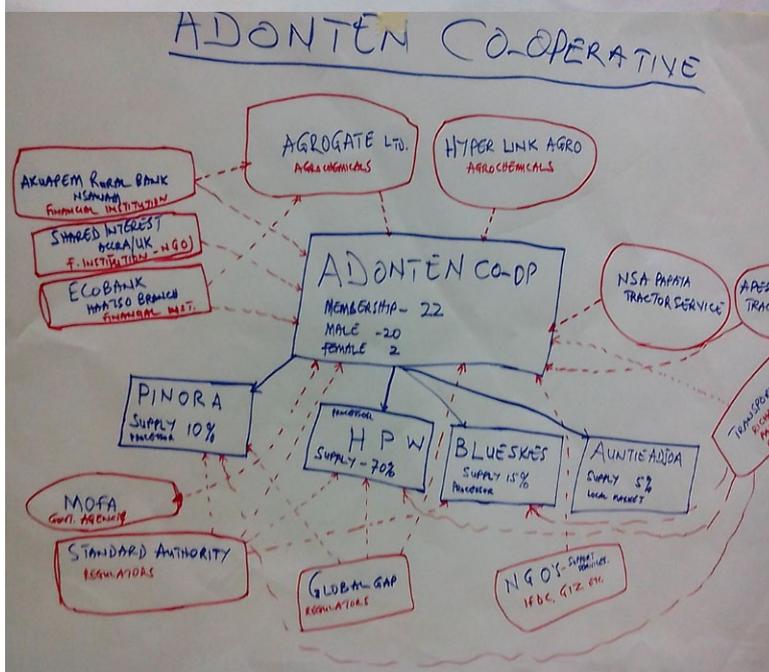
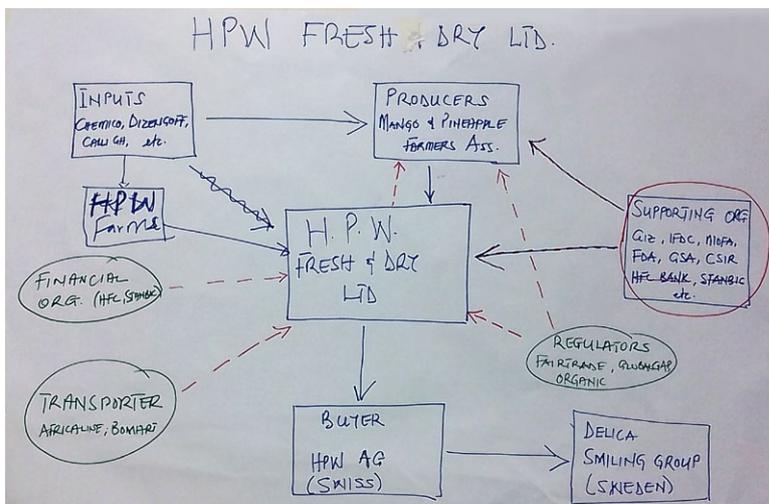
As a result of their improved relationship, the company initiated a contract farming arrangement, called "block farming" in which groups of ten farmers become fully supported by the company with all the necessary material inputs required to cultivate pineapples on one acre farms. The cost of the inputs is deducted when the farmers harvest the crop and supply it to HPW. The contract to this effect is signed between the farmers and the company. Lead farmers, most of them now also trained farmer coaches, manage and coordinate the activities of the group as a link between farmer members and the company.

### Soft skills development and technical training going hand in hand

The result of all of this is that the farmers and HPW now have an enriched business relationship and commitment to each other. Both sides now look forward to the regular

coaching sessions. The company has come to realise that coaching in soft skills is as important as technical (hard skills) training. In fact, HPW has gone out of its way to engage me as a consultant, outside the 2SCALE arrangement. Together with the farmer coaches and some company staff, I facilitate the business training on different themes, most recently on leadership skills, communication within and without the farmer groups, tracking of results. The farmers are also pleased with the training, as shown by a recent remark from Issaka Musah, Chairman of Pepawani Pineapple cooperative: "This approach of field coaching has something special in it and is very different from most of the trainings that we received in the past. When we followed some of the principles taught to us during the last session on financial education, it was so easy for us to get a loan from the Agricultural Development Bank."

The farmers have also increased their commitment to selling their fruit to HPW since the coaching sessions. While previously they sold 30-50% of their crop to the firm, they now sell 70-100% to HPW. The email from Veronika Hofer is clear proof of how the farmers' attitudes have changed towards a more committed partnership. I am confident that I will receive more of these kinds of emails as the partnership deepens – and from now on, I will be walking with a skip, hand-in-hand with the farmers and HPW representatives.



