Serving farmers’ interests in a creative and effective way

Reader with success stories of African Farmers’ Organizations

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Introduction

In March 2008 AFAFO was asked by the Bill & Melinda Gates Foundation to assist them in developing its Farmers’ Focus strategy by analyzing how farmers organize themselves and for what reasons. AFAFO was to seek to provide evidence of the effectiveness of various forms of farmers organizations that serve smallholder farmers, as well as the costs of such services.

As we were aware that data collection is one of the weaknesses of farmers’ organizations (F.O.’s), and thus finding evidence of their effectiveness through a quick assessment of F.O.’s in some of the Sub-Saharan (SSA) countries would be rather difficult. Instead of providing overall figures for the whole farmers’ movement, which are not available, we choose to collect a number of success stories, at local or regional level, having proven to be effective in terms of impact at farm and household level.

AFAFO contacted a number of advisors of F.O.’s in various SSA countries in order to identify and assess the most interesting success stories. Although not all advisors were able to contribute, we collected 12 success stories from 6 countries: Benin, Cameroon, Mali, Niger, Rwanda and Uganda. During the identification process we took care of choosing at least one story for each of the domains of a commodity chain. This led to the following series of experiences of farmers organizations:

- Building infrastructure for irrigation enabling farmers to engage in rice and vegetables growing, providing them income throughout the year;
- Producing seedlings to provide farmers with healthy and improved planting materials, meanwhile creating a source of income for both the seed producer and for the F.O.;
- Providing farmers with quality inputs (fertilizer, seeds, pesticides) enabling them to increase their productivity, while the sales profits on the inputs enable the F.O. to start additional services to its members (processing unit);
- Enabling female farmers to get access to formal credit to set up various income generating activities;
- Farmers setting up their own bank (saving and credit cooperative) to access loans to increase their means of production;
- Three experiences of promoting professional farming: one in rice growing, one in dairy and one in horticulture, showing that specialization in/intensification of specific crops enables a substantial increase of the productivity and of the income;
- Enabling female farmers to properly store part of their harvest in order guarantee food security for their families and to stabilize food prices in lean periods;
- Enabling female farmers to engage in small cattle breeding as a source of income in addition to their normal agriculture activities;
- Adding value to the Irish potato harvest by washing, grading and packaging the potatoes in small quantities, thus providing extra income for the farmer;
- Producing for a specific export market means working closely with other stakeholders which may not be easy but at the end of the day, the farmer gets a much better price for his produce.

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1 A quick assessment was carried out in Benin, Malawi, Mali and Uganda.
Each of the stories evidences the importance for farmers to get organized in order to have access, either to infrastructure, inputs, credit, extension, markets, or to add value to the farm produce both financial and social wise. Each of them also shows the impact of the activities/services undertaken by the F.O.’s on the production and the income as well as the livelihood in general of the individual members.

However the stories also show that each of the undertakings needs proper preparation (identification of the real issues at stake, the right choices to set up the activity and making use of existing opportunities), building capacity (tools/systems and training) of all players involved (farmers, leaders, staff), doing regular monitoring and evaluation to timely adjust possible shortcomings.

Only then Farmers’ Organizations can make a real difference in the lives of African small holder farmers, and thus in a sustainable way.

August 2008
In a poor area where small producers have difficulty accessing fertile land, hydro-agricultural development may be a way forward, though with some challenges.

A poor area with unexploited potential

- The department of Couffo is characterized by a significant number of families vulnerable to food insecurity (24.7% against 20.8% at national level) and almost half of the families live below overall poverty line (45.7% against 36.7% at national level). The current department of Mono is a little less fragile in some areas, but the lakeside areas are also prone to high food insecurity. Farmers are faced with the difficulties of water harnessing.
- In the departments of Mono and Couffo, the potential of unexploited irrigable land is estimated at 30,000 ha. Unfortunately, experience has shown that facilities for the development of large areas (> 50 ha) are not sustainable in the local context (very high investment costs, low involvement of beneficiaries in planning process).
- In addition to rice, market gardening also offers interesting opportunities on small developed areas, especially in the off season, when market prices are quite high. Unfortunately, problems of water management, partial control of technological packages and inadequate organisation of producers remain the main constraints hampering the development of the market gardening commodity chain.

A largely supported farmers’ initiative

The Regional Union of Producers (URP) of Mono / Couffo has chosen to diversify its support to agricultural production through the development of the rice and market gardening commodities drawing on this irrigation potential in the area. To achieve this, it applied for and received support from the Belgian NGO PROTOS which has managed to secure funding from the Government of Belgium.

1 URP and PROTOS have a contract renewable on an annual basis (since 2003 i.e. pilot phase)
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<td>Regional Producers Union (URP)</td>
<td>the role of the Contracting Authority: Call for proposals, selection of service-providers, monitoring and evaluation of the service-providers, diagnostic studies organizing exchange visits to already developed sites organizing periodical meetings between technical staff and elected representatives to assess the achievements and to plan actions or activities of the project</td>
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<tr>
<td>Regional Council of Rice Farmers (CRR)</td>
<td>structuring of functional groups, training producers on themes related to the commodity, implementation and follow-up of demonstration plots, support to groups for shelling, for marketing (search for market outlets, bulked marketing: purchase of paddy from rice farmers and resale after shelling) and the production of operating accounts by the technical assistants</td>
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<td>Community Unions of Producers (UCP) of Communes of Grand Popo, Houéygbe, Lokossa, Bopa, Dogbo, Aplahoué, Klouékanné, Lalo</td>
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<tr>
<td>Groups of Producers (around sixty with 20 to 60 members each)</td>
<td>contribution to the works by unspecialised labour force extension of agricultural technical packages measurements for agricultural techniques attending training sessions on production techniques production, harvest / threshing, storage and sometimes shelling marketing</td>
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<tr>
<td>PROTOS</td>
<td>mobilising financial resources for the project (PAHA) technical support in the field of mastering the implementation of the (infrastructure) works project management and reporting to donors permanent technical assistance of PROTOS monitoring &amp; evaluation</td>
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<td>Local NGO’s (GRADID, GARD, CIRAPIP and A2D) *</td>
<td>identification of groups and stakeholders, conducting exchange visits to already developed sites, monitoring of the hydrological operations support to the drafting of a manual on use, maintenance and management of works</td>
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<td>Private operators (Consulting firms for studies and implementation of infrastructure works)</td>
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* These NGO’s were already in the PROTOS intervention mechanism before collaboration with URP and were maintained to avoid URP being both judge and party involved

Logistical and financial resources

**Materials / equipment / infrastructure:** For the URP, a computer for the programme officer and two motorbikes, two motorbikes for the regional council of rice farmers, two motorbikes for the regional council of market gardeners.

50% subsidy for small working equipment for groups responsible for developing irrigation sites.

**Running costs:** on the basis of man days (12500 CFA francs for OP and 14000 for NGOs). Overall, POs have 60% of management fees and NGOs 40%. From this amount each structure deducts a given rate to cope with its running costs, supervision of agents, etc.

**Total cost:** PAHA funded by the FSB²: 1 682 078 EUR or 1 101 761 090 FCFA (including NGO contribution worth 20%)

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² Belgian Survival Fund
Problems encountered during the project implementation and chosen solutions

| No specific inputs and difficult access to inputs in general | Search for suppliers |
| Difficulties in market penetration as Bénin consumers prefer imported products to those produced locally | Training and informing producers |
| | Developing collaborative relationships with those involved in the programme |
| Producers do not capitalise on the great potential offered by market garden produce | Organising exchange visits between groups and supervision staff and trade and technical partners from the north and south |
| | Installing a rice mill where quality standards are high from production to packaging (on a rhinoceros label) |
| | Training and informing producers on the potential |

Small producers now have a larger surface area

The annual crop area sown with rice on the sites rose from 45 ha with an average yield of 3.6 T / ha before development in 2006 to 90 ha, with an average yield of 4.5 T / ha in 2007, after the site was developed. This benefited 961 producers including 385 women.

The average area planted with rice per producer before the project, which was 1 kantin i.e. 0.04 ha, rose to 0.25 ha, which accounts for an annual income of 112 500 F (172 euros). This corresponds to one harvest of rice and market gardening activities for the rest of the year. It should be noted that these producers have other land outside their plots in inland valleys. In non developed the irrigated area, these producers are trying to develop their own plot of irrigated land with the little equipment at their disposal using production techniques already learnt.

Replicating the experience in other areas

The following is required:

- To allocate 2 000 000 F on average to develop (technical studies, surveys, and implementation sometimes with such materials as: cement, iron, pipe, skilled and unskilled labour force, etc.) an area of one ha and 64 285 F for the supervision of producers per ha;
- To ensure active participation of different actors including farmers’ organizations;
- To empower beneficiaries so as to manage the works.

Eustache Wankpo
Advisor for F.O’s
Specialization in seed production as a source for higher income

The case of INGABO – Rwanda in the cassava commodity chain

Since 1997, the cassava mosaic has devastated cassava plants causing a sharp drop in production then it is a staple food in Rwanda. INGABO, a farmers’ union located in the Southern Province, has invested in the eradication of this viral disease and was able to have a huge impact, at both producer and organization levels. Through its collaboration with the Institute of Agricultural Research of Rwanda (ISAR), since 2006, the four provinces of the country have benefited of millions of cassava cuttings of different varieties more resistant to the disease. On average, a seed producer could earn a million Rfr\(^1\) per year, and INGABO has made a net profit of 70 million Rfr in 2007 and the first half of 2008 from this business.

The cassava crop was introduced in Rwanda since the 1960's but has seen a higher growth in the last five years due to researchers’ efforts to find out new varieties. Among other reasons, the policy of the Government of Rwanda to promote a former Rwandan traditional staple food into a cash crop; the commitment of farmers’ organizations and individuals to work hand in hand for the revitalization of this commodity chain.

But, now a new viral disease “cassava mosaic” has come out as a threat and discouraged efforts aiming at increasing production. The farmers’ union “INGABO” initiated some activities to address the issue. It gathered and trained 444 farmers on cassava cuttings production and their dissemination throughout the country. The new varieties are able to resist against cassava mosaic. Therefore, farmers’ expertise has contributed not only to increase their income, but also to financially strengthen their union and helped to the revitalization of the cassava commodity chain countrywide.

The results were mainly attained not only due to the farmers’ union performances in organizational management, the professionalism of the cassava producers but also the good willingness and cooperation with the local government leaders as well as a close collaboration with researchers of the Rwanda agriculture research Institute (ISAR).

In 2007 the Institute’s researchers have found out four new cassava varieties more resistant to the mosaic. These varieties are “Mbagarumbise” a name from the vernacular meaning “weed me and let me grow”; “Mbakungahaze” or “enriching”; “Cyizere” or “Hope” recalls a resounding hope to farmers who engaged in agricultural intensification. The fourth and most productive variety, due to its short production cycle of four months only is “Ndimirabana” paraphrased in local language as “Let me rescue children”. All these varieties have been grown on 843 Ha\(^2\) in

1 1 Euro= 835 Rfr

2 Ha (Hectare) is equivalent to 10,000 meter square.
2006 and they reached a production of about 80 million cuttings of the length of 20 to 25 centimeters each one. All this production was sold and distributed in the four provinces of Rwanda during years 2007 and mid 2008.

Given the opportunities offered by these varieties found out after a long time, farmers have felt the need for solidarity by forming a seed production based cooperative that was named MBAKUNGAHAZE in honor of the variety. Very dedicated to work together, producers of cassava have been able to achieve a very high income of nearly 800 million Rfr since 2007 up to now by selling cuttings. Undoubtedly, the willingness of farmers to financially contribute to the allocated expenses incurred by their organization “INGABO” was clear. Everyone was offering 1 Rfr from each cassava sold cutting to cover operational expenses related to the monitoring of the chain and any other operation.

