

AGRILINKS



Strengthening Private Sector Extension and Advisory Services – Portfolio Review

- Speakers:** Kristin Davis, International Food Policy Research Institute
Jean-Michel Voisard, RTI International
Robert Anyang, Chemonics International Inc.
- Moderator:** Julie MacCartee, USAID Bureau for Food Security
- Date:** September 11, 2019

Kristin Davis, International Food Policy Research Institute



Kristin Davis is a Senior Research Fellow with the International Food Policy Research Institute (IFPRI) where she's worked since 2004. Kristin has a PhD in international agricultural extension with a minor in farming systems from the University of Florida. Her research involves research and capacity strengthening on agricultural extension, education, and agricultural innovation systems. She currently is Project Co-Director for the USAID-funded project Developing Local Extension Capacity (DLEC).

Robert Anyang, Chemonics International



Robert Anyang is an agricultural value chain improvement and marketing expert with 23 years of experience applying the facilitative approach to market systems and value chain development. Robert is currently the agriculture and food security adviser for Eastern and Southern Africa region Chemonics International. Robert had previously led activities to deploy digital technologies, to provide improved extension services, market information, and financial services. Robert has over 15 years' experience building both public –private sector extension capacity in delivering extension service to smallholders farmers in 19 countries in Sub Saharan Africa He previously worked for the Feed the Future Commodity Production and Marketing CPM Activity in Uganda as Chief of Party, Sasakawa Africa Association SAA-strengthening capacity of extension service delivery along the value chain could help Smallholder Farmers (SHFs) in four countries as the Regional Program Officer, Market Access and Public-Private Partnership Africa rice center based in Tanzania as the Extension Agronomist /Regional coordinator seed system specialist and various private-sector firms. Hailing from Nigeria, Robert holds degrees in agronomy, rural development, crop production, and horticulture from Kenyatta University, the Federal University of Technology, and Lagos State Polytechnic.

Jean-Michel Voisard, RTI International



Jean-Michel Voisard is Senior Market Systems Advisor at RTI International, and is currently based in Dakar, Senegal. For over 20 years, he has worked throughout West Africa to link private sector and banks with grassroots rural organizations to build sustainable market systems that benefit small farmers. As COP and technical advisor to the recently completed Feed the Future Senegal Naatal Mbay project implemented by RTI, he oversaw the design and roll-out of approach that empowered 123 cereal networks, grouping more than 150,000 farmers, to self-manage the delivery of extension and value chain services such as trainings and extension, grouped input procurement and financing, crop insurance, harvest services, quality control, climate information and sales contract management.



USAID
FROM THE AMERICAN PEOPLE

Digital
Green



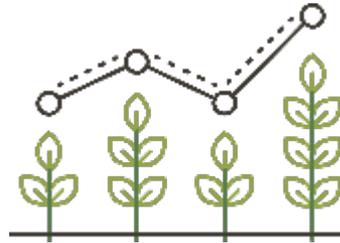
INTERNATIONAL
FOOD POLICY
RESEARCH
INSTITUTE



FEED THE FUTURE: KNOWLEDGE, DATA, LEARNING, AND TRAINING (KDLT)

AGRILINKS

DLEC
strengthens
extension
through three
interrelated
sets of
activities



1. DIAGNOSTICS

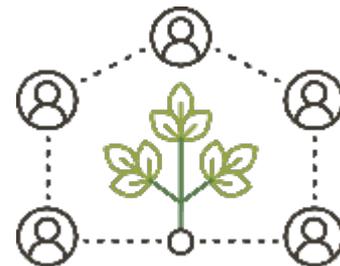
11 reports on national EAS systems.

Recommendations taken up by govt (Liberia)



2. ENGAGEMENTS

8 customized demand-driven activities launched across 6 countries and catalyzed over \$1million in additional funding to improve extension



3. COMMUNITIES OF PRACTICE (CoP)

Mobilizing communities at national and global levels; facilitating cross-country learning; developing common metrics for extension

Purpose of Study

- Summarize lessons learned and options for expanding private sector agricultural extension and advisory services (EAS) through future USAID projects and other investments

Introduction

- Effective EAS recognized as essential for programs to transform ag systems, address global social and economic development objectives
- Both public and private organizations active in EAS

What are Private Sector EAS Actors?

- NGOs, civil society
- For-profit entities
 - Input suppliers
 - Product buyers (exporters, processors, commodity traders, etc.)
 - Consultants, consulting firms
 - Media (radio, TV, publications, ICT services)
- Producer organizations

Private Sector EAS Literature Review: Potential

- Provide flexibility
- Increase profits to both (shared value)
- Strengthen long-term business relationships
- Facilitate access to specialized services for specific production systems
- Promote innovation in services delivery, including ICTs
- Ensure adequate quantities, quality of market products
- Facilitate understanding of market systems and market-based approaches

Private Sector EAS Literature Review: Limitations

- Private providers need cost-recovery
- Fee-for-service doesn't work well
- Coverage often limited
- Conflict of interest (or perceptions of such) common
- Many lack experience, capacity, interest in EAS provision –prefer to contract others
- Problems have included: mis-use of funds; lack of accountability; inequity; poor quality; failure to address all farmer needs

Portfolio Review: Feed the Future/Aligned Countries

Bangladesh	Guatemala	Mali	Somalia
Burkina Faso	Guinea	Mozambique	South Sudan
Burma	Haiti	Nepal	Tajikistan
Cambodia	Honduras	Niger	Tanzania
DRC	Kenya	Nigeria	Uganda
Ethiopia	Liberia	Rwanda	Zambia
Ghana	Malawi	Senegal	Zimbabwe

Portfolio Review: EAS Program Design Considerations

- Weak analytical base for design
 - Little evidence of clear EAS strategy or approach
- Weak evidence base for EAS content potential
 - Unclear on innovations being promoted and their potential (despite technology transfer approaches!)
- Projects are overly complex
 - Little time/capacity for attention to EAS
- Ambitious targets
 - Reaching client targets may compromise quality and intensity of services