# 11. Adama Dissa, a champion of inclusive maize agribusiness in Sikasso

By Faoussa Tadjou,  
trainer-mentor, Mali



**Key themes:** PO & Cluster development, PO-Firm relationship, Sustainability of coaching services

## Maize-Mali PPP

SONAF is the lead company of the maize-Mali partnership aiming to increase local sourcing of yellow maize from smallholder producers and their organisations. SONAF trades yellow maize grain with major food and feed processing industries in Mali and surrounding countries.

## Summary

**The author focuses her story on Adama Dissa, who needs strong partners to develop SONAF, his maize marketing company. To this end, he commits to putting in place a decentralised framework of efficient clusters. Dissa realises that for this set-up to become sustainable, coaching in soft skills is critical. He is an unusual entrepreneur as he attends as many of the cluster coaching sessions as he can, considering that his business and also he himself will benefit (directly or indirectly) from this process. As the 2SCALE project comes to an end, Dissa is keen to contribute to looking for options to embed coaching services within the business model.**

It is 8:30 a.m. on this 8th of November, 2016. We are about 15 people in a workshop room at the hotel Cinquantenaire in Sikasso, Mali. The workshop starts with a session on contracting and negotiation. This is the first time I am facilitating a learning workshop for 2SCALE, since being engaged by 2SCALE as a trainer-mentor for the yellow maize SONAF partnership in Sikasso. Youssouf Traoré, the partnership facilitator opens the workshop by saying: “Now that everybody is here, we can start”.

This surprises me a bit, so I inquire about the director of SONAF who had planned to participate – at least at the start of the workshop. Youssouf replies: “Indeed, there he is”, and points at a man seated in the centre of the room. And he is right, he is clearly there – Mr Adama Dissa, the Director General of SONAF. Somehow, I had failed to notice him. And so began my discovery of a rather exceptional man. Adama Dissa is unlike any other director I know. He is a businessman, yet full of empathy and able to relate to the

concerns of farmers. Originally from the area, Adama has more than 30 years' experience in the aggregation and marketing of cereals. When he first started, he would criss-cross the villages and markets around Sikasso on his bicycle, collecting and selling different cereals: white maize, yellow maize, millet, sorghum, etc.

### Yellow maize for feed

Adama's retail store is in the central market of Sikasso, and he has different storage depots in town. From his store, he supplies his clients with several cereal products. His buyers include poultry farmers, semi-wholesalers and others based in Sikasso, Bamako and Kati. He also supplies the Grands moulins du Mali, a major poultry meal and feed production industry at Koulikoro, and other big clients of yellow maize in Senegal and Niger.

Yellow maize is one of the most important components of poultry feed. Until recently, it was hardly cultivated in the Sikasso region. Every season, Adama therefore had to import about 80% of the 8,000 tonnes of yellow maize required by SONAF clients in Mali, Senegal and Niger. He found this a serious loss for the producers of Sikasso, and moreover the logistics and import costs put a strain on SONAF.

So, when he heard about 2SCALE, Adama Dissa very quickly saw the project as an opportunity. By supporting the producers' organisation members to grow larger quantities of yellow maize, SONAF could acquire its needed supply locally and get rid of the additional import costs. Moreover, it would be an opportunity for the producers of Sikasso to increase and diversify their sources of income.

### Involved from beginning to the end

Although he has a very busy agenda, Adama participates in each and every major meeting (training sessions, workshops, business events) with the coaches, input suppliers, financial institutions, etc. Adama likes to explain his interest to anyone wishing to hear it: "I am involved from the beginning to the end, I do not want to miss any of the workshops and meetings. The topics addressed, such as the development of business relationships, the analysis of production costs, strategies to reduce production costs, contracting and negotiation issues, financial education and loyalty, all are of immense importance."

During these meetings, Adama seizes any opportunity to sensitise and encourage the other value chain actors, to ensure positive changes during and after 2SCALE. He also sees that someone from SONAF actively participates in the local coaching events for the ten yellow maize ABCs in the Sikasso region. He especially appreciates the work of the internal coaches who are members of the producers' organisations and who go on to facilitate the local ABC coaching sessions based on what they learned during the higher-level training workshops.