Previously, the activity received subsidies from the donors as the Embassy of the Kingdom of the Netherlands based in Kigali, but later the activity has generated income for INGABO. Following this successful activity of promoting cassava commodity chain, INGABO’s corporate image was promoted in both farmers’ views and the Government at large. The revenue collected by INGABO through this deal is 70 million Rfr until June 2008 and the activities are still ongoing.

Seeds producers’ income has also increased. Mr Jacques Niyongira, a Ruhango district resident is, among others, witnessing the successful experience: “With 500.000 Rfr, I bought 50,000 cassava cuttings that I planted on 5 Ha, he said. I started selling cuttings one year later and could earn 5 million Rfr in 3 years. With my income, I have been able to buy a motorcycle, and my house has been renovated. Nowadays, school fees are regularly paid for my children and I’ve subscribed to the health insurance scheme known as “Mutuelle de santé” for the whole family. I have also bought 3 dairy cattle. Briefly, my family living conditions are improving.

The story of Jacques success is common to all 444 cassava cuttings producers even if his production is above the average due to his land’s size. The minimum requirement for anybody to be supported for producing cassava seed is a 0.5 Ha piece of land; the average is 1.5 Ha. As a business, seed production benefits to its producers at the first step of the chain operations. At the second step, producers that have accessed to healthy seeds will benefit from the program through the increase of cassava yield.

A well justified motivation

Cassava mosaic has spread out as a threat since early 1997. At that time, any idea on best cassava seeds varieties was not raised yet and the problem was not addressed although several
projects and NGOs had been involved into research aiming at getting healthy and resistant seeds. INGABO’s opinion is, today, that the effective involvement of cassava producers, the commitment of INGABO as well as the synergy between various stakeholders, have highly contributed to overcome the problem.

INGABO was sensitive to the crisis (cassava mosaic) because its members’ production and consequently their income were seriously affected. INGABO started actively investing in this business since 2003. The first step was to plant nurseries from the Research Institute. There was still a problem about the extension system while the disease was ravaging the crop. Seeds from the National Seeds Service were not used due to lack of assistance to seeds producers. The situation was such that the union had cuttings resistant to the mosaic over an area of only 4 Ares. The cuttings came from the national agriculture research Institute (ISAR). This is to explain that research was done but there was no partnership between research centers and farmers organizations for the dissemination of the findings. There was not, at that time, any cassava producers’ organization.

The production of cassava and its derivatives miserably and shortly went down. The communities, particularly those from the Amayaga region in Southern Province and whose consumption relies on cassava based food, were facing regular food shortages. More than 60% of INGABO members grow cassava. This has been one more reason for INGABO to commit and invest in this crop and furthermore, to become a pioneer in the fight against the cassava mosaic.

**A hardworking business**

Early in 2003, INGABO had got, from the Rwanda agriculture research Institute (ISAR) KARAMA station, some cassava seeds trusted as resistant to cassava mosaic. These cuttings were then planted on 4 Ares with the objective of testing their adaptability. The results were conclusive and in the following year, the cuttings were harvested and so far replanted again on 4 Ha in 2004. One year later, the produced cuttings could be transplanted on 18 Ha. The production went increasing until 2006 and INGABO was able to transplant the produced cuttings on 843 Ha covering the whole operational zone of INGABO.

The producers’ commitment and efforts pushed the gear lever of the expansion and diffusion of the variety. A positive change was made: farmers got rid of the traditional cassava varieties – said to be more vulnerable to disease- and adopted the new ones. Their dream has become a reality because farmers had recovered from a latent period of food scarcity. Hopeful signs for better harvest could be seen here and there.

Along with the increase of production, a process of organizing cassava producers was being initiated. It began by identifying potential producers of cassava, followed by organizing a series of trainings both in technical matters as well as organizational management. Indeed, producers have learned not only about cassava seeds production techniques but also they have got knowledge regarding the establishment and operation of cooperative societies. Skills on calculating production costs and many other acquaintances were also provided during the training sessions.

The program targeted cassava producers with more performance to be serving as opinions leaders. A number of 44 farmers’ mobilizers were selected among others. Their major roles were in line with the objective of providing technical skills to take care of the new varieties and assure monitoring of the crop. These peer educators are not recruited as employees but as volunteers who commit to assist their comrades. INGABO had to avail any required training equipment to the peer educators and movement facilities such as bicycles. These farmers are working as focal points that link the organization and its members. They build a type of network that eases communication and information exchange. They assure an upstream and downstream flow of information.
Specialization in seed production as a source for higher income – The case of INGABO – Rwanda in the cassava commodity chain

on transportation fees, cassava harvesting and gathering sites as well as market. This successful experience has been a result of frequent dialogue between the producers and their organization, INGABO.

Hand in hand: all actors are mobilized

The current successes have been reached due to the contribution of all stakeholders of the cassava commodity chain. The Rwanda agriculture research institute’s role was to assure a phytosanitary control of the seeds and the transfer of the findings of the research as well as new farming technologies. It also provided technical trainings. In order to improve its cassava program related activities, INGABO signed a memorandum of understanding with the research institute. The main objective of the memo was to test an agro-processing plant of flour and chips made from cassava as far as long conservation is concerned.

The Ministry of agriculture and animal resources provides phytosanitary inspection and certification of improved seeds. The national steering comity of the cassava promotion Program was mainly involved in developing policy, guidance and strategic orientation of the commodity chain. The local administrative leaders at all levels were involved in sensitizing the population to uproot plants already affected by cassava mosaic; whereas the dissemination of information has been possible thanks to a partnership with a local radio station “Radio Maria Rwanda” located in the centre of the country. Two radio programs shows were being diffused every week, one on the fight against the mosaic in particular and another on poverty alleviation in general. It is through these shows that the public was informed of the availability of cassava mosaic safe cuttings. It was like a free space for farmers to testimony on the successful stories of the cassava business.

Currently all the portion of communities being served by INGABO within its operational zone can access healthy cassava seeds. With the introduction of new varieties, the production per hectare, which had fallen to 10-15 tons, has this time increased up to 40 tons. For more than 7000 members of INGABO, cassava related activities are the most important source of income if not the only one.

The acceleration of the diffusion process

The profitability of the production of cassava cuttings fascinates its producers, whose number is increasing. The cassava cuttings production has attracted many more farmers towards the business. The assistance to producers by their peers has highly contributed to the diffusion of the new healthy varieties.

But there is still need of serving the whole country by distributing the healthy cassava cuttings. The offer is still lower comparing to the national demand. Indeed, the total land where cassava can grow is estimated at 127,198 Ha while the distributed seeds can hardly cover only 8,000 Ha. This shows that there is still a deficit of 93% to be covered. The total coverage can be achieved in approximately two years because one can grow 100,000 cassava cuttings on 1 Ha that can be transplanted on 10 Ha one year after. The process could be accelerated by a partnership between the various stakeholders and in particular the involvement of farmers’ organizations existing in different provinces.

One should note that the performance based contracts guiding the current local administration authorities include among other provisions, the development of agriculture, the economic revolution, are presenting opportunities of a very fast diffusion of the new cassava varieties.

In order to sustain the acquirement of this experience, INGABO should be investing in cassava processing to avoid that overproduction due to the large diffusion and wide availability of healthy cassava varieties could drastically affect the market price.

June 2008
Francis Xavier Mbabazi and Jean Damascene Nyamwasa
Agri-business development: from input supply, to processing, to ...

The case of FCMN shops in Niger

When in the nineties African Governments scaled down their support to the agricultural sector, and pulled out of a number crucial functions, at first farmers were left to their own like orphans, as particularly in West-Africa, the private sector did not take up these functions adequately. However overtime where the needs were felt most, farmers got organized and set up economic activities.

In Niger, as everywhere else in Western Africa, over the last two decades, the Government, following the dwindling of its means and structural adjustment measures imposed from outside, has withdrawn from agricultural services, a key sector of national economy (60 to 45% of GDP) without a real prior transfer of competences to involved actors at grassroots level.

In that context, farmers leaders, rich with traditional and modern farming skills and know-how acquired throughout generations, and through impetus given by some former government officials and/or people who have benefited from the supervision of their technical services, set up farmers’ organizations.

For the horticultural sub-sector in Niger, the FCMN-NIYA (Federation of Horticultural Cooperatives of Niger) was established to deal with the lack of representativeness, defense of members’ interests and to initiate and reinforce operational technical and economic services (training, management advices, supply of inputs, value adding through: marketing, processing) contributing to increasing income and improving members’ living conditions.

In order to reach this objective and following the needs voiced by members during in-depth surveys, FCMN-NIYA gets support from several partners (Ministry of Agriculture, National Research, projects, international NGOs, Cooperations). These different partnerships have built the capacity of FCMN-NIYA to develop sustainable services, adapted to members’ needs and demand with sustainability approach giving greater importance to the commitment and accountability of producers.

Below is a description of how a small shop of agricultural inputs is turning into a whole set of technical and economic activities to benefit member farmers.

At the start, this shop of agricultural inputs was established to discharge the following duties:
- Ensure permanent availability of agricultural inputs in terms of quality, quantity and at appropriate times, and at the nearest point of farmers and their fields;
- Give weak producers an opportunity to buy agricultural inputs at competitive and affordable retail prices;
- Provide practical advice for the application of agricultural inputs;
- Develop the negotiating capacities of grassroots FO’s and their involvement in consultation forums as regards to the development of farmer’s strategies;
Develop partnerships between cooperatives and research and other stakeholders in the areas around the inputs-shop;

Develop the relationships of the cooperatives with formal financial systems (DFS or bank) in order to contribute to increasing the working capital;

Increase the financial autonomy of cooperatives to enable it pay part or whole of its member’s services;

Develop skills in technical, accounting and profitability advice services;

Promote local know-how

Check the quality of inputs in collaboration with the National Institute of Agricultural Research.

With support from development projects, the idea of inputs-shops was implemented at village level, but was very quickly taken over by national and regional umbrella FO's by actively participating in basic investments, namely the purchase of a land plot and construction of buildings; external support was essentially used to fund the working capital and basic technical training.

To give but one example, at Kollo, a village located 15 Km away to the South-East of Niamey, the capital city of Niger, the union of agricultural cooperatives 'Gandé Gomni » grouping 100 women from 6 neighboring villages, member of FCMN-NIYA, has made remarkable achievements for its members through its inputs-shop which started its operations in 2005 with a working capital of 500 000 FCFA made up of 60% of external grant, and 40% of contribution from FO members. With this working capital, the shelves of the inputs-shop were quickly full of small bags of inputs sold to women growing okra, bissap, groundnuts, beans...and even for rice and millet grown by men.

Sale rotation was very quick as the semi-urban area produces some quantities of fruits and vegetables supplied to city markets. Throughout the year, one should have one quarterly rotation with increase in capital due to the results of about 5 to 10% per rotation, i.e. 20 to 40% of annual increase in capital.

As regards the impact of the use of quality inputs (seeds, fertilizers) sold through inputs-shops on women farmer’s leaders, we notice a
marked increase in productions. According to field verifications, where the farmer uses seeds and recommended quantities of organic fertilizer, the yields increase from 20 to 35 tons/hectare for onions and treble for Irish Potatoes.

The supervision system for this economic activity relies on two levels. Level 1 relates to the local co-operative union which recruited, from among its members, a female manager responsible for sales and who hands the receipts over to the treasurer of the union and who is cosignatory to the latter’s bank account opened in a local bank. The leadership of the union administers the relationships between their organisation and its partners with respect to the supply of inputs and other services like training, exchange of experiences. Level 2 relates to FCMN-NIYA (national umbrella) which has a support framework for monitoring and supervision of all its network of about twenty inputs-shops. The support framework of the FCMN is responsible for the training of shop managers, keeping a database for the whole network, follow-up of the smooth running of shop activities and reports to FCMN Board which takes necessary decisions. FCMN also takes advantage of capacity building workshops/training sessions, organized by partner projects, for some of its members organizations involved in the management of inputs-shops. In the end, local facilitators recruited by FCMN regional branches should take over and ensure the coaching of the activities of inputs-shops and other activities of member cooperatives. On the whole, identified problems mainly deal with inadequacy of funding to meet increasing demand and training of officials and managers. Reflections on the sustainability of the system suggested establishing links with the formal financing system (bank, MFI) as well as annual external evaluations/audits with obligation of publication to members during general meetings. This arrangement is progressively taking shape.

