

# Market based solutions for the challenges of capacity in smallholder agriculture

Africa Fairtrade Convention

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# SNV Netherlands Development Organisation

SNV is an international development organization committed to **eliminating poverty and inequity** worldwide and **improving good governance**. SNV envisions a society where all people enjoy the freedom to pursue their own sustainable development. To achieve this vision SNV works to **build local capacity**.

SNV provides **technical assistance project implementation, knowledge development, brokering, advocacy and investment advisory services** to public, private, and civil sector organisations, to achieve two key impacts:

- Catalyse **production, income and employment** opportunities: Focus on Agriculture
- Catalyse improved **access to quality basic services**: Focus on Water & Renewable Energy.

Headquartered in the Netherlands, SNV was founded in 1965 as part of the Dutch Foreign Ministry. Since becoming an independent organization in 2001, SNV retains the deep local knowledge and a broad network of in-country contacts, steadily established **over 40 years of on-the-ground presence** in five global regions.

SNV's global operations consist of:

- 90 Offices in 33 countries
- Over 850 field-based professional advisors
- 60-70% of staff are local / national



## West and Central Africa

**Benin**

**Burkina Faso**

**Cameroon**

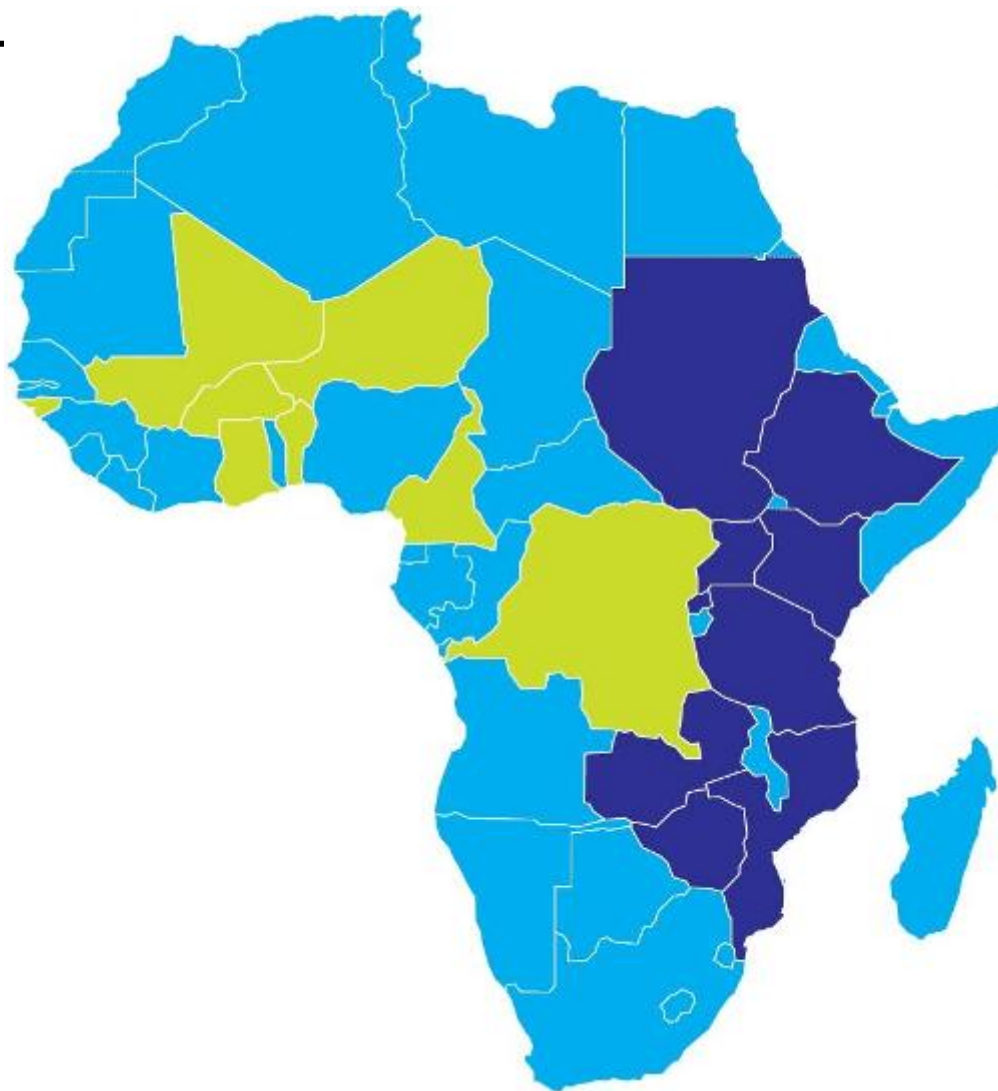
**DRC**

**Ghana**

**Guinea Bissau**

**Mali**

**Niger**



## East and Southern Africa

**Ethiopia**

**Kenya**

**Mozambique**

**Rwanda**

**Sudan**

**Tanzania**

**Uganda**

**Zambia**

**Zimbabwe**

## SNV and smallholder agriculture

### • Our Approach

- Market – led Value Chain Development (domestic, regional, international)
- Systemic and holistic response to emerging issues
- Shared Value, (Inclusive Business Approaches), responsibility and benefit
- Private Sector as entry point, linkage with smallholders and communities
- The role of **women** farmers and their livelihoods emphasized
- Strengthening local organizations and institutions
- Value Chain Financing
- Governance, Advocacy, Knowledge Development
- Regional and Global Partnerships (eg with WBCSD)
- Climate Change and sustainable **land and water use**
- Food Security

## The challenge

- Entrepreneurship in Cape Coast – a noble idea, poorly done
- Whereas we believe capacity, extension and wise use of research can increase the PIE (Production, Income and Employment) for smallholders:
- Yet increasingly low investments
- Government extension services almost non-existent
- Drought of donor funds

### **Because**

- Results of past efforts discouraging?
- CDS for free in agriculture as business (a contradiction in terms?)
- The smallholders see no value in our efforts
- Maybe we got it wrong with the freebees

## Time for change – We look to the markets, imperfect as they are

CDS for a purpose

Aim for sustainable CDS markets – Demand meets supply

Subsidies as entry points only

Farmers will pay if they see value for money

Scaling local solutions that have worked in the context (F to F)

Change the mode of delivery – take it to the farmers, no fanfares

Link to results – Embedded services linked to markets

Identifying & expanding the connections between societal and economic progress.

Need for all of us to repent

## Case: Inclusive Business: Agriseeds - Zimbabwe

Agriseeds is a small but growing Zimbabwean seed company, leading in peanuts, cowpeas and sorghum. With help of SNV we build up a new supply chain with smallholder farmers through a contract farming scheme.

**Case:** Seed outgrower scheme of smallholder farmers a win-win situation

**Dates:** 2009 – 2012 **Amount:** \$1.5 million (donor and company funding) **No of**

**Producers involved:** 2200

### Business Problem:

Disruption of supply chain, need to set up a new reliable supply chain for certified seeds. Farmers history of default to contracting companies

### Solution and Results to Date:



- Advising Company to deal with 2200 smallholders instead of 5 commercial farmers
- Advise on effective extension system provided by company]
- Facilitation to implementation funds
- Producer organising and trained in contract management and business skills – building of trust with company
- 1500 farmers earning 800 US\$ /year and food secure through own maize production
- Supply of quality certified seed 1600 tons contributing to national seed assurance for food security
- 90% repayment rate of supplied inputs to company
- Company able to fulfill delivery obligations of its clients

**Thank You**