### Increasing links

These learning and exchange sessions have started to produce results. For the current season, more than 60 supply contracts linking producers' organisations, individual producers, collectors, and SONAF have secured the delivery of 8,000 tonnes of yellow maize. And this at a minimum price of 90 CFA francs/kg (about €0.14), which is 5 CFA francs higher than the average market price at the start of the season. If the market price comes to exceed the contract price during a season, both contracting parties convene to agree on a new price.

Farmers and their organisations need to take measures to get the best deal possible from this promising new market. To this end, the producers' organisations are increasingly linked to the input suppliers through credit contracts in order to help their members to get easier access to seed, fertiliser and pesticides. Adama Dissa facilitates these contracts by having SONAF guarantee the procurement of the yellow maize.

Through his participation in different workshops and coaching sessions, Adama has expanded his thinking and his relationships. In this way, he has become the most qualified candidate for decision-making positions in inter-professional cereal bodies (at local, national and sub-regional levels).

### Reflecting beyond 2SCALE

In today's workshop, Adama and the other participants are reflecting on how to locally embed the capacity strengthening work of the internal coaches, and so to find mechanisms to fund their activities beyond the 2SCALE project. 2SCALE has agreed to support them in this reflection process. Their reflections include possible contributions of value chain actors to support the partnership coaching and the establishment of an innovation platform at partnership level.

SONAF is working to remain at the core of the emerging dynamics of the inclusive yellow maize agribusiness in Sikasso. Adama Dissa is convinced about a bright future for the sector, and concludes: "The business partnerships presently under construction will expand and grow stronger, and yellow maize will become the driving force of development in the region". With an engaged champion like Adama Dissa encouraging actors to keep improving the yellow maize value chain of Sikasso, the future looks very promising indeed.

11 The inter-professional body is a kind of platform at national level to allow the main stakeholders (FOs, traders, processors, transporters, Government,) of the sector to discuss about regulation and policies such as taxes, pricing mechanism, etc.



# 12. The long journey toward sustainable business relationships: The case of the sesame partnership in Mali

By Baba Togola,  
partnership  
facilitator, Mali



**Key themes:** PO development, PO-Firm relationship, Sustainability of coaching services

## Sesame-Mali PPP

PROSEMA leads the sesame export market in Mali and is the lead firm of the partnerships, aiming at strengthening networks of sourcing raw material from smallholder producers.

## Summary

**Improving loyalty is not a one-shot process, neither is it a one-sided one. Loyalty is a matter of reciprocity as this story explains, from the author's perspective as facilitator of the sesame partnership in Mali. The PROSEMA CEO, Soumaïla Coulibaly, has understood that he needs to partner with smallholder farmers and decentralise services to make his business profitable and sustainable. He organised a network of collectors to buy the sesame from the farmers. But more was needed to get their loyalty. This story explains how mutual trust and loyalty comes only after investing in relationships, decentralising decision-making and in empowering activities.**

Soungo Diarra is one of the farmer leaders involved in collecting sesame to supply the company PROSEMA. During the commercialisation campaign of 2015, he collected 145 tonnes of sesame from local sesame growers, members of the network he built up over the years. Today, this network covers some 20 villages each counting about 25 producers. At the end of 2016, the group formed a cooperative and signed its first “win-win” contract with PROSEMA to supply sesame. With the support of 2SCALE, about ten other

similar producers' organisations have been set up and are spread over various sesame production areas in Mali. These collectively constitute the basic sesame supply chain to PROSEMA. Based in the city of Fana, Soumaïla Coulibaly, the Chief Executive Officer of PROSEMA and initiator of this development, should feel proud to have successfully established such a system, thus solving the problem of attracting a sustainable supply of sesame to his processing unit in Fana.

## Learning by doing

From the beginning, PROSEMA chose to develop a network of local collectors, in line with its business model to get its supply directly from producers. PROSEMA invested in field agents (called delegates) who collaborated with technical services, NGOs, cooperative unions, etc. to collect sesame from the producers to supply PROSEMA. By taking the initiative to support the producers and by organising services such as training, credit for inputs and small equipment, PROSEMA hoped to win the loyalty of the sesame producers.

This plan sounded foolproof, but in practice, the results were rather disappointing. Indeed, during the marketing period and despite PROSEMA's effective support, the producers sold a large amount of their sesame on parallel markets. Looking at the situation in greater detail, we discovered that the "supply leak" often followed price fluctuations or times when PROSEMA was short of funds to collect the sesame. Another important factor was that PROSEMA's different supply channels were not equally efficient. In particular, the company delegates and the collectors proved to be more efficient compared to NGOs. Thus, during the 2015-2016 marketing period, the four company delegates and the nine collectors aggregated more than 78% of the total volume of sesame bought by PROSEMA (1,450 tonnes out of the 1,850 tonnes).