By end of the year 2006, with part of the profit generated by the inputs-shop, the co-operative union of female farmers ‘Kandé Gomni’ of Kollo secured new investments for extraction of groundnuts oil with the following advantages:

- Purchase of groundnuts produced by members by the Union;
- Processing of quality groundnuts oil, sold to women but also to the village and on local market;
- Sale of oil cake for human and animal consumption.

Throughout the year 2007, the FO has kept diversifying its activities by meeting other local needs including the making of highly multi-nutritional food for cattle.

By end of 2007, the forecast of input orders for the inputs-shop amounts to 3 million FCFA; it has formed a partnership with other FO’s to ease the purchase of inputs by bulking the needs of different shops which enables to benefit from the economy of scale and increase its own order for the benefit of its members. A bulked order allows getting cost reductions of about 1 to 5%.

In order to strengthen the whole network of inputs-shops, FCMN has managed to form an important partnership with a commercial bank (Regional Solidarity Bank of Niger) by securing a 50 million FCFA worth loan, a big first in the history of the Farmers’ Organizations in Niger as regards to financial capacity development.

July 2008
Amza Tahirou
Advisor of FO’s and MFI’s
Rural women groups enabling access to formal credit for their members

The Mopti case in Mali

Micro-finance institutions have mushroomed throughout Africa the past decade providing credit to ordinary people. The very large majority of these banks is located in towns, far from the rural population who is not yet considered as potential business partners. However things change when farmers and fisher folks get organized.

Mali is a Sahelian country, listed among the least developed countries in the world, and whose population is mostly rural (85%) and almost completely ignorant of the banking system (71% have no access to a financial institution/service) hence a very weak financial autonomy that prevents rural people from developing economic initiatives at local level, increases unemployment rates, rural depopulation, ever increasing poverty in rural areas and illegal immigration.

However, Mali has an enormous agricultural potential (agriculture, fishery, animal breeding) and endogenous organizational dynamics bring about a substantial contribution to reversing poverty to the trends and inadequacy of the financial autonomy of local actors.

In Mopti area (River Niger Delta) the collaboration of rural women's associations with different partners like projects, but mostly with professional micro-finance institutions, has demonstrated the feasibility of developing a sustainable financial tool, even with the poor.

Indeed, rural financing institutions (MFI), by working in remote almost inaccessible rural areas, enhance the technical capacities for the management of income generating activities, purchasing power and the capital of customers, notably vulnerable groups like women. As they do not have the material and financial guarantee required to access a formal loan, rural women have organized themselves into rural savings and credit cooperative societies based on the solidarity among their group members.

**Women groups provide guarantee and self-confidence**

The joint guarantee group outside the search for credit also constitutes for its members a tool for women's self-promotion and their economic activities, but also strengthens social cohesion. Among these joint guarantee groups, we will present the case of a women's association that managed to capitalize on the advantages of a partnership with a formal micro-credit system for the benefit of its members.

The whole story began in 2005 with 10 women who took the initiative of organizing themselves in view of securing a formal loan to finance members' activities including fishing, selling of fish, grains and other income generating activities like sale of fruits and vegetables, spices and hand-woven cloth. We should point out that in most villages in northern Mali women are very poor (no start-up capital) and access to formal credit is often difficult.

However, in order to ensure the sustainability of the micro-credit system, women groups
make significant contributions. Indeed, the group provides a financial guarantee equal to 5% of the amount of credit requested and saves 1% of the amount granted at each schedule of repayments. Furthermore, the group pays the cost for transportation of the money from the village to the closest repayment counter of the micro finance institution. Another technical contribution of the group is the analysis of members’ loan applications at the first level in accordance with criteria based on the knowledge of the cycle of the activity declared and its profitability, but also on the background of the customer in terms of capital and experience in the management of income generating activities. In addition to granting loans, the micro finance institution organizes, for group members, a training session in loan and small-scale enterprise management so as to count on experienced women with the capacity to manage more important amounts of credit in the future.

Capacity and credit have grown ever since

After assessing the work potential of the members of the association and analyzing possible risks, the collaboration between the women Group and the MFI evolved over the years:

<table>
<thead>
<tr>
<th>Year</th>
<th>Number of women</th>
<th>Amount/woman</th>
<th>Number of credit cycle</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>2005</td>
<td>10</td>
<td>25 000</td>
<td>2</td>
<td>500 000</td>
</tr>
<tr>
<td>2006</td>
<td>14</td>
<td>50 000</td>
<td>2</td>
<td>1 400 000</td>
</tr>
<tr>
<td>2007</td>
<td>14</td>
<td>75 000</td>
<td>2</td>
<td>2 100 000</td>
</tr>
<tr>
<td>TOTAL (F CFA)</td>
<td></td>
<td></td>
<td></td>
<td>4 000 000</td>
</tr>
</tbody>
</table>

In 2005, activities funded were related to cereal processing (fritters) and sale of spices. From 2006, the women who had obtained cash started dealing in more profitable activities (mostly fish selling). Thus, the leader of this group of 10 women, Mrs Finado Diarra who used to sell fritters, made her business grow by embarking on the sale of smoked and/or dried fish, which she retails in 4 to 5 weekly markets nearby or sometimes far from her village. Indeed, when fish is smoked or dried and preserved, it allows interesting margins of 50 to 75% over an interval of 3 – 4 days due to increase in prices between the period of high supply of fish and that of short supply of fish.

In 2007, due to good collaboration, the MFI provided a loan to the members of the women’s association which enabled them to widen the range of their activities and increase their margins. Indeed, part of the loan was used to purchase and stock un-husked rice (paddy) which

Mrs Finado Diarra selling her fritters
is sold three months later with a margin of about 33%. Cereal and fish sales are very profitable activities for rural women in Mali.

In its loan policy, the micro finance institution which provides support to these groups of women plans to progressively accede to all loan requests from good customers. Thus, in 2008, women group members requested for a bigger amount of loan which was approved by the credit committee of the institution (example: 500 000 FCFA for the chairperson of the association). An evaluation through informal impact assessments over the last three years has shown that women’s participation in meeting financial family needs has increased a great deal (often between 10 and 100% out of an annual budget of about 200 - 300 Euros). Indeed, these women who, before securing their loan, would have to request everything from their husbands, today proudly declare that they buy spices, foods for family consumption, clothes and drugs for their children. Some of these women can fend for themselves thanks to income generated by their businesses because they are widows or divorced.

The analysis of the trend of the above results clearly shows that our association has enabled its members to improve their living conditions but also their technical and economic capacity and thus become an example for many women waiting to be given credits.

In another group of women from a neighboring village, a young women hailing from a fishing community secured a loan from a micro finance institution. She shared it with her future husband who used his share to buy fishing nets for 25 000 F CFA. A year later, a loan impact assessment shows that it has enabled them to pay the dowry (300 000 F CFA,) and build a small house for the young couple (200 000 F CFA). Even though this couple agrees that this situation is quite exceptional they nonetheless keep on praising the appropriateness of the initiative of the group of women to take out a loan for its member’s self-promotion and their economic activities.

**Challenges still exist**

To be quite objective, one should note that it is not roses all the way with respect to credit in rural areas. Many other groups of women were deeply in debt and have had enormous difficulties to pay off their debts. Several internal and external factors explain such a situation, as explained below:

- Generalized poverty of rural communities and customers;
- Inadequacy of material and financial guarantees that are available and realizable in order to compensate for outstanding debts;
- Vulnerability of activities financed in rural areas (farming activities subject to unpredictable weather conditions);
- Low capacity of technical management of rural customers’ businesses;
- Comparison of MFI with projects and therefore comparison of loans with donations and grants.

Finally, we arrive at the conclusion that the work of micro credit in poor areas is tedious; its impact comes with time, the secret of its success lies in the proximity of the institution and to the adaptability of loan products to the needs and capacities of target groups.

Today, one of the great difficulties facing MFIs serving many rural communities completely ignorant of the banking system is the availability of credit lines (in terms of accessibility and cost of access, size of amount, timeframe) and often qualified technical assistance.

Giving these MFIs a line of credit will enable them to continue serving poor communities, among them rural men and women who unfortunately are excluded from the formal financial market every other day.

Amza Tahirou
Advisor of F.O.’s and MFI’s
Farmers setting up their own bank to access loans to increase their production

The case of Alutkot Savings and Credit Cooperative Society Ltd in Uganda

Alutkot SACCO was set up by farmers in 1999 to enable savings and access to loans. Its membership grew from 259 savers as of 30/6/2002 to 2,245 at the end of the year 30/06/2007. Within the same period, loans to small scale farmers grew from Uganda Shillings 6,813,400 to Shs 587,265,025, a clear success story.

Alutkot Savings and Credit Cooperative Society (SACCO) was started by farmers of Alutkot Village, Loro Sub county in Apach District before the district was split into two districts. Now the organization is in Oyam District. It was started as a savings and credit scheme of Alutkot Growers Cooperative Society Ltd. In 1999, the scheme adopted the Uganda Cooperative Alliance (UCA) “village bank model” and it was incorporated as Alutkot Financial Services, a company limited by Shares in 2001. In order to fit in the regulatory frame work according to Micro Finance Deposit Taking Institutions Act, it transformed into Alutkot SACCO in 2003.

Alutkot was founded by its members with the sole aim and goal of improving their livelihoods as small scale farmers. This was done with UCA as the key player in organizing it. It was a primary cooperative which was formed and later on it has diversified its activities (from supporting farmers produce cotton and food crops to provision of financial and advisory services) since under the NRM Government the cooperative movement was left to die. At that time there was no supportive Government policy to continue with the growth and development of the cooperative movements in the country.

Mid North Private Sector Development Company Limited (MNPSDC) took the lead of providing technical financial skills such as savings mobilization, credit management, business planning and introduction of agro-related products to the SACCO Board and Staff. This was because many banks feared to lend to small scale farmers because of the high risks of failures. MNPSDC promoted Alutkot SACCO to its present status currently with 3,100 members clients with a share contribution of Uganda Shillings 52,000,000. It has a saving deposit level of Shs 572,000,000 and a loan portfolio of Shs710,000,000.

Other parameters indicating the performance of this SACCO are highlighted below.

<table>
<thead>
<tr>
<th>Financial year</th>
<th>30/6/02</th>
<th>30/6/03</th>
<th>30/6/04</th>
<th>30/6/05</th>
<th>30/6/06</th>
<th>30/6/07</th>
</tr>
</thead>
<tbody>
<tr>
<td>No. of savers</td>
<td>259</td>
<td>525</td>
<td>789</td>
<td>1089</td>
<td>1504</td>
<td>2245</td>
</tr>
<tr>
<td>Shares</td>
<td>1,470,000</td>
<td>3,096,000</td>
<td>5,027,300</td>
<td>8,112,300</td>
<td>21,200,000</td>
<td>38,650,000</td>
</tr>
<tr>
<td>Savings</td>
<td>12,106,950</td>
<td>50,050,750</td>
<td>66,724,600</td>
<td>104,676,050</td>
<td>198,003,300</td>
<td>466,702,105</td>
</tr>
<tr>
<td>Loan portfolio</td>
<td>6,813,400</td>
<td>51,462,650</td>
<td>63,178,000</td>
<td>147,359,825</td>
<td>309,480,225</td>
<td>587,265,025</td>
</tr>
<tr>
<td>No. of loans1</td>
<td>91</td>
<td>190</td>
<td>207</td>
<td>328</td>
<td>895</td>
<td>927</td>
</tr>
<tr>
<td>Amount disbursed</td>
<td>73,392,000</td>
<td>96,630,000</td>
<td>133,180,000</td>
<td>245,779,000</td>
<td>571,452,000</td>
<td>894,769,300</td>
</tr>
<tr>
<td>Operating income</td>
<td>2,023,525</td>
<td>15,778,325</td>
<td>21,840,827</td>
<td>50,843,313</td>
<td>71,939,864</td>
<td>102,750,053</td>
</tr>
<tr>
<td>Operating expenses</td>
<td>2,214,441</td>
<td>10,662,896</td>
<td>27,983,432</td>
<td>51,163,808</td>
<td>62,283,215</td>
<td>97,170,753</td>
</tr>
</tbody>
</table>

1 Agriculture loans was 30%, crop finance was 60% and micro finance product called “Jo Tego” or People get old was 10%.
The Alutkot Growers had initially limited the objectives of the SACCO as follows:
- To keep money for all members realized from the sale of crops produced.
- To raise money for collective purchase of non-traditional cash crops produced by the members.
- To encourage UCA to bring seeds and farm implements closer to them by stocking their store and selling at affordable prices compared to the open market prices.

