

Case Study 5. Post-Conflict Context: Working with Producer Groups

ProRENDA Project

World Vision Angola

Programme Overview	
Where	Central Plateau, Angola
Who	Smallholder farmers and other value chain actors in the potato, onion, bean, and carrot value chains
Goal	Smallholder farmers in the central highlands in Angola will increase their annual income from potatoes and other high value crops through competitive value chains
How	Through a value chain approach, improve the input and output market linkages of producer groups with the private sector by facilitating improved market information, contracting with private sector produce buyers, linking local female informal traders to major markets, training producer groups in business planning and business management, increasing adult literacy—particularly women, improving production technologies, and documenting best practices

a. What the project did

i. Improved information flow and knowledge of effective processing practices and marketing strategies

The ProRENDA project staff worked to increase smallholder farmers' knowledge of market demand characteristics and the ability to meet this demand through post-harvest assembly, quality control, and storage. These efforts included training farmers to process and grade the produce in the field. Some farmers remarked that learning how to do grading in the field was one of the most helpful parts of the project. Training encouraged the farmers to have the produce properly packed.

The ProRENDA project also worked to develop or supplement existing market information services to disseminate reliable product price and flow information and train value chain actors to use this information. A price bulletin contains price and availability information for transport and inputs.

The project identified industry champions through the value chain analysis to upgrade the selected value chains, conduct key stakeholder workshops, and elaborate common annual action plans and pre-negotiation of regular supply contracts, with the goal of facilitating 20 commercially beneficial linkages. Commercial linkages are being developed with the formal sector, but most commercial linkages ended up being informal. It is estimated that 85 per cent of the trading linkages in vegetables are through the informal sector. Thus, project staff members are focusing more of their efforts on promoting informal commercial linkages. This includes facilitating more of the women in communities to be involved in the female-dominated informal trading linkages in the potato, bean, and onion value chains.

The project identified and addressed value chain constraints and opportunities and facilitated linkages along the value chain by training producer group leaders and value chain actors with an emphasis on increasing the role of women and youth in the value chains. The project had workshops for the value chain actors to improve efficiency of trading along the value chains with a focus on input supply to farmers and output market buyers of farmers' produce. The ProRENDA market manager has completed training in marketing skills with 110 farm leaders and intends to double that number in the next year.

ii. Strengthened the capacity of producers to develop business relationships

Producers' ability to develop business relationships will ensure access to credit, inputs, and output markets during and after the project.

Farmer Business Schools. ProRENDA used farmer business schools to strengthen the organisational structure of producer groups, enhancing the ability of farm households, associations, and cooperatives to function as successful business entities. Organisational capacity building courses included leadership, business management, finance, transparency, and basic accounting, including training in the development of business plans to improve access to input and output markets, value chain financing by commercial banks, and bulk supply of inputs from wholesale suppliers.

Replication. The producer group leaders replicate the training they received from the extension officers with others in the association. The 110 lead farmers use "Farming as a Business" modules to train some members of their associations—generally 35-40 producers per producer group—over three to four days. The total number of farmers trained is 3,850-4,400.

Associations typically have between 60-100 persons from a village and are legal entities registered by the government. Cooperatives are owned by member associations. ProRENDA is working with three cooperatives. The intention was to have 60 legally registered associations. Two and a half years into the project, 48 farmers' associations had been legalised, and an additional 12 had their applications submitted and were in process of approval with the government authorising office. With legal registration, the associations can sign a contract to order fertiliser in bulk. Also, the government's credit campaign provides a loan guarantee for financial institutions to lend to producers, but the guarantee is only for associations and not smallholder producers as individuals.

Business planning. The ProRENDA staff members have conducted business planning for associations and cooperatives. As part of the business planning process, the ProRENDA staff dialog with the associations and cooperatives about their strengths, weaknesses, opportunities, and threats. The staff will follow up with the associations and cooperatives to ensure they are actually following their business plans. Since business plans provide a management tool for the associations, the leaders in the associations can utilise the plans for both credit from the bank and to grow their business activities. The staff plan to finalise business plans for the two cooperatives. Further, ProRENDA staff plan to work with the associations to have simple business plans for 100-120 associations.

Access to Financial Services. ProRENDA staff facilitated the linkage of the associations with financial institutions for credit to the association through the government's credit campaign. Since the loans could only be made to associations and not individual producers, having a strong association is critical for the group discipline to pay back the loans. Some of the associations were late in paying, so ProRENDA staff encouraged payment of these late loans. In fact, ProRENDA staff recognised that

ongoing cash flow from savings and credit to buy fertiliser for potato production was the single most important factor in increasing income.

Functional Literacy. In order to improve the producer group members' literacy, especially the confidence level of women to start and grow their enterprises, functional adult literacy training will be provided for all members of the 220 farmer organisations.

iii. Increased quantity of marketed smallholder production

Marketable production by extremely poor producers was increased by enhancing their capacity to identify and adopt crop technologies, inputs, and production practices that meet market demand specifications. Particular attention was paid to demands around the quality of produce and timing of sales, as well as environmental issues.

Demonstration plots. The ProRENDA staff members have provided training for the identification of appropriate crops and technologies and the planning and scheduling of regular and diversified production of these crops to meet market specifications. The project worked with 220 lead farmers to establish demonstration plots—each farmer had six crops, totalling 1,320 demonstration plots.

The project established key linkages along the value chain among producer groups, seed multipliers, and distributors of other crop production inputs. Potato seed multiplication activities in the project have been built on previous World Vision capacity building activities.