## Gradually building trust

What is it that made the collectors and delegates more effective? PROSEMA has always considered them to be autonomous local entrepreneurs, and pays them on the basis of how much sesame they collected. In this relationship, all of the local agents are aware of their responsibilities and they are driven to invest in mobilising the producers. During a reflection workshop on the establishment of a supply network organised by 2SCALE, Soungo Diarra explained: "I gradually built up my network. When I received inputs from PROSEMA, I distributed them to the producers I trusted. Not everybody proved to be an honest partner, but I discarded the bad players over time and continued my selection process until I had built up a network of loyal producers". Reflecting on what Soungo Diarra said, we came to understand why his networks are successful: gradually, confidence was built up on the basis of concrete activities between people who know each other well. Realising this, we encouraged PROSEMA's leaders to once and for all adopt a decentralised model; and 2SCALE supported training and coaching sessions for sesame producers to organise themselves into cooperatives, the heart of the ABCs, where good relationships of trust can be built between local actors.

## The way forward

The path toward greater loyalty calls for a strong producers' network of cooperatives built around the collectors and supported by the company delegates. This is why 2SCALE supported this dynamic to be further strengthened by: first, developing a close working relationship between these cooperatives, the input suppliers and financial services, thereby establishing local networks of ABCs; and secondly, developing balanced contractual business partnerships between PROSEMA and the producers' organisations (in other words, a win-win contract). A model of such a contract, taking into account the experiences of the past, was established and tested in 2016-2017.

The next challenge in the long journey towards a sustainable sesame business is for PROSEMA, in collaboration with Soungo Diarra and his colleague collectors and delegates, to create the conditions for a fruitful, consistent and efficient dialogue. This process has already been initiated by PROSEMA through the establishment of the *Bèné Yiriwali Bulon* platform (translated from the local Bamanan language as: the way to sesame promotion). We are now working on strengthening this platform as a coordinating body with representatives of the different ABCs together with PROSEMA and other actors supporting the sesame value chain. But before this can happen, the collectors and associated cooperatives need to organise themselves to speak with one voice. To support and drive all of these dynamics, 2SCALE started developing inside PROSEMA a professional service based on the collectors and the delegates. The strength of the collectors and delegates is that they know the local community very well, but they are sometimes isolated and dispersed, so the platform could be a way for more exchange opportunities and capacity strengthening actions for them, but also for the producers and PROSEMA. The dialogue between PROSEMA, embodied by its director Soumaïla, by promoting inclusive development and an organised producers' network that supplies sesame to the company, is finally leading to sustainable and well-balanced contractual relationships to the benefit of all the actors, who therefore honour their commitments.

12 *Promotion du sésame au Mali.*



# 13. Coaching after project funds end: We want to pay for you to stay!

By Gbenga Idowu,  
trainer-mentor,  
Nigeria



**Key themes:** PO & Cluster development, Sustainability of coaching services, Functional capacities

## Maize-Nigeria PPP

The partnership focuses on farmer organisations selling on open markets and building relationships between maize producers and buyers; and on interventions required for an aflatoxin-free maize supply chain.

## Summary

**This story brings across very strongly a trainer-mentor's perception of the appreciation of farmers for the role and work of coaching support to their livelihoods. When they fully realise that they may lose the coach due to the end of the 2SCALE project, the maize farmer representatives start to come up with new ideas on how to pay for this business support service themselves.**

"If you had to pay to continue getting coaching services after the 2SCALE project ends, would you pay – or would you rather drop the whole thing?" As trainer-mentor of the maize partnership in Nigeria, I was very interested to see what would happen next. So with this question hanging in the air, I started a discussion on the phasing-out of 2SCALE support, with about twenty representatives of the four maize agribusiness clusters in Nigeria. The participants represented producers, input suppliers, marketers and women processors conducting maize business in towns across three states in the South West zone of Nigeria. They were no strangers to the 2SCALE project, having been part of it for the last 3-4 years.

The question was greeted with a moment of deep silence in the room. The participants seemed to be deeply challenged by it, as the coaching services for their clusters over the years have been funded through 2SCALE.

Technical innovations reinforced by soft skills development. Then the silence was broken. One after the other the different representatives started sharing the major business breakthroughs in their clusters and in their individual businesses, which they attributed to the coaching services. The high value they placed on the combination of technical, organisational and business relationship building services provided to them through the 2SCALE project was not in doubt.