During its transformation into a SACCO in 2003, its goals were defined as follows:
- Mobilize as many members as possible so as to realize a reasonable member share capital.
- Build a quality loan portfolio for both commercial and agricultural products.
- Reach an operating self-sufficiency and financial self-sufficiency levels to avoid over-dependency on borrowed funds.

In order to achieve the objectives and goals, many meetings were organized so as to get the views of other stake holders such as non members farmers, small scale agribusiness, transporters, processors to enrich the views of the members and find ways forward. In the course of doing so, the organizer mainly UCA identified a number of problems, viz:-
- Inadequate finance for loans due to low savings and share capital.
- Poor mode of transport for transporting farmers produce hence low sales.
- Negative attitudes such as these people shall run away with our savings and enrich themselves.
- No incentives for the volunteer organizers.

To deal with the problems limiting its growth and thus its effectiveness for its members Alutkot SACCO called for external assistance such as the Rabobank of the Netherlands and the Micro Finance Support Centre Limited, an arm of the Ministry of Finance Planning and Economic Development of Uganda.

The following was done or invested to develop the SACCO:
- The organization has registered a positive trend in membership recruitment and mobilization. The members pay annual subscription fees in addition to the shares which they pay up to join the SACCO.
- The leadership was periodically elected to run the affairs of the organization. The members of the Board of Directors are trained from time to time. The organization has employed 9 staff to date.
- Alutkot has attracted partnership such as the Rabobank for grant/loan.
- Applied to a USAID project called SUFFICE for capacity building.
- The board of directors endorsed all the good plans of the management staff.
- The organization is training its staff up to a degree level i.e. The Manager, the Loans Officer and one Branch Manager are attending a bachelors degree course on Micro Finance at the Nkozi University. Their tuition and related scholastic costs are being met directly by Alutkot SACCO.
Some major results of Alutkot SACCO Ltd for the farmers:

- A total of 1800 farmers were able to borrow money to buy high yielding seeds such as groundnut seeds and maize seeds.
- A total of 216 farmers were able to buy ox ploughs and a pair of oxen for opening up land for increased production, thanks to a loan.
- A total of 1642 farmers were able to access the new micro-finance product “lon me pur” introduced by MNPSDC and farmers started getting loans ranging from 3 months to 9 months, to increase their production.
- 30 farmers acquired on farm value addition machines such as maize grinding mills, simsim paste making machines and sunflower oil expellers on small scale.

As a result of increased production and sales, the livelihoods of the farmers have changed since many farmers started putting up permanent houses.

Further up-scaling of Alutkot farmers SACCO

The way and the cost to upscale the SACCO to other parts of the catchment areas:

The way:
This will be done through the following things:
- Mobilization and sensitization of members and non-members by the:
  - Management staff
  - Board members
  - Adverts
  - Local leaders and,
  - Talk shows.
- Opening new branches starting from Aboke Subcounty.

The costs:
The cost of up scaling the operations will be funded in the following ways:
- From the profit margins realized from members services.
- Through share capital (increased).
- From donors and well wishers through gifts, grants and donations since the loans are still small.
Booming breeders’ income resulting from professionalization of the milk commodity chain

The case of IMPUYAKI in Gicumbi District, Rwanda

Breeders grouped into IMPUYAKI Cooperative, Gicumbi District, located at 50 km away from Kigali, Northern Rwanda, now live in houses built with durable materials, have purchased new plots of land and their children are attending school in the best possible conditions. Milk production has increased due to the introduction of purebred cows and improved breeding techniques. All this was complemented with a good marketing policy.

Farmers’ choice of a specific commodity chain: dairy cow breeding

IMPUYAKI Cooperative was established in 1989. Today, its membership amounts to 780 persons including 60% of women. Its basic mission is to improve its members’ economic situation and thus help them get out of poverty. In 2003, this cooperative decided to help its members improve dairy farming. Two approaches were put forward: (a) to facilitate members’ access to purebred dairy cows (either pure exotic breed or cross-bred) through a revolving credit system or loans from a bank; and (b) making available artificial insemination services for members who have local bred cows.

5 years later, the results are outstanding. Out of 376 cooperative members involved in this programme, 76 have a local bred cow, 189 have a cross-bred dairy cow while 111 members have purebred exotic dairy cows (Frisian or Jersey). Average milk production per cow has increased from 2 litres to 10 litres per cow and per day after cross-breeding.

Some members who did not own a cow in the past have now become real professional breeders, as is the case with Mrs. Stanislas Ndyabo and Tirwakunda Jean Bernard. Here is Ndyabo’s testimony: ‘I have 6 Frisian cows producing 60 litres of milk per day for 7,800 RwF. With this money, I pay school fees for my children and my wife who is doing university studies. Accumulated savings enabled me to build a house with durable materials for more than 3,500,000 RwF. Besides, I managed to buy a piece of land for production of feed. Other members of our cooperative have made comparable progress’.

Tirwakunda gave the following testimony: ‘I used to live of tenant farming until 1998; I then lived very miserably in a family of 4 members. I started by keeping the bullock of a friend of mine just in order to collect manure and I kept it for 2 years. With this manure, I fertilized my small plot of about 30 are and managed to produce 750 kg of Irish potatoes. I sold 350 kg at 60 RwF/kg, and earned 19500 RwF. With this money, I purchased one goat

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1 IMPUYAKI is a cooperative of farmers and breeders established in 1989. Its membership has increased to 780 members.

2 1 Euro equals 835 Rwanda Francs
and three kids. Two years later, I had 6 goats. In 2003, IMPUYAKI gave me a 2-year old local heifer which I crossed with a Frisian cow at 2nd pregnancy. That is how I managed to pull myself up to this state for which I thank God and IMPUYAKI. Today, I have 3 Frisian cows from which I earn a monthly income of 117,000 RwF. Besides, I managed to buy a piece of land covering 1.5 ha. Now I am a happy man with my family. I can pay medical care (mutual health insurance), and school materials for my kids attending primary school. I have also rehabilitated my house and constructed two 2000 litre water tanks (collection of water from the roofs of my houses, because the nearest water point is 7 kms away).

How did the cooperative manage to enable its members reach this level?

**Giving cows on credit**

At the start, members were not organised as breeders. They put themselves together in order to receive purebred dairy cows. NGOs like “Comité Catholique contre la Faim et pour le Développement (CCFD)” and Heifer Project International, (HPI) were the first to give cows to some cattle breeders in the form of revolving credits. This means that the breeder receives a cow (generally pregnant) and is expected to give back to the cooperative the first heifer born to that cow. That heifer is then given to the next breeder. Instead of waiting, sitting idle by, some breeders decided to proceed to artificial insemination of their local bred cows in order to have cross-bred heifers. Yet others contracted bank loans and purchased purebred dairy cows. Living near Uganda-Rwanda border, these breeders could easily buy Jersey and Frisian cows at an affordable price of 600,000 RwF.

For its members’ supervision, IMPUYAKI Cooperative has hired a veterinarian paid on a monthly basis to provide technical advice and carry out artificial insemination activities.

**Joint sale of milk in Kigali**

From 2003 to 2007, milk production increased from 2,500 litres to more than 5,500 litres per day for the whole cooperative. As milk production increased, it became more and more necessary to widen the market beyond the local area. A counter was therefore opened in Kigali in 2005. Daily sales generate 845,000 RwF every day.

Milk is collected on a daily basis from 06h30 to 08h00 in the morning. The breeders bring their milk production to the collection centre and register the quantity of milk delivered on appropriate sheet. Payments are made on a
Booming breeders’ income resulting from professionalization of the milk commodity chain – The case of IMPUY AKI in Gicumbi District, Rwanda

weekly basis. A milk container vehicle belonging to the cooperative delivers milk to Kigali without any deterioration of quality. Once in Kigali, milk is preserved in a cold room before being sold to consumers. Management of that counter has been entrusted to a private businessman who signed a contract with IMPUYAKI Cooperative. Milk collection and preservation system has been funded by Canadian Cooperation. Total cost for this milk collection system (including equipments) amounts to 22,220,000 RwF.

Despite the success registered by the cooperative, the message was not easy to get across, at the start. The fact that improved bred cows are very demanding as regards their food and health and related expenses was the first obstacle to deter most breeders who feared to lose their animals. But following increased income from milk sales, dairy farming has gained ground. Other constraints came from traditional breeders who were reluctant to contract bank loans in order to improve their dairy farming business. Some even hesitated to consult veterinarians to treat their cattle due to their ignorance of the use of veterinary products.

Involvement of women’s groups

Thanks to the system of ‘Mutuelles de Solidarité’ (MUSO) (Saving mutuals), many women also managed to acquire purebred cows. At start, women contributed 100 RwF per month but as years went by, contribution amounts accumulated and MUSO started giving out loans to its members (5,000 to 20,000 RwF), by rotation. Some women chose to save their MUSO credit with a microfinance institution in order to get a much more important loan. Production of 10 litres of milk per day enables them to pay back their loans.

Milk marketing is easy. Establishment of a counter in Kigali is a safe guarantee for breeders who can sell their milk at a stable price determined by their cooperative. However, some of them do not have appropriate equipment to transport their milk to the collection centre and this can alter the quality of milk.

In the future, the cooperative plans to embark on the production of concentrates (non fodder feeds) for cows and put in place veterinary clinics, in order to improve milk production. Milk processing into other milk products like cheese, yogurt, butter, etc. is also planned with a view to adding value to milk production.

Besides, mindset is also changing in the right direction. Whereas traditional breeders earned money by selling their animals, modern breeders have now understood that they can sell both milk and animals. In the past, the cow was a sacred animal in traditional Rwanda: many rites, dowry, pact involving donation of cows, etc., today it has become an income generating asset which all farmers in the District are eager to possess in order to get rid of poverty.

Fortified by the success of its milk commodity chain, IMPUYAKI plans to develop the commodity chain of maize, wheat and Irish potato, by supplying quality seeds, crop processing and joint marketing of products.

18 July 2008

Gabriel Turatsinze and Jean Damascène Nyamwasa
Increased productivity and income through professionalization

The case of FCMN\(^1\) in Niger

In order to halt the constantly declining productivity and level of income of the Nigerian farmers one of the major national umbrella organisations has launched a program aiming at the professionalization of its members alongside two of their major crops: Irish potatoes and onions.

In Niger, rain-fed agriculture has always been the main activity and source of income for 85% of the population comprising both men and women farmers. However, following the deterioration of natural resources (fall in soil fertility due to water and air erosion, low organic fertilizer application rate...) and vagaries of Saharan-type climate; agricultural production is constantly showing a deficit thus exposing rural populations to almost permanent food insecurity.

In order to address this situation, market gardening came as an interesting alternative for diversification of and increase in sources of farmers’ agricultural income and improvement of the quality of their diet. This strategy based on the development of irrigated crops has mobilized the agricultural cooperatives who rely on their members’ indigenous knowledge and know-how to initiate and support sustainable actions.