Portfolio Review: Program Implementation Considerations

- Surprisingly strong reliance on public EAS
 - True in nearly all projects, even with weak public EAS
- EAS methodologies very traditional
 - Farmer training, demonstrations, field days
- Radio reigns – common and effective
 - Limited applications of other ICTs
- Subsidies for inputs and services common
 - Often used to encourage adoption
- Decentralization reforms common and disruptive
 - Carry potential benefits, but require adaptation

Portfolio Review: Project Roles for Private EAS Actors

- Producer organizations ubiquitous
 - Often identified as needing strengthening, but little provided
- Contact or lead farmers ubiquitous
 - Links providers and communities, expands reach
- Input dealers common EAS provider-partners
 - Strong common interest in promoting use of inputs
 - Capacity and range of services often limited
 - Project direct funding of input supplier EAS generally not sustainable

Portfolio Review: Other EAS Observations

- Commodity-specific
 - Important for widely-grown crops
- Successes –reached 89 million people
 - Clear impetus for change but treat estimates with caution
- Inclusiveness
 - Nearly all have strong commitment to serving women – effectiveness uncertain
 - Some appear effective in reaching disadvantaged groups
 - Better-off farmers generally have better access
 - Youth a new target – targeting mechanism still being worked out, but entrepreneurship activities appear best options
 - Private EAS generally not well suited to reaching groups with limited purchasing power

Universal Recommendations

1. Improve due diligence in project design
2. Improve targeting of EAS clients
3. Make full use of relevant ICTs
4. Minimize subsidies
5. Ensure an EAS learning agenda

Investing in Private Sector EAS

For program design:

1. Recognize that no one-size-fits-all! (i.e. use “best-fit” to circumstances)
2. Understand EAS institutional architecture
3. Draw from menu of investment options
4. Tailor activities to country and clients
5. Balance capacity development and direct delivery of services
6. Understand farming systems and innovations being introduced

Investing in Private Sector EAS: Interventions

1. Develop national EAS policy and strategy
2. Strengthen public EAS
3. Improve EAS support services
4. Emphasize relevant ICT applications
5. Strengthen producer organizations
6. Strengthen input suppliers
7. Strengthen other private EAS providers
8. Establish EAS quality certification systems
9. Establish EAS stakeholder consultation platforms
10. Subsidize innovations prompted by EAS
11. Fund direct EAS delivery

Best-fit Recommendations

Recommendation	Situation
Address immediate needs	Weak public EAS; weak private EAS
Establish the necessary foundation	Weak public EAS; strong private EAS
Diversify pluralism in service provision	Strong public EAS; weak private EAS
Build for self-reliance	Strong public EAS; strong private EAS

DLEC can assist with:

- Country analyses of EAS capacities and issues
- Project design
- Review of scopes of work for EAS program design
- Training or consultative workshops for project design or implementation
- Evaluation of EAS activities
- Suggestions for EAS consultants for implementation or planning assistance

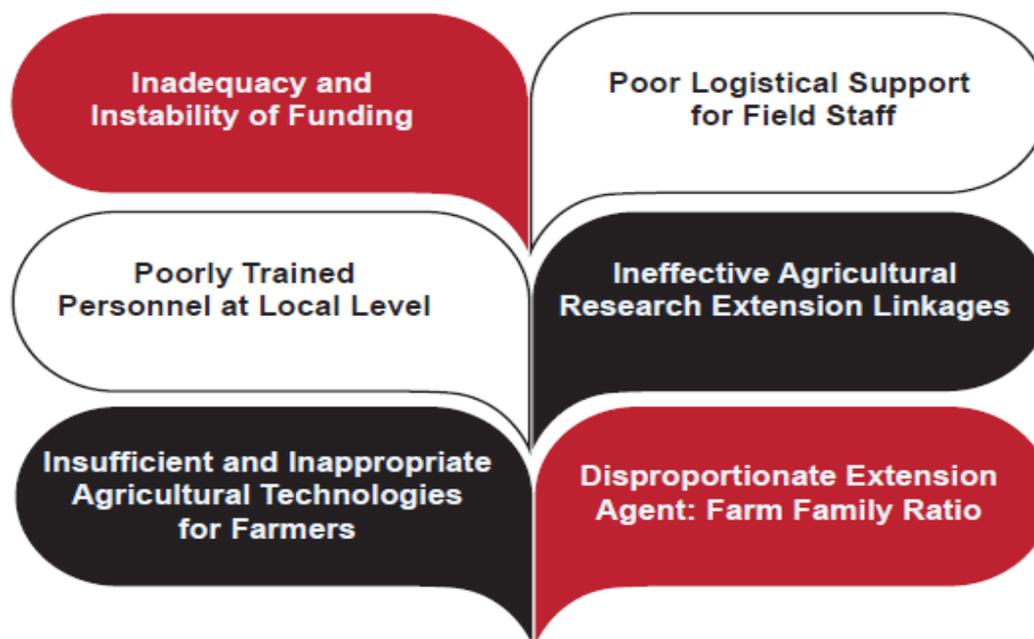
*Questions
and Answers*



“TAKE IT TO THE FARMER”

The village agent model (VAM) fulfills the wishes of the World Food Prize Founder, the late Dr. Norman Borlaug.

Common challenges in extension delivery system in Uganda



The Extension Agent (EA): Farm Family (FF) ratio is very low with an average of 1 EA to 1,900 FF in compared to 1:1200, 1:800 1:1000, 1:252 and 1:500 for Indonesia, Mexico, Tanzania, Japan, and South Korea, respectively.

Private sector Service delivery models SDM

FARMER-LED MODELS

- Reliance on capabilities of FOs that are often insufficient,
- Rely heavily on external funding to deliver services to members

GLOBAL SOURCING MODELS,

- High risk of side -selling
- limited integration of commercial services

LOCAL TRADERS /PROCESSOR MODELS

- Limited data /technology infrastructure,
 - Mistrust amongst each other

SPECIALIZED MODELS,

High initial COST of investment

VILLAGE AGENT MODEL

The VAM design is a combination of the strength of the Four to address the weakness within the supply chain

VAM was designed and promoted under the USAID Feed the Future Activity Commodity Production and Marketing Activity to enable middle actors to provide efficient production and marketing services to farmers in Coffee, Maize and Beans Value chains

The centerpiece of our approach is “**transformation of the middle,**” a deliberate effort to enter value chains at intermediary levels to facilitate sustainable business relationships based on trust, transparency, and product delivery and payment.