Seed banks. Seed banks were set up for the distribution of both potato and onion seeds. One positive development is that 80 per cent of the seed banks are run by women. In both potato and onion seed banks, the objective was to introduce improved varieties of crops in a sustainable manner that have potential to generate income for smallholder farmers. Seed banks are established in interested communities by the ProRENDA extension agent. ProRENDA staff members provide the seed stock to extremely poor households who grow the stock and provide part of their seed stock to other extremely poor households in the seed bank.

Potatoes. The Community Seed Bank project has been highly successful in providing seed of improved varieties of potato to almost 2,000 smallholder farming families, of whom 30 per cent were female-headed households. Each seed bank involving 20 smallholder farmers received 100 kg of improved potato variety seed. At harvest, these primary beneficiaries were required to return 200 kg of seed, which was then distributed to other community members. The project was also successful in establishing 154 field demonstrations and building the capacity of 9,240 smallholder farmers in production technologies, processing, storage, seed selection, marketing of potatoes, and management of gravity fed irrigation systems. Over two years, the project has improved the livelihoods and food security of 10,527 persons.

The sale of potatoes from the second cycle of production by the primary beneficiaries generated an estimated increase in mean income of \$690 annually for 1,042 families. This sustainable increase in income and farming productivity will be replicated in future seasons and will allow almost 2,000 smallholder families to thrive and be economically able to provide for themselves and their communities. This is done in a way that contributes to meeting the health and educational needs of children in particular.

Onions. ProRENDA also provided onion seeds to extremely poor households. These households were the poorest in the communities and did not have the financial capacity to buy onion seed in the market. Onion seed was distributed to test and demonstrate different varieties, compare seed onions with multiplier onions, and provide a one-time incentive to onion production from seed, which is a crop mainly cultivated and marketed by women. As with the potato seed, beneficiaries have to pay back twice the amount received in the form of in-kind seed to other community members. They also have to purchase their own seed in future seasons.

iv. Cross-cutting issue: incorporating women into the value chain

Gender is a cross-cutting theme for all of the above activities. The ProRENDA staff members have placed a major emphasis on empowering women. Given the rural nature of the extension officers' activities and the persons who applied for the job, only one of the 19 extension officers is female. She spends 100 per cent of her time on gender and health issues in the project. The project design has 60 per cent female participation across all project activities. The reason for focusing on female participation in the project is that children's well-being is impacted more when the mother or female caregiver is involved in increased income and production.

ProRENDA is successfully increasing the role of women in the production and marketing of potatoes, onions, and beans. One project focus is to increase the role of women in informal output market trading from the target communities.

Women-only meetings. Lead farmers are supposed to be training all members, but some are not fully including female-headed households from their producer groups in the trainings. Women in the farmer associations indicated that they have a limited voice in leadership and meetings of the associations. They have expressed that they get very little direct information from the ProRENDA extension officer, because he only meets with the male leadership of the farmer's association. As a consequence, ProRENDA extension staff will be holding a women only meeting on marketing every other month so that the women receive directly from the extension officer the information on how they can become involved or increase their efforts in producing and marketing potatoes, onions, beans, and other crops.

Women's leadership. Also, the project is working to increase the voice of women in farmer associations, including serving as officers in the associations, encouraging female-headed households to participate in field days at the demonstration plots, and selecting villages to have pilot demonstration plots run by literate female-headed households.

Seed banks. Eighty per cent of the seed banks are run by women who pass on their produce to others in the seed bank. Female-headed households represented 30 per cent of families and benefited directly from the intervention since normally men control potato seed.

Savings groups. Women are disempowered because they cannot read, write, or sign their names. Many extremely poor and rural women are further economically disempowered from earning income for the family from marketing activities. To empower extremely poor rural women, the project's literacy teachers will form voluntary savings groups in some of the literacy classes that also include extremely poor households. The groups will save and lend within the group. To facilitate the ongoing formation of savings groups, community leaders will be trained in the methodology.

b. Conclusions/lessons learned

Access to improved inputs. Plant diseases, bacterial infections and viruses represent a serious threat to the yields of potatoes, onions, and beans and can wipe out gains made in the project. World Vision Angola extension officers have been instrumental in teaching the association members how to better grow their potatoes, onions, and beans. Smallholder farmers need access to inputs that provide effective protection and curative action for crop protection.

One way to facilitate access to quality inputs is to set up **seed banks**. The potato seed banks allowed female-headed households and other vulnerable households to produce potatoes. These seed banks remove the limitation of a lack of access to quality seed potatoes. Without the seed banks, these female-headed households would not have the money or market linkages to purchase high quality potatoes seed.

Diversification of income. Diversifying income sources by participating in other value chain functions helps households and rural communities become more resilient to drought and other shocks. In order to facilitate rural economic development, projects should promote a diversity of production, trading, and retail in each village.

For many countries, the informal sector remains the main marketing channel for fresh vegetables. To improve farm incomes, more rural women need to become involved in marketing their own and other producers' farm produce (e.g., trading). Non-production income can help raise family income and mitigate risk against the wide variations of farm income that depends on weather and prices. The women can start locally and then expand into trading farm produce with large urban markets.

Access to financial services. In addition to agricultural production, rural families need access to financial services to provide a safe place to save, insurance to mitigate against risks, and credit to grow their enterprises. The most amazing stories from the project have been from women who received bank credit through village banks. Their lives have changed dramatically by growing their enterprises from loans. Clearly, well-managed credit is important to growing rural enterprises in both the agriculture and rural non-farm sectors.