Following a diagnosis that brought out weaknesses in terms of quality and productivity of vegetables, FCMN embarked on a capacity building programme which resulted in a marked increase in agricultural productivity and farmers' income.

This capacity building programme is structured round a grouped fruits and vegetables marketing centre established in Niamey, the capital City, with financial support from the French Cooperation.

Priority has been given to two pilot crops, namely the onion and the Irish potato due to their preservation capacity, significant price increase along time and important national and sub-regional demand. One should point out that Niger has a particular comparative advantage for the onion called ‘violet de Galmi’ which is highly praised across the whole Western Africa sub-region.

The activities of the marketing centre in favour of local FO (85 local FO including 20 000 male and female farmers (2007) focus on:

- Support to production and purchase of quality seeds of onion and Irish potato;
- negotiation of seasonal credit;
- finding new markets at national and sub-regional levels;
- training of both male and female producers.

\(^1\) The national federation of horticultural co-operatives of Niger
When it started in 2006, the programme focused on Irish potato and onion:

I. Irish Potato:

The whole operation started after the big food crisis of 2005 thanks to an FAO/FCMN partnership that allowed purchasing 12 tons of certified seeds of Irish potatoes distributed to 300 female and male producers in a place situated at 65 Km north-West of the capital, Niamey.

The yields were highly appreciated and encouraged and gave renewed hope to farmers who sold through the grouped marketing centre of the umbrella FO at very interesting prices as shown in the table below.

Table 1: Gross technicend financial results with certified seeds

<table>
<thead>
<tr>
<th>Quantity of seeds (T)</th>
<th>12</th>
</tr>
</thead>
<tbody>
<tr>
<td>Production/ton of seeds</td>
<td>6</td>
</tr>
<tr>
<td>Total production (T)</td>
<td>72</td>
</tr>
<tr>
<td>Value/ton for producers</td>
<td>275 000 F cfa</td>
</tr>
<tr>
<td>Total amount for producers</td>
<td>19 800 000 F cfa</td>
</tr>
</tbody>
</table>

Source: Evaluation of the production of Irish potatoes, purchase by FAO/FCMN-NIYA, December 2006, Bonkoukou Cooperative

The grouped marketing centre has retailed the Irish potatoes with an 8% margin, that is an amount of 1 584 000 FCFA, which is quite good for its functioning and sustainability.

The seeds were purchased with an FAO grant, but the FO managed to work out an arrangement with producers to pay back 500 F CFA at harvest time so as to secure a working capital likely to enable the system to stand on its own feet. Altogether, the whole operation helped collect an amount of 700 000 F cfa.

An evaluation was also conducted for the seeds usually used by producers (Irish potatoes for consumption imported from Nigeria but used as seeds), the results, over the same year and at the most profitable price are given in the table below.

Table 2: Gross technical and financial results with un-certified seeds

<table>
<thead>
<tr>
<th>Quantity of seeds (T)</th>
<th>12</th>
</tr>
</thead>
<tbody>
<tr>
<td>Production/ton of seeds</td>
<td>2</td>
</tr>
<tr>
<td>Total production (T)</td>
<td>24</td>
</tr>
<tr>
<td>Value /ton (F cfa)</td>
<td>175 000</td>
</tr>
<tr>
<td>Total amount (F cfa)</td>
<td>4 200 000</td>
</tr>
</tbody>
</table>

Source: Evaluation of the production of Irish potatoes, purchase by FAO/FCMN-NIYA, December 2006, Bonkoukou Cooperative

A brief comparison of these two tables clearly shows the difference in terms of both quality and generated income.

In 2007, the FO kept its partnership with FAO for the purchase of 12 tons of certified seeds of Irish potatoes with about 10% of producers’ contribution, that is, 100% of the amount collected from producers following the very good harvest of 2006.

In year 3 (2008), the sustainability scheme provided for a partnership to be established between producers and an authorized supplier based in Europe and a formal financial system so that producers pay 30% of the price on delivery of seeds, whereas the remaining 70% will be paid cash to the supplier by a banker. Producers pay back to the bank (the 70% of the value of delivered seeds) after sale with an interest of maximum 10%. Thanks to the new relationships of the FCMN with the Regional Solidarity Bank of Niger which accepted to give it a credit worth 50 million F cfa over three years and thanks to very good consultations between FCMN, concerned cooperatives and the regional FCMN branch at Tillabéry, the operation should remain stable and grow stronger.

This experience shows how agricultural producers’ organizations can boost their members’ economic services, even though we must admit that sustainability of these services requires time and support measures in terms of technical, organizational and financial capacity building (technical and management training, working capital...), but also in terms of putting
in place reliable management tools (accounting software, effective management of information on granted loans, reimbursements and strategic management of outstanding debts).

II. Onion

We should remind that in Niger, farmers have a vast experience both in onion production and preservation techniques. The national onion production amounts to about 600 000 tons per annum, of which 90% are exported to coastal countries like Ivory Coast, Ghana, Bénin...

The above-mentioned capacity building programme of the FCMN has enabled the grouped marketing centre to focus on three critical aspects of collective marketing of farm products, namely:
- professionalization of onion seed producers;
- financing of onion production;
- marketing.

Professionalization of producers:
The programme has identified and provided national\(^2\) and international\(^3\) technical expertise to three local FO's in the areas of Dosso, Tahoua and Tillabéry respectively (Onion cooperative of Gaya, the Yardaya Cooperative of Guiden ider and Wafakey Cooperative of Yoréizé koira) whose members are knowledgeable about onion seed production. The aim was to build up again a stock of quality seeds, certified *made in Niger: violet de Galmi*. Altogether, around a hundred onion producers are concerned with this operation including 10 producers of seeds.

Pilot testing was carried out on 1/3 of hectare for each of the three production sites, that is, 1 hectare altogether in year 1.

According to their monitoring levels, the technical advisors of the FO’s found the following results:

- Site 1 : 90 kg of seeds
- Site 2 : 50 kg of seeds
- Site 3 : 60 kg of seeds

These 200 kg of seeds were first sold, through input-selling shops and the grouped marketing centre, to members of the FCMN-NIYA network at very interesting prices.

**Table 3: Gross financial results for certified seeds produced by FCMN farmers**

<table>
<thead>
<tr>
<th>Qty of seeds produced (Kg)</th>
<th>200</th>
</tr>
</thead>
<tbody>
<tr>
<td>Unit selling price/kg (F cfa)</td>
<td>40 000</td>
</tr>
<tr>
<td>Total value of sale (F cfa)</td>
<td>8 000 000</td>
</tr>
<tr>
<td>Amount for FO (70%)</td>
<td>5 600 000</td>
</tr>
<tr>
<td>Amount for grouped marketing centre (30%)</td>
<td>2 400 000</td>
</tr>
</tbody>
</table>

*pSource:* Evaluation of onion seeds production operation, FCMN-NIYA, 2007

Production costs amount to about 10% of the value of sales, which gives substantial margins to the producer.

The 70% of the result allocated to the agricultural cooperatives can allow them to finance the operation for the next campaign and pay local expert farmers involved in production and follow-up.

The 30% given to the marketing centre, represent the contribution for charges incurred for national technical skills (technical and management advice, evaluation missions...) on the one hand, and financial guarantee for banks to finance the production and marketing of onion for consumption, on the other hand.

In that respect, a campaign plan has been elaborated by the cooperatives which purchased the 200 kg of quality seeds with the technical support of the national FO (FCMN)

The 200 kg of quality seeds purchased by producers allowed them to develop 40 hectares, that is, 5 kg of quality seeds per hectare, hence the following results:

\(^2\) National Institute of Agronomic Research (INRAN)

\(^3\) De Groot and Slot (Dutch Company specialized in onion seeds), through the agri-agency Agriterra
**Table 4: Gross technical and financial results from onion production with certified seeds**

<table>
<thead>
<tr>
<th>Number of hectares</th>
<th>40</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yield/hectare (T)</td>
<td>35</td>
</tr>
<tr>
<td>Total production (T)</td>
<td>1,400</td>
</tr>
<tr>
<td>Value at harvest (F cfa)</td>
<td>84,000,000</td>
</tr>
<tr>
<td>Value after 3-4 month preservation (F cfa)</td>
<td>210,000,000</td>
</tr>
</tbody>
</table>

**Source:** data from grouped marketing centre of FCMN-NIYA, 2007

These gross financial results are calculated based on minimum prices at harvest and after preservation.

Furthermore, considering the seeds usually used by producers (low germinal and productivity potential), we find the following data.

**Table 5: Gross technical and financial results from onion production campaign with uncertified seeds**

<table>
<thead>
<tr>
<th>Number of hectares</th>
<th>40</th>
</tr>
</thead>
<tbody>
<tr>
<td>Yield/hectare (T)</td>
<td>20</td>
</tr>
<tr>
<td>Total production (T)</td>
<td>800</td>
</tr>
<tr>
<td>Value at harvest (F cfa)</td>
<td>48,000,000</td>
</tr>
<tr>
<td>Value after 3-4 month preservation (F cfa)</td>
<td>120,000,000</td>
</tr>
</tbody>
</table>

**Source:** data from grouped marketing centre of FCMN-NIYA, 2007

In both cases, the main lever that needs to be activated in order to relieve the producer is the financing of the agricultural seasonal credit. In order to relieve the producer and enable them to maximize their agricultural income, a loan float has been negotiated and secured from with a commercial bank (Regional Solidarity Bank of Niger) based on objective assessment of each concerned producer’s input needs (fertilizers, essential oils...). According to forecasts, the financing need per producer and per hectare is estimated at around 70,000 to 90,000 F CFA.

Besides, at harvest time, in order to prevent the producer from selling off their products to meet their immediate cash needs and rather enable them to pay back the first loan, a second credit is granted to them based on an evaluation of the value of their production. On the whole, they are given about 40 to 50% of that value to take account of any losses during preservation period.

The grouped marketing centre takes care of the preservation of onions either in its premises in Niamey at high costs, or in the village with adapted and cheaper means. In any case, the centre has 2 to 5% of margins on sales in order to be able to support the cost of its services (technical expertise: advice, training, monitoring) and increase its financial guarantees in the bank in order to get more credit.

We should remind that this system started with support from several partners (French Cooperation, Agriterra, UPDA-DI), but is based, from the outset, on a vision of sustainability. In the end, this system will develop into a network of professional seed producers and be enhanced by a strong relationship with the formal financial system. It is reproducible at large scale and, with strict management, can quickly stand on its own two feet.

July 2008
Amza Tahirou
Advisor of F.O.'s and M.F.I.'s
Promotion of a new crop as a means to increase the incomes of small holders

The case of rice in the Collines Department in Bénin

Introducing a new crop and making it a successful commodity by organizing farmers from local groups up to a regional commodity association. Especially women have been benefitting.

Rice production, a marginal crop that was considered as an activity for women and poor people in the past, has today become ‘the gold rush’ for many rural people. Henceforth, rice has a special place in the diet of urban people and its importance is ever increasing as shown by the large quantities of rice imported each year as well as the rice donations to Bénin by Asian countries. Despite this importance, rice production in the concerned area faces a lot of constraints including low fertility level in shoals, lack of marketing channels, lack of technical extension, land insecurity, use of basic farming methods, difficult access to seasonal credits, etc. However, rice growers have organized themselves into groups and associations in order to confront these difficulties. Women make up the two-thirds of organized producers.

An international NGO takes the initiative

After sensing the prospects of rice as a future crop, a Belgian NGO called “VECO” decided to promote rice growing, after many years of support in the field of culture and communication in the same intervention area: the communes of Savalou and Dassa, Glazoué, Savè and Ouessè in the “Collines” Department.

Important efforts by various stakeholders

VECO:
- Baseline study before starting the project and analysis of stakeholders;
- Organization of a project formulation workshop which resulted in the development of a logical framework and operational plan;
- Additional studies (gender and development, participatory diagnosis in order to have information on production, processing, marketing, stakeholders and their relations
- Mid-term evaluation;
- Regular evaluations of the partnership between VECO, FO, and support structures.