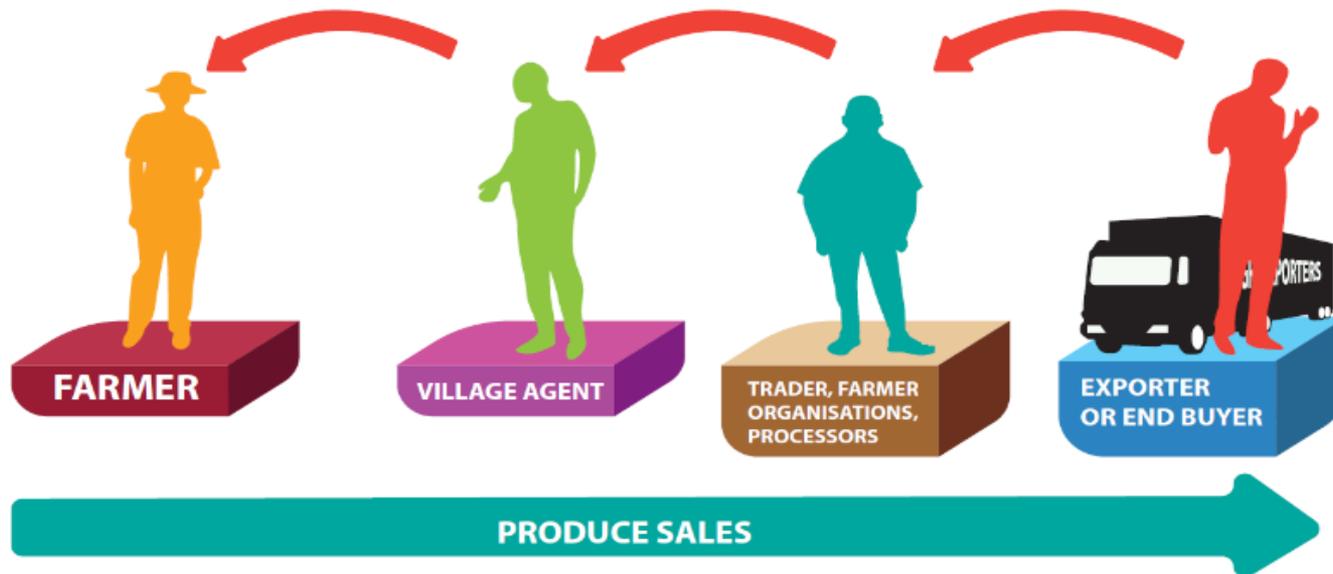
Our development hypothesis is that by entering the “middle” of value chains using a facilitative approach, productivity and market access will increase, stimulating supply response to demand.

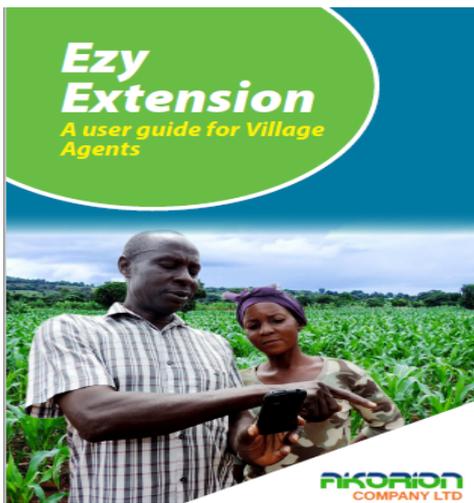
How does it work?

VAs identify interested farmers and build better relationship based on trust and delivery services to farmers

Traders identify loyal VAs and support them to access necessary production and marketing skills

Engaging the exporter: The market pull
Identify traders and sign contracts





A trainer with Amarin Financial Group trains village agents on financial literacy in Luweero District

Pre –Production	Production,	Post-harvest	Marketing services.
Crop insurance agent	Input supply services	Shelling services	Bulking Aggregation services
Soil testing agent	Planting services	Grain cleaningservices	Rural Sales services agent –non ag products
Crop inspectors agent (banksinsurances ,out growers,schemes	Weeding services	Drying services	Rural banking andDFS agent
Digital profiling agent	Spraying services – pesticides		

