

Tenacious sorghum smallholders win the pricing battle by joining together

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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 - retrieved 21 April 2017).