Local NGOs:
- Training in farming techniques, simple techniques for the restoration of rice soils, rice preservation methods, commercial farm management, democratic administration of the organizations of male/female rice growers;
- Networking with suppliers of seeds and fertilizers;
- Organization of workshops to exchange on various subjects (increase of acreage, of yield, rice husking, promotion of locally produced rice);
• Facilitation of access to the hulling machine at low cost;
• Support to advocacy for locally produced rice with the authorities;
• Support to marketing of locally produced rice;
• Support to the set-up of a service structure for rice marketing and an umbrella structure;
• Follow-up and evaluation of different empowering measures.

Producers’ groups:
• Extension through Farmer Field Schools (FFS) – Distribution of technological packages
• Membership of the UCP (Communal Union of Producers) and participation in its activities

We should point out that the local FO did not exist before the project started. Rice production was a marginal activity. VECO therefore decided to develop rice production first before organizing rice growers. Once in place, the FO progressively took over some of the above-mentioned activities at the level of local NGOs. Consequently, the role of these NGOs decreased considerably remaining mainly at the level of new groups. Many exchange visits to older groups were thus organized for members of the new groups in order to help them learn from other male/female rice growers. Following the extension to other communes, these activities are mostly carried out in FFS sites. Since 2006, FOs (Organizations of rice growers) draw up their own action plans directly financed by VECO.

Rice growers:
• Rice production
• Organization into groups, organizations of male/female rice growers per arrondissement and communal organizations
• Parboiling and husking of paddy rice by female growers
• Marketing of paddy (80% of production) and husked rice after parboiling

External means mobilized
• At VECO level: 1 program manager, 2 specialists (gender and advocacy, on the one hand, and marketing and access to markets, on the other hand.
• At the level of the four (4) NGO: male/female animators
• Operating costs for VECO: 262 252 455 FCFA, i.e. 400 385 Euros for five (5) years

Specific problems faced during project implementation

<table>
<thead>
<tr>
<th>Difficulties</th>
<th>Solutions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Limited size of the market for paddy</td>
<td>Two experiences of grouped marketing were conducted at Parakou and Malanville. These operations were successful even though separate negotiations enabled shopkeepers to impose their prices</td>
</tr>
<tr>
<td>Difficult access to inputs</td>
<td>The problem remains unsolved because there is no specific fertilizer for rice and people are obliged to use the fertilizer for cotton to manure rice or buy fertilizers from informal channels with the risk of getting inappropriate and delayed inputs. As for loans, women use salaried labor for digging (difficult in valleys) and initiatives have been made by FOs to negotiate ploughing on credit from town councils to be refunded after harvest and sale. Indeed, each of the City councils was given a farm tractor by the Government. Experience with a micro finance institution called ACFB, which aimed at guaranteeing the loan by the production in stock, has shown its limits despite its success (100% of reimbursement). Indeed, as the number of male/female rice growers increases every year, the amount of loan requested has exceeded 50 millions. ACFB has required additional guarantee because the rice is stocked in various places in villages and not in a central warehouse which does not exist so far. Rice stocks are not protected against theft or fire or any other hazard. As the project is unable to provide a guarantee fund, the action has stopped</td>
</tr>
<tr>
<td>Poor water management in valleys</td>
<td>Nothing</td>
</tr>
</tbody>
</table>
Significant impact on small rice growers despite persistent difficulties

- Total seeded area has increased from 94.7 ha in 2003 to 1337 ha in 2007. Over the same period, the number of rice growers has increased from 789 including 533 women to 5346 including 3608 women.
- Average acreage per person has increased from 0.12 ha in 2003 to 0.25 ha in 2007.
- Rice yield has increased from 2 t/ha at the beginning of the project to an average of 4 t/ha with values amounting to 7 t/ha on some sites especially in new virgin lands using improved farming techniques. This average yield has kept steady due to soil restoration techniques except during one year of severe draught.
- Increase in the price of imported rice has facilitated the sale of locally produced rice.
- Woman’s testimony: in the past, only men stayed behind their closed doors to count the money after the sale of cotton; today, women also can count the money from rice sales. This year, we have even received our money before cotton producers who do not know yet how much they will be selling their cotton production.
- In Kokoro and Tchetti villages, in Savalou Commune, income from rice sales has enabled rice growers’ groups to buy a generator for the production of electric energy, audiovisual equipments (TV, dish antenna and DVD/ video players) used for income generation and entertainment activities in their village.
- For a total of 13,264 tons of rice sold as paddy at 90F/kg, i.e. 1,193,760,000 F compared with a total expense of 672,732,077 F for the benefit of rice growers, we have a balance of 521,027,923 F for 5,346 rice growers, i.e. an average of 104,522 F per person.
- To this financial income should be added the knowledge and expertise acquired by male/female rice growers, the rice growing sector that has taken off, a local farmers movement, the smile in thousands of households because rice is henceforth available and large quantities of rice consumed by households.

2 According to data kept by VECO
Ways and means to extend the action or replicate this experience elsewhere

- To work with FOs in place: UCR (Union communale des riziculteurs means Communal Union of Rice growers) and UNIRIZ-C (Union des Riziculteurs du Centre means Union of Rice growers for the Central Region) by strengthening their organizational, negotiation, advocacy and lobbying, management and cooperation capacities in a multi-actor process

- To cooperate with and empower the private sector at local and national levels, notably input suppliers and distributors, micro finance institutions, rice wholesalers, and other economic operators in the rice commodity chain, on the one hand, and national and sub-national umbrella farmers organizations for their lobbying actions in favor of the development of this sector on the other hand

- With the support of 400 385 Euros adjusted to inflation rate (3-4%) over a 4-year period, FOs will be able to strengthen and extend their actions and get twice as much producers (members).

July 2008
Eustache Wankpo
Advisor of F.O.s
Rural Women get organised to ensure food security

Example of community granaries in Northern Cameroon

Faced with recurrent famines, Rural Women’s Unions of Koud-eye and Kanafandar, in Northern Cameroon, took action and developed a warehousing system enabling them to assist families during lean period and maintain millet prices at affordable level.

Lack of millet leads to famine

Ouazzang is a small village, located a few kilometres away from the City of Maroua, capital of the Province of Extreme Northern Cameroon. This is a Saharan area with low pluviometry and only one rainy season extending from June to August. Millet is the main cereal grown in the whole province because it requires little water. Annual production of millet is hardly sufficient to feed the population until next harvest. In such a situation, poor harvest means famine. Traditionally, each household is used to stock millet to meet its needs while waiting for the next harvest. Households are therefore exposed to famine when harvest is not good. The whole area of Extreme Northern Cameroon experiences the same situation.

Community granaries

Due to lack of financial means and given the previous negative experience of cereal banks (mismanagement and misappropriation by (male) managers of federations) in the area, the two women’s unions of Koud-eye and Kanafandar opted for a “community granaries” system. Each household deposits at least one bag in the community granary to be recovered only during the lean period. As storage structure, they use containers provided to villagers by the Catholic Church, in exchange of 100 FCFA per stored bag. The money thus collected is reinvested in church development activities in the village.

The initiative did not succeed straightaway

In the first year, many members of both unions were unable or unwilling to bring one bag of millet in the community granary. To address this problem, both unions met and exchanged views about what could be done to convince their members and people from other villages to save at least one bag of millet.

The main cause identified by women is the fact that millet, as main crop in the area, is not only the basic component of people’s diet but also the main source of income. Rural people sell millet or use it to produce beer (bil bil) in order to earn money and meet other basic needs, such as getting medical care, buying clothes, paying school fees for children, etc.

Faced with this situation, rural women came up with a number of proposals to solve this issue:

- developing other income generating activities within households, such as breeding small ruminants (goats, sheep) (see the next success story)

1 Better purchasing power for women thanks to small animal breeding
organise consultative meetings with men and women about better management of the harvested crops;

• establishing savings and credit schemes (Mutual Saving & Credit Fund – MSCF, Mutual Health Fund, ..)

Different solutions were implemented and a MSCF and a mutual health fund established in the village. Small animal breeding was also developed in the village and consultative meetings were organised for union members and their husbands.

Another problem of concern was the limited capacity of storage facilities. Indeed, as storage activity kept developing, containers became insufficient. Consequently, the women’s union of Koud-eye negotiated with and obtained from PREPAFEN (a government poverty reduction programme implemented in Extreme North with funding from AfDB) the construction of a bigger warehouse.

Food security at Ouazzang

For Jeunesse, the chairperson of the Women’s Union of Koud-eye “Though some men still sell millet in order to get money to pay “bil bil” beer, most husbands agree with their wives to deposit in community granary the millet their household will need during the lean period. Thanks to this project, the village of Ouazzang did not suffer very much from famine in 2005. Whereas in lowland area a bag of red millet would cost more than 40,000 FCFA, at Ouazzang, the same bag costed only 24,000 FCFA.”

Process to be used to launch such an initiative and make it a success

• Problem (famine) identification and analysis
• Working out possible solutions (in this case, warehousing was chosen because it had been used in that area for a long time and because of containers provided by the Roman Catholic Church)
• Planning of identified activity. Planning exercise should not only result in setting a time frame for implementation of that activity but also in distributing duties and responsibilities among various stakeholders (individuals, grassroots groupings, union).
Planning should also help assess local potentialities and the best way of exploiting them (for Ouazzang, the unions first used the containers already available in the village).

- Sensitisation of households at grassroots level. Getting spouses involved in the activity because warehousing is a couple's decision.
- Regular monitoring/evaluation of the warehousing activity so as to identify problems in time. While looking for solutions, tackle all problems and try to solve them, even if this requires embarking on related activities.
- Improving FO's warehousing capacity by credits taking into account FO's resource management and mobilisation capacities.

Marie-Béatrice Umutesi
Advisor for FO's
Better purchasing power for women thanks to small animal breeding

The case of Koza in Northern Cameroon

In Koza, as in the quasi-totality of African countries, women have to face domestic expenditures that keep on increasing while their income stagnates. The small animal breeding practice enables female farmers to considerably increase their incomes and be able to cope with their multiple needs (food, clothing, health, children education, etc).

Diversification of sources of income for farmers to become less dependent on crops

The initial idea was promoted by the national NGO (SAILD) but the selection of the new source of income and its implementation was done by Koza Vatakahanga union. It is a union of CIG’s (Common Initiative Group) of women from Koza district in the Extreme North province of Cameroon. The Vatakahanga union is member of the CROPSEC (Regional council of farmers’ organizations of northern Cameroon. It groups unions from the North, Extreme North and Adamaoua provinces).

The different steps of the process

The work of the union basically consisted in the sensitization of women to develop the small animal breeding. This work was done by an endogenous field worker, chosen from within the union. To reach the greatest possible number of members of the union, the endogenous field worker organized sensitization meetings in every CIG. She received an allowance of 1000FCFA per visit from the CFC (Cropsec Women Cell). This cell brings together all the unions of women members of the CROPSEC. A special fund was set up by CFC to reimburse the endogenous field workers. The means of this fund are provided by the CIG (100FCFA per visit) and by a Belgian NGO. It is expected that the CIG participation will increase the fund to be able to take care of the total coverage of these allowances, in the long run.

The women did not receive any financial support, neither from the union nor from any sponsor, to embark on the breeding activity. During sensitization meetings in the CIG, the endogenous field worker helped the members to think about various existing possibilities within their environment. Thus, some members, to be able to start their activity, asked their relatives or their neighbours who already had small ruminants to give them a small animal to rear. Once the animal gives birth, the woman receives a young one in turn, as a reward and, gradually, she is able to own her own livestock. Other women began the activity thanks to the credit from their CIG. In other CIG, women started merry-go-round saving schemes to buy the livestock, etc.
Problems encountered during the activity and the way they were resolved

Women of Koza understood very quickly the importance of rearing small animals because in two years, all members of the union had begun the activity. However, this remained very unprofitable for several reasons: it takes quite some time (at least one year) for an animal to get ready for sale, high death rate during some periods, etc. These problems being common to all CROPSEC unions, the latter, with the material, technical and financial support of the SAILD, decided to organize a commodity chain for small animal production to help breeders in: enhancing breeding techniques through improved housing and feeding and through vaccination and regular treatment of the livestock against parasites. The first activity of the network was the organization of vaccination campaigns and provision of drugs to breeders. The breeders received products and vaccines on credit. Vaccination was done by veterinarians based in villages and they were paid by the network.