Extension delivery methods used by VAS



Individual farm visits



Use of Animation videos

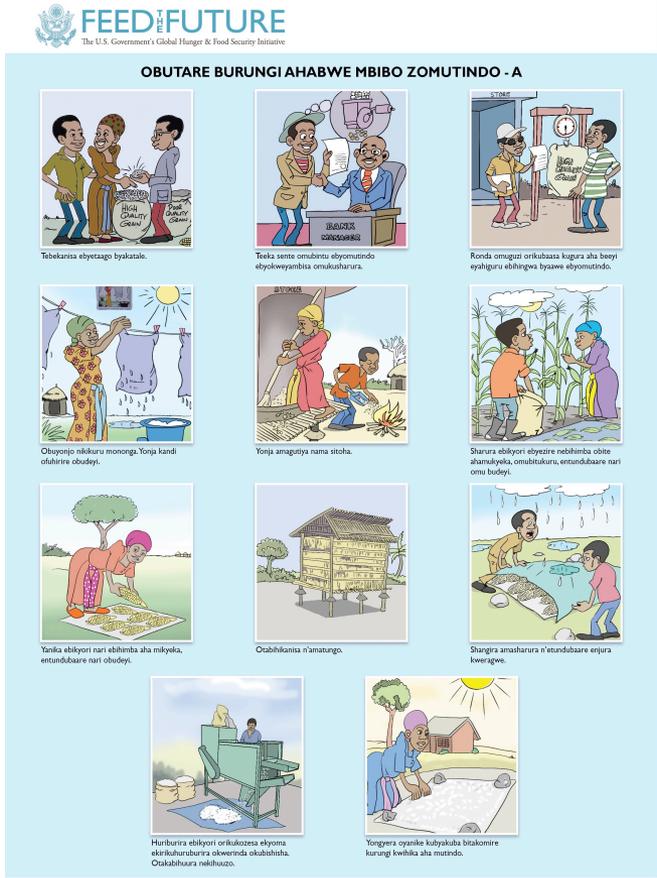


Demand create demonstrations plots



Directly providing service to farmers

Extension delivery methods used by VAS



OBUTARE BURUNGI AHABWE MBIBO ZOMUTINDO - A

- Tebekansa ebyetago byakatale.** (Illustration of three men talking)
- Teska sente omubantu ebyomutindo ebyokwanyamba onukushurura.** (Illustration of a man at a desk)
- Ronda omugiri orukubasa kogura aha beeyi eyahiguru ebihanga byaswe ebyomutindo.** (Illustration of a man at a gate)
- Owonyo akubara omwonga. Torja kandi obafirire obudayi.** (Illustration of a woman hanging laundry)
- Torja amagatiya nama sitofo.** (Illustration of a woman and child working)
- Shanza ebikyori ebyeze nebibimba, obwe zhamyeyika, omubutakuru, entundubaare nari omu budyi.** (Illustration of people in a field)
- Yanka ebikyori nari ebibimba aha mikyela, entundubaare nari obudayi.** (Illustration of a woman in a field)
- Ocobibikanisa n'amatungo.** (Illustration of a wooden structure)
- Shangira amashurura n'etundubaare enjira kweragwe.** (Illustration of people in a field)
- Huriburira ebikyori orukozesa ekyoma ekirukuhurura okwerinda okubabisha. Okubihuura n'ekhuza.** (Illustration of a machine)
- Yongera oyanike kubyakuba bitakomire kurung kwibika aha mutindo.** (Illustration of a woman in a field)



Organized group training



Home visit

Simple yet well-illustrated I.E.C. materials in local languages

How does the VA make money and sustain the model?

Inputs sales with extension messages



\$5 - \$6/bag(50)kg



\$0.08/kg - \$0.10/kg

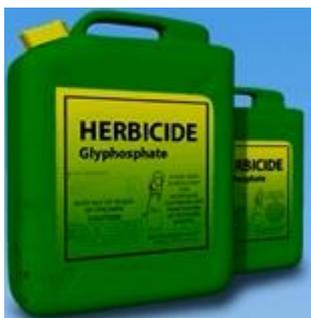
Combo: Soil testing, crop insurance and profiling



\$5 /farmer

Working with an average of **200** farmers, **50%** adopt the promoted services, and an agent makes **\$4370** profit/season.

Spraying services



\$0.5-0.7/L



\$0.16/knapsack

PHH services



Shelling: \$0.16/kg
Threshing: \$0.22/kg
De-pulping: \$0.08/kg
Drying of grains: \$0.016/kg

IMPACT OF THE VAM

Value of incremental sales (collected at farm level)

LOA Achieved	\$392,228,452
LOA Target	\$171,700,000
Baseline	\$7,547,961



Value of Agricultural and Rural Loans

LOA Achieved	\$88,039,255
LOA Target	\$2,890,000
Baseline	\$322,323



Volume of exports by Activity assisted traders and exporters(MT)

LOA Achieved	2,339,802
LOA Target	288,900
Baseline	140,761



Reduction in post-harvest losses by activity-assisted smallholders

LOA Achieved	5%
LOA Target	9.5%
Baseline	35%



Number of stakeholders implementing risk-reducing practices/actions to improve resilience to climate change as a result of USG assistance

LOA Achieved	490,572
LOA Target	210,000
Baseline	48,154



Number of farmers and others who have applied new technologies or management practices

LOA Achieved	596,843
LOA Target	290,000
Baseline	52,276



Number of hectares under improved technologies or management practices as a result of U.S. government assistance

LOA Achieved	961,473
LOA Target	120,300
Baseline	31,050

Value of private sector investment

LOA Achieved	17,590,177
LOA Target	10,450,000
Baseline	0



Input sales by activity-assisted intermediary business models

LOA Achieved	\$5,029,365
LOA Target	\$4,010,000
Baseline	0

Percentage of farmers acknowledging positive benefits from the accessed inputs

LOA Achieved	73%
LOA Target	31%
Baseline	0%



Percentage of farmers purchasing inputs from village agents

LOA Achieved	64%
LOA Target	34%
Baseline	0%

Factors affecting the success of VAM

- Production rather than market-driven approach
- Donors and NGOs reluctance to work with the middle actors
- Donors and NGOs interference in the supply chain, i.e., undue subsidization, creating dependency on free services
- Lack of access to finance for all actors
- Lack of legal instrument to enforce better trading practices/ behaviors among all actors

What Did We Learn?

1. Intermediaries must be linked to buyers as part of a real and ready market.
2. Village agents need to be knowledgeable and well-trained about the services they offer
3. The jobs that are created must be perceived as formal, not informal, to help change negative perceptions about work in the agriculture sector.
4. Farmers must pay for services in cash or in-kind at the time of delivery.
5. ICT is key to reduce cost of transaction and access to weather and market information, digital profiling(KYC) , and ICT-enabled savings for financing inputs.
6. There must be a built-in Behavioral Change strategy for all actors

Bridging the VAM and Government Extension Services

The National Agricultural Extension Policy 2016 provides for a pluralistic extension services system which involves many coordinating actors in the provision of extension services under the overall coordination of the directorate.