Chief Ademolu, a farmer from Ayetoro explained how he and other farmers in his cluster achieved an almost three-fold increase in yield per hectare, through the adoption of mechanized planting, which allowed for better plant spacing, and optimal plant population. Mechanised planting also made it easier to adopt other technical/agronomic innovations, including the correct use (quality and quantity) of fertilisers, herbicides, and the planting of improved seeds. Chief Ademolu and other farmers acknowledged that without 2SCALE coaching services, it would have been difficult if not impossible to achieve technical breakthroughs such as the now widespread adoption of mechanised maize planting in their cluster.

He went on to explain that by farmers pooling their demands in a more organised way as encouraged by the coach, the ABC had transformed into an important business for the mechanical services provider. The farmers had also learned how to negotiate better, and, because of the increased business, an agreement was reached to substantially lower the cost of the mechanical planting services. The input provider realised that because of the sufficiently large number of farmers wanting to hire the planters, he could make quick and important returns, even at a lower price.

The coaching and soft skills support was instrumental to this achievement and it has led to farmers being more motivated to adopt other technological innovations to improve their farming business. Before 2SCALE's coaching support, the farmers considered most technical and labour-saving innovations like mechanised planting, land preparation and harvesting to be too expensive. But at that time, their business volumes were too low and the risks involved too high to take on such a big investment. No-one was willing to venture into this risk before the 2SCALE project was initiated.

### Looking for cooperative resources to fund coaching services

Going back to the opening question, Mr. Akinpelu, another farmer from the cluster from Ogbomoso, stood up and asked: "If 2SCALE funding must stop, how much would we need to pay to continue getting the coaching support?" He and others reasoned that they would like to pay for the coaching services, as long as it could be within their means. I quickly calculated and then I responded: "If as a group of about 2,000 farmers, you are able to raise five million Naira (about €13,600) per year, it may be enough to provide regular coaching support by 10 coaches with some backup from me as their trainer-mentor."

There was another silence in the room. One farmer asked if this amount was negotiable and so I replied: "Sure".

As if something had triggered a latent potential in the group, the participants started one after another to come up with ideas on how to raise the amount. I then organised them into groups to focus on how to raise five million Naira annually, from within the internal cost structure of the maize partnership in Nigeria. The groups then demonstrated their

long experience of farmers' cooperative fundraising. As a facilitator of the maize clusters in addition to other 2SCALE partnerships in Nigeria, the discussions I heard coming from the different groups were so exciting that they made my heart jump, because some of the ideas being generated could possibly be applied in the other partnerships. I almost could not wait for the group work to finish.

The groups then presented their ideas on how to raise the the annual amount of Naira. Terms that kept coming up were "dividends on patronage", "dividends on shares" and "demand dividends". I probed for more explanations and Mr Akinpelu led the others in giving the details. If the large membership of maize ABCs in Nigeria could agree to pool their demand for inputs and supply of produce through their groups in such large volumes as to save some costs, a certain percentage (called dividends) of the savings could be kept back by the groups. These small amounts could then be pooled to add up to a substantial sum.

### Pooling dividends into real figures

To put it in real figures, Mr Akinpelu gave an example: There are up to 2,000 maize farmers in the partnership and each of these farmers would require 5 bags of fertilizer per year. The farmers could pool this demand through their clusters such that the total of 10,000 (or 2,000 multiplied by 5) bags of fertiliser could be purchased in bulk, and **therefore** at a reduced price. For example, paying 4,000 Naira instead of 5,000 Naira per bag in the open market – which is very possible – would reduce the final cost of each bag by 1,000 Naira. Then the clusters could decide to keep back a dividend of 500 Naira per bag and let the members have it at 4,500 Naira per bag, which would still be lower than that obtained on the open market. This would then raise five million Naira (10,000 bags multiplied by 500 Naira) as the demand dividends.

This same model can also be applied to other goods and services for which demand and supply can be pooled at the group level; for example, tractor services, credits/loans, insurance, transport, etc. If all the dividends raised were pooled every year, the money that would be raised could be more than enough to contract out business support services to competent coaches at cluster levels through a competitive bidding process. Since coaching services are expected to add value to the clusters so that they are able to pool more volumes and raise more dividends, it follows that competent coaches supporting their clusters will be able to raise the needed resources for continuing the coaching services. As the exchange of ideas continued, it was clear that a lot of coaching support on coordination at cluster and regional levels would be necessary to achieve the sums for this idea to work. But it was in any case very heart-warming for me to witness cluster members voicing how much they valued our 2SCALE coaching services that they would be willing to work hard to find a way to pay for the services by themselves so as to continue them.