Impacts of the activity

As can be seen in the table below, 4 years after the launching of the project by the Vatakahanga Union, results were visible.

Due to small animal breeding, women of Koza can rent fields and plant maize and cotton and thus increase their incomes. Others began small business activities. With the money earned from these various activities, they can send their children to school, they can easily pay the contribution to a health security fund set up by the union to grant non-interest-bearing health credits. Thus, Célestine, president of the Vatakahanga union has this to say regarding this subject: “thanks to these activities, women are able to pay for the schooling of their children. Before, boys used to wait for recruitment test to enter into military service, now they can go up to university. Even girls go to school. Children’s health has also improved a lot, same with food and clothing.”

Introducing the project elsewhere

Major stages for the implementation of such a program:
Identification and analysis of the problem with the concerned people
Identification of several possible solutions and choice of the most realistic one. Women of Koza chose small animal production because breeding has been practised in the region for centuries. Besides, it does not require a lot of investment in terms of time and money. It is thus suitable for female farmers who do not have enough means and have many other things to do.

Organization of awareness-raising campaigns in groups at the grassroots level so as to reach a possible great number of members in order to work out with them how to launch the activity by taking into account realities and potentialities of each village or district. This work can be

<table>
<thead>
<tr>
<th></th>
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<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Number of members of the union</td>
<td>64</td>
<td>64</td>
<td>110</td>
<td>72 %</td>
</tr>
<tr>
<td>Number of breeders</td>
<td>7</td>
<td>64</td>
<td>110</td>
<td>72 %</td>
</tr>
<tr>
<td>% of breeders who own livestock and more than 5 heads</td>
<td>-</td>
<td>18</td>
<td>90</td>
<td>400 %</td>
</tr>
<tr>
<td>Average number of heads per breeder</td>
<td>-</td>
<td>8</td>
<td>11</td>
<td>37.5 %</td>
</tr>
<tr>
<td>Number of breeders having more than 5 heads and who sold some animals</td>
<td>-</td>
<td>18</td>
<td>31</td>
<td>72 %</td>
</tr>
<tr>
<td>Average number of heads sold per breeder having 5 heads of cattle and more</td>
<td>-</td>
<td>3</td>
<td>4</td>
<td>33 %</td>
</tr>
<tr>
<td>Average income from the sale of small livestock per breeder</td>
<td>-</td>
<td>16 000</td>
<td>21 330</td>
<td>33 %</td>
</tr>
</tbody>
</table>
done by an endogenous field worker, as is the case in Koza, but it can also be done by members of the Board of Directors of the Union.

Training of breeders so that they can improve their breeding techniques and productivity.

Implementation of a system of supply in vaccines and in other drugs.

Organization of treatment and vaccination of animals. It is not necessary for a F.O. to own veterinaries services. They can always request for the use of nearby Government veterinary services.

Organization of a marketing system (if there is not enough local demand for the animals)

June 2008

Marie Béatrice Umutesi
Adding value to increase the income of farmers

The case of washed and packed Irish potato in Rwanda

Irish potato growers in the districts of Musanze and Bulera in the North of Rwanda supported by IMBARAGA, have managed to capture the market of the capital city, Kigali, thanks to a new product: the washed and packed Irish potato. The quality and the packaging of this product have impressed supermarket keepers who do not hesitate to contract the farmers to ensure regular supplies. Well-off customers of the City pay a good price because of the added value. The profit margin is directly passed on to the growers' income as their own cooperative is the sole middleman.

In the food section of supermarkets like City Market, La Galette and Ndoli Joint Supermarket, Irish potatoes are packed in knitted baskets or in banana sheath packages. They attract many customers just like bread, dairy products, fruits, vegetables and imported products. This is an innovation in these big grocery shops of Kigali. These quality Irish potatoes are grown by the farmers of Bulera and Musanze, members of COOABIKI Cooperative, who sell them at a higher price.

Washed and packed Irish potatoes are supplied to Supermarkets at a fixed price of RWF 180 per kilo. This represents a gross benefit margin of at least RWF 100 per kilo as ordinary Irish potatoes are sold to ordinary market merchants at 80 Frw. The added value is created by harvesting Irish potatoes at perfectly maturity, by washing and packing them. Every week, the cooperative supplies about two tons of Irish potatoes to the food shops. According to food shop owners, many customers express their satisfaction with the quality of the product.

Before the intervention of IMBARAGA, Irish potato yield per hectare was ten tons only and was sold at a very low price. Speculators used to take advantage of the incapacity of growers to preserve their perishable harvest for a long time and would buy the Irish potatoes at a giveaway price: Rwf 50 per kilo whereas production costs were estimated at RWF 65. This was especially the case during the peak period of production in the months of April, May, June, November and December. There were many...
intermediaries and transporters who sought to get their profit margin. Shopkeepers and other intermediaries derived great profit from Irish potato production while growers grew poorer every other day. In fact, the buying price of the Irish potato hardly increased while purchase prices for seeds, fertilizers and pesticides kept rising.

The Irish potato washing system is part of the measures aimed at rewarding farmers’ efforts. The system only targets a niche market made up of well-off people in Kigali City. By improving the quality, one can be sure that targeted consumers will pay for the added value. The questions to be addressed in order to succeed included the supervision of a limited number of growers capable of ensuring the Irish potato production that meets precise standards of the required quality and regular market supplies. The measures taken to ensure this quality are: avoiding the mixture of several varieties on the same plot, strict disease control, harvesting the Irish potato when it is fully mature after haulm stripping (cutting of stalks two weeks before harvest), sorting and grading the Irish potato before taking it to the Cooperative for washing (removing those with cuts, badly shaped, or having an extra big or very small size).

The initiative was developed by Mr. GAFA-RANGA Joseph, an agent of IMBARAGA. After he had mastered the technology, the first step was to identify growers ready to get involved in this process of professionalization. During the pilot phase, five interested growers were targeted in order to work in compliance with the standards likely to meet customers’ requirements. Later on their number increased. First of all, growers use quality seeds and varieties in accordance with the appreciation of consumers, and each variety is grown in appropriate plots without mixing it with other varieties. Then, the grower conducts all farming operations at well defined periods of time (fertilization, planting, harrowing, weeding, pesticides, etc.), in order to maximize their chances of having high yields thanks to good quality production. Fifteen days prior to harvest, the grower carries out the haulm stripping which consists in stopping the growth of tubers by cutting the stalks close to the ground. At this stage, Irish potatoes must be mature enough, and at harvest, the smooth peel of the tuber does not come off easily. During the lifting, small-sized, wounded Irish potatoes as well as those likely to be rejected by the customer, are destined for self-consumption or local market.

Irish potatoes deemed good enough to be supplied to supermarkets are well washed before being packaged, labeled and delivered to subscribed merchants. Supervision by IMBARAGA Federation has consisted in teaching farming techniques, organizational support and coaching for the preparation of the product and in market research. There has been no external technical support but only financial support for the sensitization and marketing, provided by the Dutch Embassy in Kigali and by Agriterra.

Currently, 212 growers are integrated in this production process. 2 tons of washed Irish potatoes are supplied every week without interruption. So far, COABIKI Cooperative has 62 members who work with other non member growers. Below are some interesting figures:

<table>
<thead>
<tr>
<th>Period</th>
<th>Nber Prod.</th>
<th>Production per week (kg)</th>
<th>Supermarket Price (Rwf/kg)</th>
<th>Turnover per week (RWF)</th>
<th>Price RWF to grower</th>
</tr>
</thead>
<tbody>
<tr>
<td>2nd sem. 2005</td>
<td>17</td>
<td>1100</td>
<td>130</td>
<td>143 000</td>
<td>80</td>
</tr>
<tr>
<td>1st sem. 2006</td>
<td>180</td>
<td>1700</td>
<td>150</td>
<td>255 000</td>
<td>100</td>
</tr>
<tr>
<td>2nd sem. 2006</td>
<td>182</td>
<td>2000</td>
<td>180</td>
<td>360 000</td>
<td>100</td>
</tr>
<tr>
<td>1st sem. 2007</td>
<td>198</td>
<td>2000</td>
<td>180</td>
<td>360 000</td>
<td>100</td>
</tr>
<tr>
<td>2nd sem. 2007</td>
<td>212</td>
<td>2400</td>
<td>180</td>
<td>432 000</td>
<td>110</td>
</tr>
<tr>
<td>1st sem. 2008</td>
<td>212</td>
<td>2600</td>
<td>180</td>
<td>468 000</td>
<td>110</td>
</tr>
</tbody>
</table>

5 Needed equipment for a small washing plant: a tank for rain water from roofs, small washing tanks, trellis draining and weighing scales.
Adding value to increase the income of farmers – The case of washed and packed Irish potato in Rwanda

The impact of the exploitation of this niche market is visible. Mr. Isaac Nzabilinda from Musanze District owns a plot of 1.5 ha only. By growing selected seeds and applying the best farming methods, his production rose from 5 to 18 tons per hectare. Currently, he estimates his monthly income at RwF 125 000. Therefore, he has no cause to be envious of a civil servant. He manages to send his children to private schools, pays health insurance premiums and meets other daily household needs. Farmers are not the only beneficiaries; there are also the craftsmen who knit packing materials. For instance, 35 women members of two associations that knit packing materials earn RwF 120 for a basket of 8 kg capacity. They usually do the knitting during afternoon and cooking hours (3 baskets/afternoon).

Despite the success registered during three years and a half (from December 2005 to June 2008), a number of problems remain unsolved. Transport fees are high and keep rising because of the rise in fuel prices. The delivery pick-up should carry at least 2,000 kgs to make any profit, the reason why it comes back (from Kigali) with farm inputs in order to make it more cost-effective.

The market of washed and packed Irish potato is very small. This is why COABIKI Cooperative has introduced a new approach to supply loose mature and graded Irish potatoes (not washed) to big restaurants and hotels in Kigali, for the price of RwF 110/kg. The Cooperative also considers launching a market of graded Irish potatoes along with the ordinary market to serve the category of customers who are more demanding in terms of quality. Moreover, not all supermarkets or all towns have been reached yet. The same Cooperative or emerging new cooperatives would still find room for the marketing of quality Irish potatoes both on the internal market and through exportation.

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Joseph Gafaranga and Jean Damascène Nyamwasa

6 The area of concerned growers varies from 0.5 to 2 ha.
7 Associations are called ABADATEZUKA KU MURIMO and TWITEZIMBERE respectively in Gakenke and Musanze districts
9 We must point out that the Ministry of Finance and Economic Planning promotes the washed Irish potatoes through posters produced with photos taken from COABIKI
Accessing the international market to increase farmers’ income

The pineapple case in Bénin

The problem is quite common: in a particular region, for various reasons, farmers specialize in a particular crop. In many cases this leads to overproduction and very low selling prices. Targeting new specific markets without making use of many intermediaries can be a solution. Pineapple growers in Southern Bénin gave it a try.

Marketing: A key problem for farmers

In Atlantic Department, pineapple growing is the most important farming activity. Unfortunately, it was not organized in any way (production, processing and marketing). In fact, most farmers did not know the technical stages in the production of quality pineapple suitable for export. Consequently, most of the production was sold on the local market where women traders are queens because the farmer has little information about the market (prices, demands).