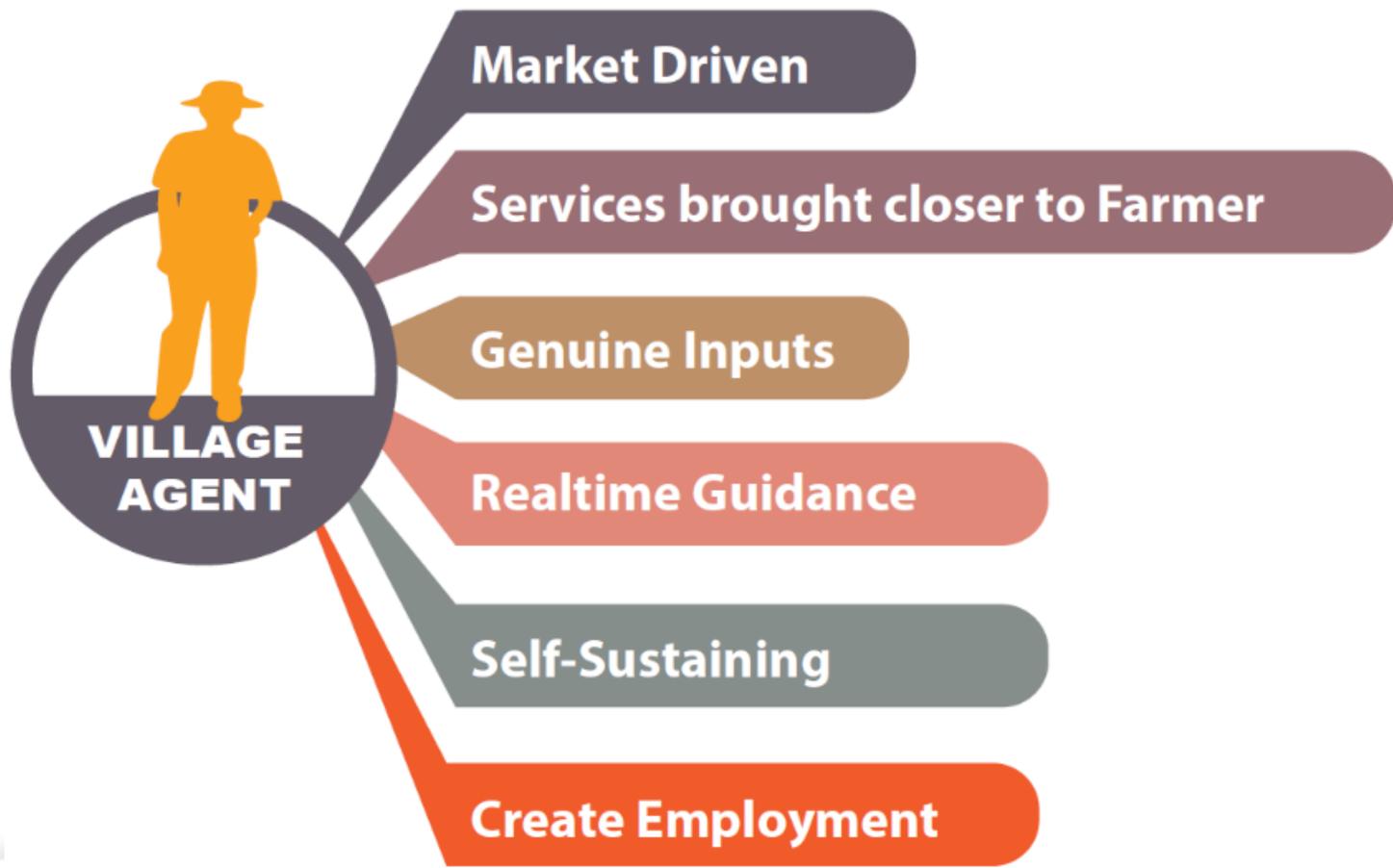
Government of Uganda Extension Department

- MAAIF trains, certifies, and registers village agents and will provide an oversight function of all extension services
- Provides salary and transport for Government extension worker
- Provides certified extension materials
- TA support VAs to conduct field days organized by traders

Private sector Actors

- Support Ugandan government extension workers with stipend (fuel) to enable them to organize training session for the VAs
- Support the VAs to disseminate the knowledge (fields days) and conduct demonstrations

What is unique about the Village Agent Model?



TOP TAKE-AWAYS

- 1 All key four actors should be involved.
- 2 Availability of technologies and innovations
- 3 Farmers should be willing to pay for services in kind or cash
- 4 Build motivation and incentives around services delivery
- 5 Relationship building is key, based on trust and loyalty
- 6 Enhance agents' knowledge in relevant fields
- 7 Access to finance by the four main actors

Questions and Answers

Farmer-Led Extension Systems Feed the Future Senegal Naatal Mbay

Jean-Michel Voisard, Senior Market Systems Advisor, RTI International

September 11, 2019



Photo: Xaume Ollerros for RTI International

Naatal Mbay: Scaling Successful Technologies



Four-year project closed in June 2019

Outcomes:

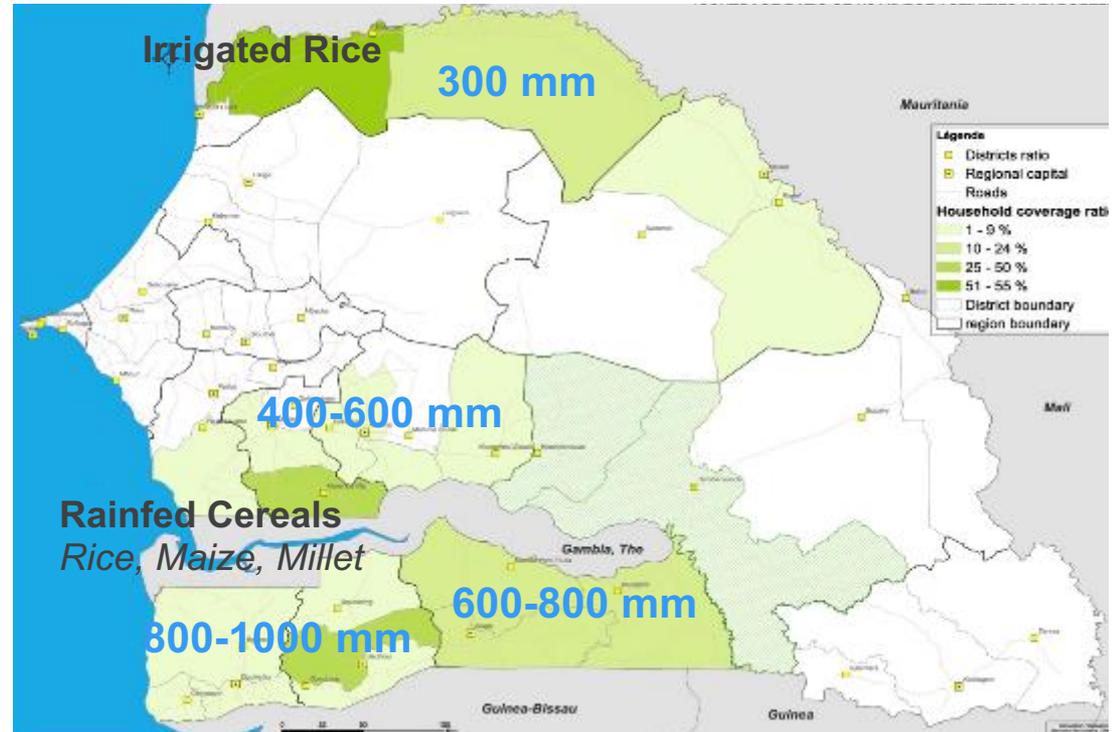
- Agricultural productivity improved
- Agricultural markets improved
- Policy environment strengthened