# 14. Even when 2SCALE ends, milk will continue to flow in Nigeria

*By Sola Fagorusi and Gbenga Idowu, both trainer-mentors, Nigeria*



**Key themes:** Cluster development, PO-Firm relationship, Sustainability of coaching services

## Dairy-Nigeria PPP

FrieslandCampina Wamco is a leading milk processing company. The partnership intends at reducing the import of raw material and increasing local sourcing from Fulani herders.

## Summary

**FrieslandCampina Wamco (FCW), a milk processing company, and Fulani pastoralist farmers come together in this dairy partnership story. This is a new business model for the Fulani women, who get support from internal (embedded) and external coaches to achieve the milk quality and supply goals of FCW. The story takes the perspective of an external business coach called Stephen who manages to become embedded in the cluster through taking on new and paid services. In this way, he can be sure to continue his coaching work even if the 2SCALE funding should end.**

Errant bits of dust trailed Stephen's vehicle as he makes the last turn into Gaa Yakubu, one of the Fulani camps located on Iseyin-Awaye road. He has just made the 5 km journey from his house in Iseyin to Gaa Yakubu. His locally made slippers gather a few stains as he steps out of his car to see Alhaja Agba, the oldest woman in Gaa Yakubu. She is a milk vendor for the dairy partnership. They are already expecting him and they briefly exchange pleasantries. Yakubu is the milk producer, the camp is named after him and he owns the local Bunaji breed of cattle. Alhaja Agba

is his first wife, and according to Fulani custom, she and Yakubu's other wives have the role of selling the milk for family upkeep. While it is not Stephen's first trip to Gaa Yakubu as a coach on the 2SCALE project, it is his first time there for milk collection.

### Collecting milk: a new business for Fulani pastoralists

FrieslandCampina Wamco (FCW) operates milk collection centres (MCCs) targeting Fulani milk producers in the

area. Last year, the company's target was to buy 30,000 litres of milk per day. To meet the volume and quality required by FCW, the milk producers and vendors together play important roles along the supply chain of milk from the farms or camps to the MCCs. Milk collection is a completely new business for these producers. Previously, milk was only produced for own consumption and milk products like cheese were sold locally and the rest wasted. This is the only business women have with the cows. Fulani men, the owners of the cows, thought nothing of it and had never been interested in the milk or its products.

This changed with the coming of the 2SCALE project. In the new set-up, the cows are milked early in the morning, and the women pool and pour the milk into specially designed and calibrated cans. They take care to keep to the required quality standards and have the milk cans ready for delivery to the MCC by 9 am at the latest, as agreed. Most of the women milk vendors prefer having their milk collected right at the camp without having to make the trip to deliver it to the MCC themselves.

Stephen glances briefly at his mobile phone and smiles with satisfaction. He is on time. As a coach on the 2SCALE project, Stephen's primary role is to facilitate business support services to the Iseyin dairy agribusiness cluster actors. He and three other coaches for the dairy partnership are described as "external" coaches as they are not directly engaged in the dairy business. Instead, they were contracted by 2SCALE to support the dairy clusters in improving production and quality of milk; and helping them to establish their "cluster", i.e. networks with other local actors involved in the dairy business, like transporters, feed and veterinary drug suppliers. Although competent, Stephen and the other external coaches are not Fulani and therefore face cultural and sometimes language barriers. This means they need to interface with the cluster actors through the Community livestock workers (CLWs). CLWs are young Fulanis working in the clusters as milk transporters, veterinary drug suppliers or as producers. These CLWs are considered to be "internal" intermediaries or coaches as they are business actors within the dairy cluster.

### Inventing new ways to continue coaching services

Last year, Stephen and the other external coaches were suddenly confronted with the problem that they could not renew their 2SCALE contracts due to administrative delays, which affected their earnings. Stephen discussed his situation with Saliyu, who is a CLW. Even though he is not himself a Fulani, Stephen had built up competence and trust with the dairy vendors of Gaa Yakubu. This became a powerful asset. Through their company SPPS Limited, the coaches sought opportunities to become part of the milk business with the Fulani women. Stephen then managed to reach an agreement with the milk vendors in Gaa Yakubu, to take on collection and transportation of their milk to the MCC using his personal car. His other colleague Rahman

began supplying dry season supplementary feeding materials to the milk producers through the CLWs – an important activity needed to ensure the cows are properly fed and continue to produce milk.