In addition, most growers sell their unripe production, this lack of quality leads to weak bargaining power for the farmer. Worse, growers get prepayments from women traders to purchase fertilizers. When the production matures, the woman trader who has provided an advance imposes her selling price to the grower who has no alternative other than accepting because of the risk of not getting any more loan from her for the next season.

For the external market, exporters’ prices to producers varied very much. Thus, the farmer who lives near urban areas whereas the former spends more money for the transport of agricultural inputs.

Export was tried in the past, but the quality of pineapple did not meet the standards of the external market and exportations organized by COGEX-ANA1 (Comité de Gestion des Exportation d’Ananas /Pineapple Exports Management Committee) were sometimes declared to be damaged, or out of size or rejected, which led to financial losses.

An initiative of the umbrella farmers organizations in favor of pineapple

It is the FUPRO2 (Fédération des Unions de Producteurs du Bénin) that requested the EU to finance a project for UPS Bénin the latter being marginalized with the arrival of the PARFC, a Project benefiting to all other regional unions growing cotton contrary to

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1 COGEX-ANA is an initiative of the Farmers Union for Southern Benin (UPS)
2 FUPRO : Federation of Farmers’ Unions of Bénin, among which the UPS (Producers’ Union of the South), which covers the departments of the Atlantic and of the Coast
the UPS. AFDI\(^3\) (Agriculteurs Français et Développement International) carried out the initial diagnosis and formulated the project.

**Means used to promote pineapple exportation by UPS**

- **Human resources**: 1 marketing technician, 2 technicians for pineapple, 1 Coordinator, 1 accountant, 1 secretary, 1 trainer and instructors, the latter being the local contribution of UPS Project.
- **Material resources**: 3 computers and accessories, 1 photocopier, furniture, 1 lorry, 4 motorcycles, bicycles for instructors
- **Functioning**: an office, a store, communication, transport;
- **Cost**: 450,000 euros in 36 months

**Distribution of roles among different stakeholders**

**OP: UPS- Bénin:**
- Training of 300 growers in technical stages of pineapple production, management, insurance, traceability and quality
- Set up and training of teams in charge of packaging and hormonal treatment in 7 communes
- Dissemination of information on the requirements and specifications of customers to producers
- Purchase of pineapple and payment of producers in time

**Farmer:**
- Formation of solidarity groups to provide collateral for loans
- Extension and respect of technical stages
- Participation in training activities

**AFDI** diagnosis – formulation – partner research – technical support – evaluation – exchange visits – link with French traders. There is also some technical assistance especially in the field of accounting (installation and follow-up of accounting software)

**Other stakeholders**

- **SINTRAM**: Exportation formalities thanks to a contract signed with SOLEDOR (customer) who pays for the formalities
- **PAOPA Project\(^4\)** (Program supporting professional Farmers organizations): Facilitation for the withdrawal of imported packaging material at customs office. Through this program, temporary admission was granted: customs duties exemption and facilitation in the supply of boxes.
- **Customs office**: Agreement of the temporary admission regime; this reduces the clearance cost of the pineapple boxes.
- **ADEX\(^5\)** (Association for the Development of Export): gives market-related information; new information technologies. It also organizes training sessions on bio-pineapple, traceability and certification.

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3 AFDI: French Farmers and International Development, an agri-agency

4 Support Programme for farming professional organizations

5 Exportation Development Association
Problems encountered during project implementation and chosen solutions.

<table>
<thead>
<tr>
<th>Difficulties</th>
<th>Chosen Solutions</th>
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<tr>
<td>The objective of covering 300 producers is too ambitious because there are no fixed suppliers of inputs; which justifies delays and the low coverage of 300 producers regarding inputs. This is coupled with the lack of specific inputs for the pineapple.</td>
<td>Elected professionals and technicians have used their relations in Nigeria and Bénin to search for input suppliers. This solution is not structured and obviously not sustainable.</td>
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<td>COGEX-ANA packing boxes did not meet market requirements.</td>
<td>- Making new boxes upon customer’s pre-financing</td>
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<td></td>
<td>- Setting up an internal system for the follow up of shipping and acceptance of the product by the customer.</td>
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<td>Poor planning (identification of production objectives).</td>
<td>- Training of and information to producers</td>
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<td>Sometimes there is a shortage of fruit because all growers want to produce at the same time.</td>
<td>- Effort in planning the cutting in the fields (sometimes not respected due to freight problems)</td>
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<td>Lack of good strategy for product promotion, hence difficulties in penetrating markets</td>
<td>Organization of exchange visits between commercial and technical partners from Europe and Bénin</td>
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<td>Forecasting 900 tons for shipping per year that is 2700T over three years is too ambitious because airfreight is less available compared with demand. In fact, Air France has the monopole of pineapple airfreight and carries only a maximum of 60 T per week for all exporters against an annual production of 110 000 Tons.</td>
<td>Development of good working relations with the Freight Representative of Air France by respecting the commitments (respect of programming and allocated tonnage) taken by UPS</td>
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<td>Difficulties to achieve some activities planned owing to:</td>
<td>- Mid-term evaluations and project adjustment</td>
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<td>- the fact that they are not appropriate to the context,</td>
<td>- Regular meetings between technical and elected staff</td>
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<td>- overestimation of forecasts,</td>
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<td>- mixture of project and business approaches,</td>
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<td>- non availability of members of packaging teams</td>
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The impact of the project is significant though forecasts were not attained

Producers master improved technical stages and disseminate them to their colleagues. The result was an increase in the yield per hectare, which rose from 40T/ha to 71 T/ha.

For the small producer with 5 ‘kantins’⁶, production rose from 8 T to 14.2 T per season. This gives a production growth rate of 75%.

Concerning the quality of the pineapple produced, prior to the project, 45% of the production met export requirements. This percentage has reached by 65% to 70%. This represents an increase of 6 tons of exportable production per season for a small producer with 5 ‘kantins’.

As for income, considering the products sold through exports and on local market, the producer has increased their revenues by 51%. The testimony of Nougnidé Florent aged 24 years living at Lissegazoun in the Atlantique Department is encouraging:

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⁶ A measure which corresponds to 20m x 20m i.e. 400 m².
Prior to the project, one would need 30 000F to produce 1 'kantin' of pineapple but with the respect of technical stages in the framework of the project, one needs 45 000F. Concerning income from the sales, before the project it would vary between 15 000 F and 50 000F depending on the size, mode of sale, etc. against 100 000F with the arrival of the project thanks to the good quality of pineapples, his wisdom, and the selling modalities. This increase in sale revenues enabled him to cover, during the last season, the house he had built and pay school and boarding fees for his two brothers who are doing their studies at college and university.

Today, trained producers keep producing quality pineapples sold to private exporters.

Main lessons learnt from this pilot experience

- To clearly define realistic objectives with and for each actor involved in the project (producers, agents, …)
- To get producers involved in the process of sale (risk sharing). To make each producer sign their personal commitments relating to their production and delivery plan.
- To sensitize producers to contribute to supervision cost
- In order to repeat this experience, focus will mostly be put, in addition to production, on traceability and certification. For this purpose, a budget of about 535 000 Euros is needed. Because, apart from exports through diversification of partners, emphasis will also be put on the regional market and supply of inputs. The number of technicians in production will be reduced by one person.

July 2008
Eustache Wankpo
Advisor of F.O's
About the authors

Joseph Gafaranga is the chief executive of the farmers’ union IMBARAGA for Northern Rwanda. He is both an agronomist and a farmer himself. He introduced several technologies for Irish potato growing by practicing them himself first and disseminating them to fellow farmers. After the success in the Irish potato chain he is now working on the maize and wheat commodity chains.

Julius Peter Moto (BA Economics & MBA holder) is working as Chief Executive Officer for Mid North Private Sector Development Company Ltd based in Lira, Northern Uganda. He worked for Uganda National Farmers Federation as Director Credit and Marketing between 1998 and 2003, and as Ag. Chief Executive Secretary from 2002-2003. Mr. Moto worked as Programme Officer for Eastern Africa Farmers Federation based in Nairobi where he handled organizational programmes and trade policy focusing on the WTO, East African Community and Economic Partnership Agreements He has a good grasp of the policy issues affecting farmers’ movement in Uganda and Africa.

François Mbabazi is the chief executive of the farmers’ union INGABO for Southern Rwanda with its head office in Muhanga. He played a major role in the conception and the implementation of a new policy for the union focusing on “agribusiness” and “commodity chain development”. He coordinated the revival of the cassava commodity chain by INGABO.

Jean-Damascène Nyamwasa is a Rwandan national trained as agronomist. He was a provincial representative of the Ministry of Youth and Cooperatives from 1988 to 1991 before being appointed to Centre de Formation et de Recherche Coopératives IWACU as trainer and senior staff between 1991 and 1997. From 1998 to September 2008, he worked as consultant and advisor to Agriterra in the area of support to farmers’ organizations in Rwanda and across the sub-region of Central and East Africa. He is specializing in project cycle management, organizational and institutional development, strategic studies and evaluations in rural development in general and farmers’ movement in particular. He currently works as Regional Coordinator in Communication and Training for Projet Catalist being implemented by IFDC.

Amza Tahirou is an agronomist from Niger, studied rural development in Senegal, micro-finance in France and has worked as the chief executive of the FCMN-Niya (the National Federation of horticultural cooperatives in Niger) until December 2006. He also worked for the NGO Afrique Verte Niger providing guidance to cereal banks belonging to women groups. Currently he is the director of a Micro-Finance Institution in Mopti in Mali. As a consultant he has been working for EU, Agriterra and others as an advisor for FO’s and MFI’s.

Gabriel Turatsinze is the chief executive of the farmers’ organization IMPUYAKI, Gicumbi District, Northern Rwanda (since 1998). He is a general agronomist but through various courses he has gained capacity in the field of micro-finance, project management (planning, monitoring and evaluation). Within IMPUYAKI he coordinates the agricultural and micro-finance services and project development.

Frans van Hoof is an independent advisor for Sub-Saharan African Farmers’ Organizations, this after having worked with them for many years and from different positions. He assists them with their strategic planning exercises; together with them he assesses their organizational functioning, their relations with the other stakeholders in the agricultural sector, as well as the quality of their service delivery to their members. He also assists development agencies to develop specific policies and strategies to work with Farmers Organizations in Africa.

Eustache Wankpo is an agro socio economist with a fifteen-year proven experience in support to the rural world. His fields of practice include institutional development and organizational improvement, community development, commodity chain development, support and advice, project design and elaboration and monitoring & evaluation. In the past, he has worked as coordinator, trainer, programme manager and staff responsible for monitoring-evaluation in several FO support institutions. Today, he is an freelance consultant, technical advisor for Farmers’ Organizations, notably those of the National Federation of Producers’ Unions in Benin (FUPRO-Benin).

Marie Béatrice Umutesi is a socio-économiste. She has been a coordinator of several programs aiming the organization of female farmers at various levels in Cameroon, in DR Congo and in Rwanda. In Rwanda she also was the chief executive of a service center for cooperatives and other farmers organizations from 1988 to 1994. As a consultant she has fulfilled assignments for IFAD, Agriterra, ICCO, Misereor, BCA, Centre IWACU for the design/formulation and evaluation of various programs.
Interested in more success stories from farmers’ organizations? May we suggest you consult the following publications:

In French:


«Perspectives des fermiers africains – Nourrir le Sol pour Nourrir le Continent» Etudes des cas, published by the four sub-regional Farmers Organizations (EAFF, ROPPA, SACAU and PROPAC) as a Green Book for the Africa Fertiliser Summit in Abuja (Nigeria) in June 2006. The publication was coordinated by EAFF, Nairobi, June 2006.

In English:

«Farmers of Africa Perspectives – Nourish the Soil, Feed the Continent”, case studies from Farmers Organizations published in a Green Book for the Africa Fertiliser Summit in Abuja (Nigeria) in June 2006, by the sub-regional F.O’s ROPPA, EAFF, SACAU and PROPAC. The publication was coordinated by EAFF, Nairobi, June 2006.