Implementation guidelines:

- High Zone of Influence coverage
- Smallholder farmers & local SMEs

Other elements:

- Local subcontract fund
- Fixed-price deliverable agreements
- No grants



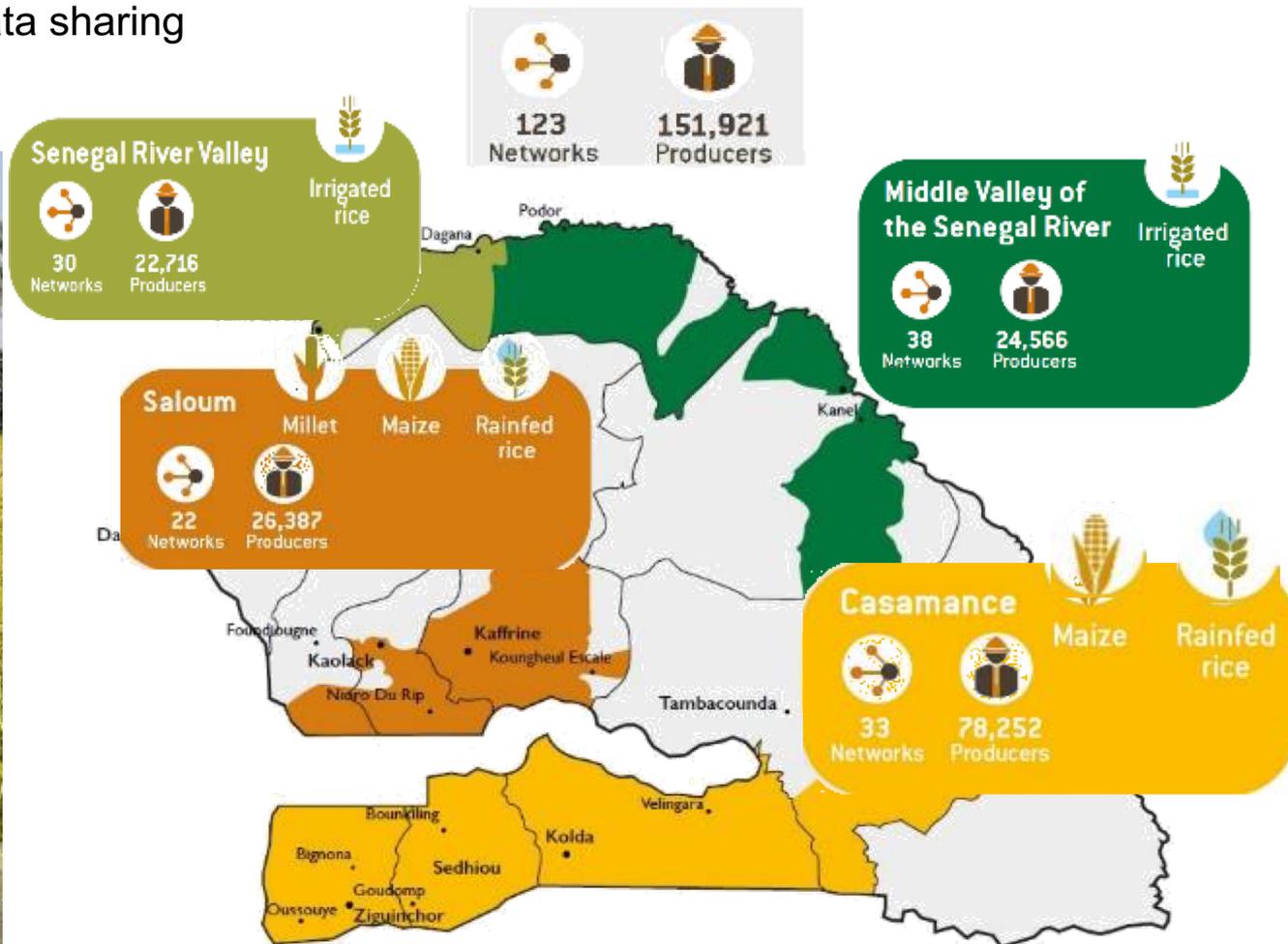
Naatal Mbay leveraged its predecessor project to scale successful technologies for widespread access and inclusion



Implementing at Scale: Farmer-led Anchor Networks

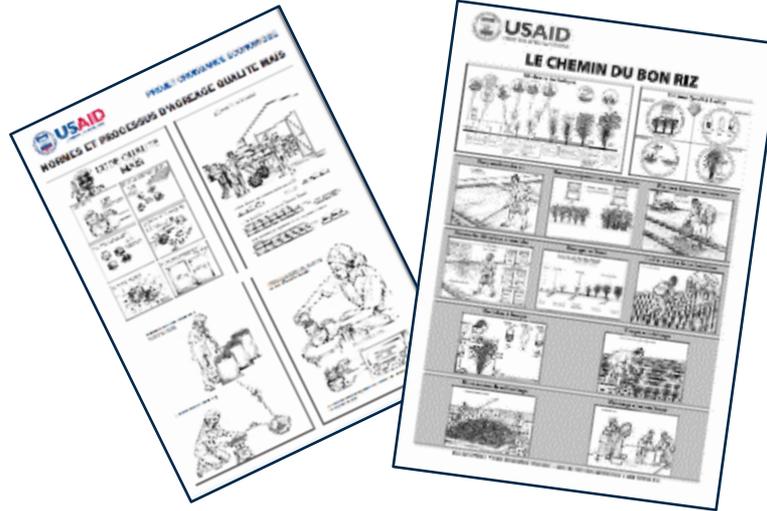
Expand, Scale-In, Layer Skills, Build Linkages:

- Decentralize M&E as an organizational capacity
- Facilitate an inclusive seasonal CLA process
- No ad-hoc financial safety nets or input grants
- Promote public/private data sharing



167 Database Managers
771 Facilitators
3,882 Lead Producers

Building Grassroots Value Chain Capacity



THE PRODUCER NETWORK VALUE CHAIN PACKAGE

Networks capable of providing value-added services to their members



TRAINING

To improve yield and quality



CONTRACTING

To negotiate with the private sector upstream and downstream in the production process



DATA MANAGEMENT

To facilitate decision-making and information exchange



MARKET ACCESS

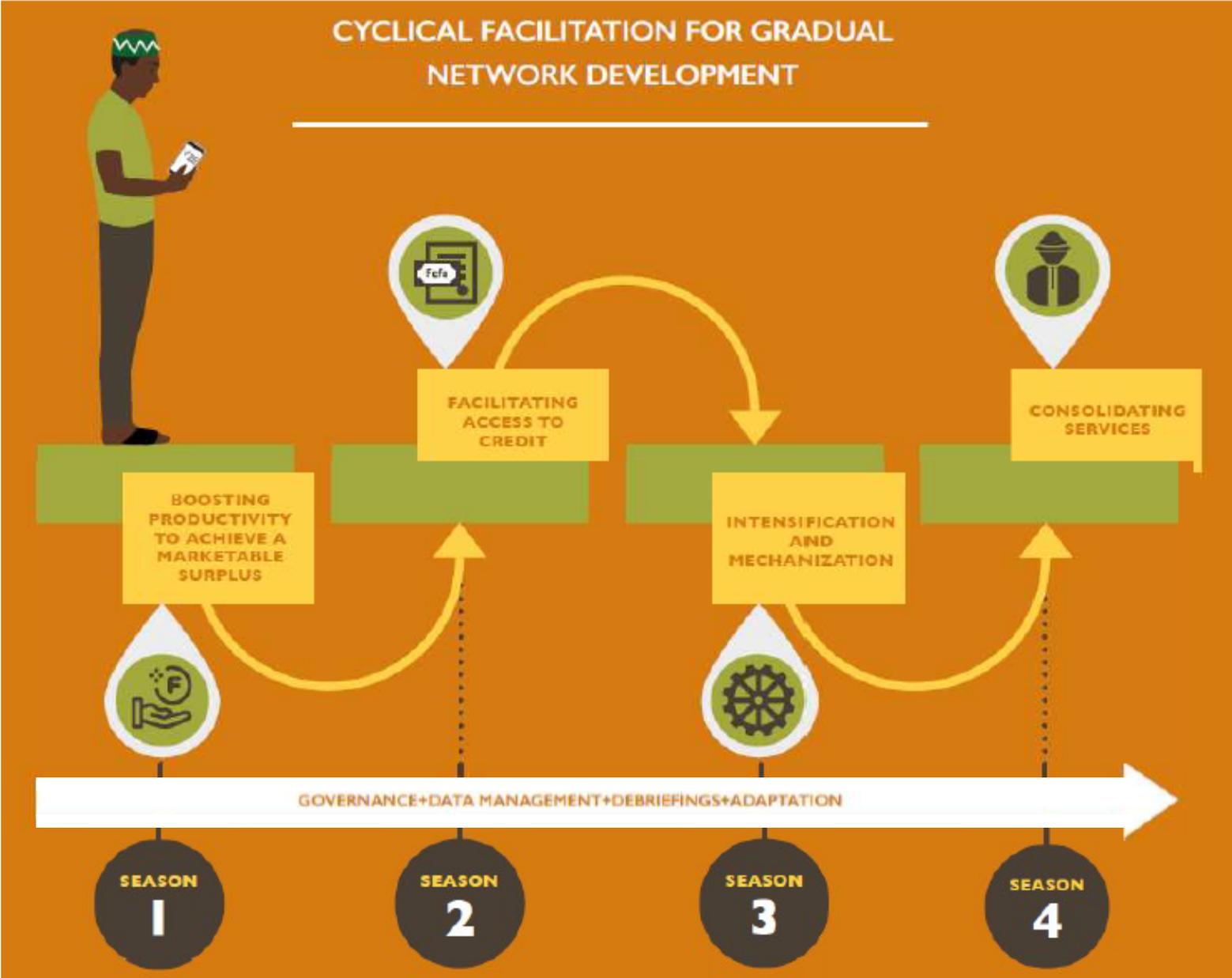
To enable group marketing



GOVERNANCE

For democratic, accountable, and transparent management

A Network Learning Continuum



Foundation for Growth: Farmer-Owned Databases

From "IT as a Service" to Farmer Data Ownership

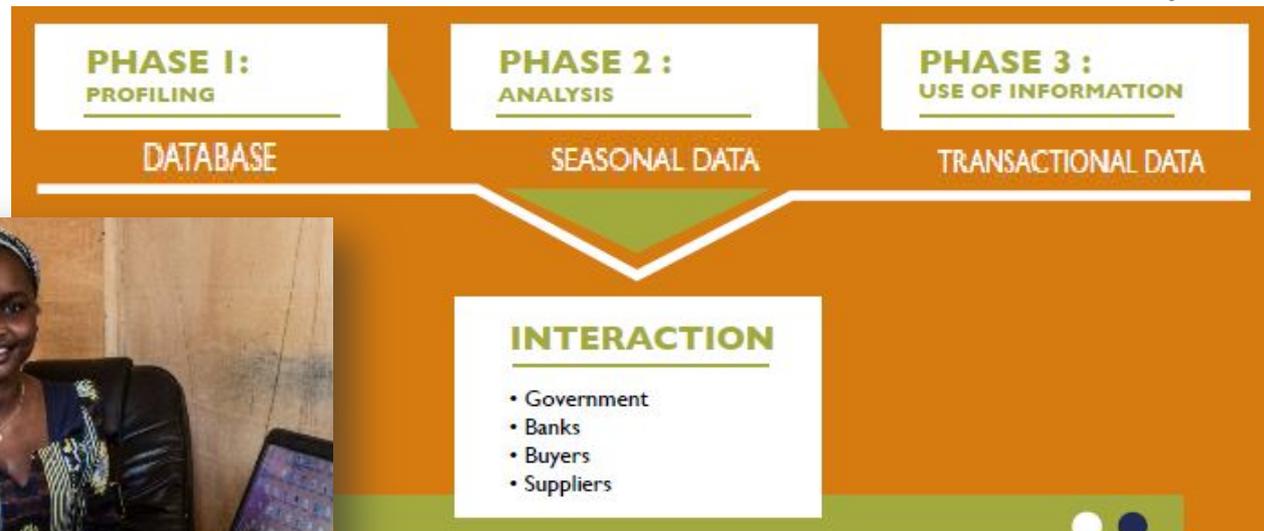


Photo: Sylvain Cherkaoui for RTI International

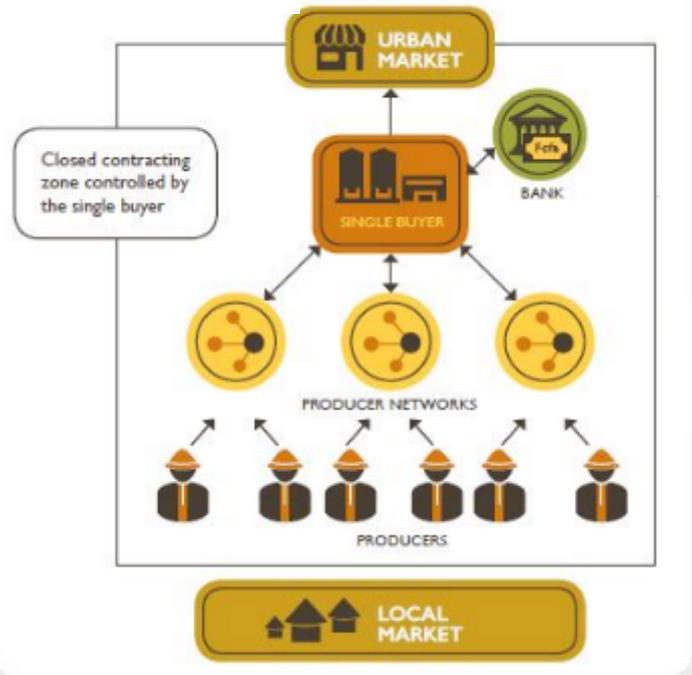


A Transformational Effect on the Value Chain

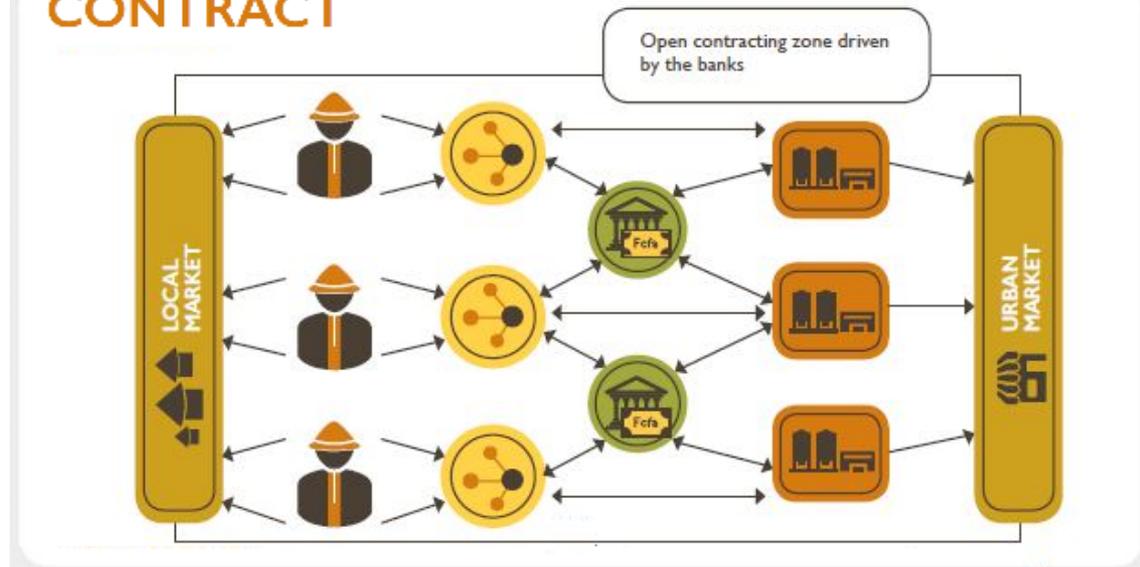
Empowered Farmer Networks Create New Contracting Options



CLOSED VERTICAL CONTRACT



OPEN HORIZONTAL CONTRACT



- Farmer-managed aggregation
- Third-party input & harvest services
- Bank loan as core contract
- Pricing at harvest limited to loan
- Buyers backed by bank lines of credit
- Free market for farmer surpluses

Sustainability through Value-Added Services

After closeout, a majority of networks maintain their databases, have grown their membership, and continue to provide value chain services to members:

- New seed demos and multiplication
- Access to fertilizer
- Access to credit and insurance
- Climate information
- Contract management and marketing of surplus

Cost recovery approaches include:

- Membership dues
- Contributions from buyers
- Service charges on input procurements, GPS surveying, mechanized services
- Margin on produce sales
- Commission on insurance policies
- Participation in development projects



“We were not going to let what we have go away. The services that we developed together have allowed us to make so much progress in term of productivity.”

**Nimna Diayte,
President,
FEPROMAS**

Future Challenges



Photo: Xaume Olieros for RTI International

- Diversification of crops, technologies & services
- Expansion of local service provider base
- Service delivery adapted to women
- Integration of youth
- Digital financial services delivery
- Infrastructure development plans
- Links with local and national institutions
- New performance metrics

Questions?



*Questions
and Answers*

AGRILINKS

Follow us for the latest development news, event resources & to comment on today's topic!



Contact: Julie MacCartee

jmaccartee@usaid.gov

www.agrilinks.org