### Building trust and shifting norms

It has been months since this arrangement was initiated and there is so much trust in their relationship that Stephen now gets the milk from the women on credit. He also uses his other networks with a rural evangelical group to facilitate other opportunities for the women such as literacy training, maternal health and children nutrition advice, training and support for extra-mural evening classes for in-school and out of school children and youth in the area. Stephen now averages a collection of 200 litres of milk per day from about 10 women milk vendors and the credit has run as high as 100,000 Naira (about €270). He pays the women only once he gets paid by FCW. Seeing how profitable this new milk business is, the men are now also becoming interested – a hitherto unheard of cultural shift in the Fulani social norm.

Done loading the milk cans, Stephen starts the engine of his car, waves a quick goodbye to the women knowing he will be back again the next morning. He is sleeping better these days being an internal coach directly working with the Fulani dairy vendors, and having continuity in his job guaranteed. Alhaja Agba acknowledges Stephen, also feeling secure in the knowledge that when the 2SCALE project phases out, FCW will continue to get its milk supply from her and others in the dairy partnership.

13 The Fulani (Fulbe) are mainly pastoralists whose occupation is herding cattle and leading various forms of sedentary and nomadic living patterns. There are various Fulani sub-groups across West Africa, often with transboundary connections among the different countries. Apart from herding cattle and producing milk, there are huge numbers of Fulani engaged in business or trade, religious learning and politics. Fulanis who still keep livestock often stay in rural settlements or camps, spatially separated from those of the indigenous rural population. There is a large population of Fulani milk producers in the northern part of Oyo State, Nigeria. FrieslandCampina Wamco (FCW) operates milk collection centres (MCCs) targeting Fulani milk producers in the area.



# 15. The limits of functional capacity strengthening: Reflections on an unsuccessful agribusiness venture

*By Jodicaël Ahoueya, trainer-mentor, Benin*

**Key themes:** PO development, PO-firm relationship

## Maize-Benin PPP

The partnership is led by SOCIA, a company that processes maize into grits for the Brewery SOBEBRA; SOCIA seeks a reliable supply of traceable quality maize through organised POs.

There are cases where the efforts of trainers and coaches do not succeed in improving the functioning of a partnership or in achieving tangible results. This was the case in the white maize partnership in Benin. Coming now to the end of three years on the project, we who were responsible for strengthening functional (or soft skills) capacity, will attempt to analyse in this account the reasons for our lack of success, to draw some lessons for the future. I would like to note however, that our reflections are based on incomplete information and therefore should only be considered as hypotheses.

## Summary

**This story differs from the rest as it shows how success was not achieved despite a lot of partnership-building efforts between maize farmers, a processing company and Benin's largest brewery. Still the story is interesting for drawing lessons for the future. A main conclusion is the importance of commitment of the lead firm to practising inclusive business and to involving local-level partners in decision-making to ensure their engagement, and processes that seek the best conditions for all partners.**

## The basic facts

The initial business model was to market white maize produced by smallholder farmers in Benin through their communal organisations; and then to process this white maize into coarse maize meal grits for use by SOBEBRA, the country's largest brewery. SOCIA, the intermediate processing company, took the first initiative to ask for support from 2SCALE. The main challenge confronted by the company was to get an adequate supply of white maize that could be traced through a coding system, to satisfy the requirements of its client, the SOBEBRA brewery. The national federation

of producers' unions of Benin (FUPRO) saw an opportunity for its members and therefore engaged in a partnership with SOCIA and SOBEBRA.

2SCALE together with several communal producers' unions (or UCPs) belonging to FUPRO, engaged in the traceability system, that required coding starting from the production plots, to the producers, villages and municipalities. At the same time, 2SCALE implemented a two-year organisational and managerial capacity strengthening programme for the UCPs, to increase the efficiency of the partnership. Thanks to the intensive support to internal coaches (members of FUPRO), the maize producers have now improved the management of their farms and maize productivity. They have more insight into the advantages of collective purchases and sales, and they master negotiation techniques based on production cost calculations as well as techniques to reduce production costs. So, at the level of the farms, there has been quite some improvement.

### Differing levels of commitment

However, SOCIA, the initiator of the partnership has not shown the same scale of commitment to the farmers. Indeed, SOCIA hesitated too long to engage in a real production-supply contract with FUPRO, despite 2SCALE's extensive support in a negotiation process. In fact, SOCIA preferred to limit its engagement to develop purchase order letters once the maize was in the FUPRO stores. Also, SOCIA did not want to discuss the demand of the UCPs to obtain credit. It was only after long negotiations that SOCIA finally agreed to a tripartite arrangement with FUPRO and ALIDÉ, the credit provider, committing to purchase maize from FUPRO. The credit from ALIDÉ enabled FUPRO to provide seed and fertilisers to the producers through the UCPs. Although this centralised credit-input regulation was efficient, it did not help to nurture the interactions between the local actors, and the functioning of the nascent ABCs. For this reason, the coaches had difficulties mobilising local credit and input suppliers to rally behind the primary UCPs; hence, there has never been a real need to develop the local-level clusters for this partnership.

After some years of support, the traceability system started to function well. This was marred however by SOBEBRA's growing concern about the high level of aflatoxin in the maize supply. In response to this, 2SCALE successfully trained the producers to control all possible sources of aflatoxin contamination.

### The price-setting battle

Still, the real battle had just begun. SOCIA proposed a low 110 CFA francs/kg (€0.17) at delivery and did not have a real contract with the farmers stipulating the sales price. The farmers of course did not accept this as they had been trained to calculate the production costs (which amounted on average to 150 CFA francs/kg (€0.23) and they felt that

all the efforts they had made on improving traceability and on aflatoxin control were not being acknowledged. SOCIA and FUPRO then embarked on time-consuming negotiations with the farmers to finally arrive at a sales price of 135 CFA francs/kg (€0.21).

In the meantime, the market price for maize increased to 180 CFA francs/kg (€0.27) so of course the farmers started to sell their maize on the free market. Fearing a shortfall in their needed maize supply, SOCIA then proposed 150 CFA francs, but at this point this price was not attractive enough for the producers. Finally, only a small quantity of the traced maize has been sold to SOCIA. One out of the eight farmers' organisations, the UCP of Glazoué supplied the company with 90 tonnes, while its objective for 2015 had been to supply 2,000 tonnes, and SOCIA had expected a supply of 10,000 tonnes of maize. According to SOCIA and SOBEBRA, the producers betrayed their commitment. However, FUPRO has a different interpretation of what happened, and the organisation denounced several dysfunctions in the negotiation process as well as an inappropriate price-setting mechanism.

### Far from an inclusive business model

The major lesson to be learned from this account is that a partnership can only function if all key actors effectively commit themselves to the process at all stages. In this case, the point of view of the producers was not taken seriously enough. If it had been, this would have helped to better integrate the requirements of the partnership, to evaluate whether it was in fact feasible, and for all actors to engage in finding ways to adapt the different quality demands to the reality of the field. It also appears that there was a lack of true and strong commitment on behalf of the two companies, SOCIA and SOBEBRA, toward the inclusive business model, which requires an equal and trusted relationship with the local producers. This means that all parties should be involved in monitoring the process, anticipating difficulties and working together to find credible solutions. This was lacking. Lastly, and related to this last point, a decentralised decision-making process was missing. This should also be part of an inclusive business model. But FUPRO and SOCIA went for a centralised input-credit arrangement that did not encourage the development of agreements with local finance services and input suppliers around the UCPs, and so the agribusiness clusters did not really operationalise.

14 Société béninoise de brasseries.

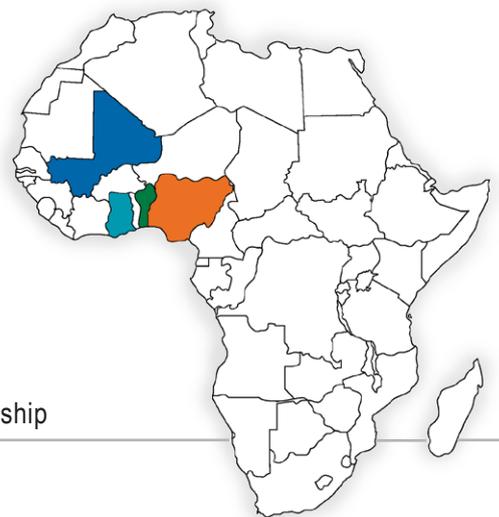
15 Société des industries alimentaires.

16 Fédération des unions des producteurs.

17 Union communale des producteurs.

18 Association de lutte pour la promotion des initiatives de développement.

19 Aflatoxin: poisonous and cancer-causing chemicals that are produced by certain moulds (*Aspergillus flavus* and *Aspergillus parasiticus*) which grow in soil, decaying vegetation, hay, and grains such as maize.



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