

**THE FIELD SUPPORT PROGRAM**  
**LEARNING ON OUTGROWING INITIATIVE**

**A CASE STUDY**  
**ON**  
**MULTIFLOWER FLOWER SEED**  
**OUTGROWER OPERATIONS**  
**TANZANIA**

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## Abbreviations

AFE	Action for Enterprise
CF	Contract Farming
FO	Field Officer
MF	MultiFlower
MMA	Match Maker Associates
MOU	Memorandum of Understanding
NGO	Non-Governmental Organization

## Executive Summary

Action for Enterprise (AFE) contracted Match Maker Associates (MMA), a consultancy and training firm based in Tanzania, to develop a case study on MultiFlower Ltd. (MF) to document 1) best practices for successful organization of outgrowing operations and 2) experiences and lessons learned on how development programs can best facilitate mutually beneficial outgrowing operations between agribusiness companies and farmers.

MF began small-scale production of flower seeds for Dutch buyers in 1996, initially producing seeds on the founder's small shamba (field) and those of a few outgrowers. Since then, MF has increased its turnover from approximately €80,000 in 1996 to €800,000 in 2007 when it employed 18 staff and contracted with more than 2,000 outgrowers. MF exports a wide variety of flower seeds with the most common sub-divided into five groups—marigold, zinnia, cosmos, ipomea and sunflower. MF currently contracts all flower seed production to around 2,400 smallholder farmers producing about 200 tons of seed on approximately 2,000 acres (650 hectares). MF produces the seeds for eleven clients in the Netherlands, France, Great Britain and Germany who provide the seed stock.

Each variety of flower seed has its own ideal micro climate (altitude, temperature, etc.) and MF benefits from the diversity of micro climates around Mount Meru and Mount Kilimanjaro by engaging outgrowers. Smallholders cultivating widespread, isolated plots that avoid cross pollination have a clear comparative advantage when compared with estate farms and they help MF achieve a 98% standard of seed purity.

Field officers (FOs) are the hub of MF's field operations and supporting them are *contact* or *lead farmers* – trusted, usually progressive farmers who help the FOs and coordinate with individual outgrowers. The number of outgrowers an FO works with may range from a minimum of 150 farmers to a maximum of 350 with the average being around 200 outgrowers. The amount of work they need to do depends on the number of lead farmers in their area. Experienced lead farmers assist FOs with seed distribution and provide advice to farmers on land preparation, planting, harvesting and cleaning. An interesting feature of MF outgrowing operations is that lead farmer payment is performance-based—if operations go well they can receive significant bonuses.

Most outgrowers have at least two seed varieties in their fields—a common variety and one that is more specialized. The buyer and MF negotiate the purchase price of flower seeds and then MF determines the outgrowers' price per variety. When a certain variety proves difficult to grow, MF may request a higher price from the buyer and then raise the price for outgrowers. On average, farmers receive around 50% of the FOB<sup>5</sup> price. It is important to note that contracts are between MF and individual farmers and are renewed annually. The contracts are standard and have the same conditions for every grower.

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<sup>5</sup> Free On Board: A shipping term which indicates that the supplier pays the shipping costs up to the point of shipment: ex. seeds shipped f.o.b. Dar es Salaam. *Source:* [www.businessdictionary.com](http://www.businessdictionary.com)

Only a few farmers require inputs other than seed. MF estimates that about 10% of farmers need to apply a fertilizer, e.g. UREA and only 3% have to use pesticides and fungicides. MF purchases fertilizer and pesticides in bulk and issues them to the small number of farmers in need through an arrangement in which the cost is deducted from the farmer's final payment.

The main incentives for farmers to join the MF outgrowing scheme are the attractiveness of flower seed as a cash crop and a secured market. In addition, they can increase their margin by expanding the area under cultivation and producing higher value seeds.

According to MF, the success of its flower seed outgrowing scheme is due to:

- A very close and transparent relationship with its overseas buyers
- Its reputation among farmers as a reliable and competent company
- Its hands-on, professional extension services
- Opportunities for farmers to increase their income over time
- Extremely committed and competent owners, managers, supervisors and administrative staff.

Its biggest challenges are:

- Pre-cleaning and adequate storage of seeds at farm level
- Increasing productivity
- Improving storage facilities and cash flow to store seeds at MF level
- Production of its own seed stock
- Lack of mechanized cleaning at central / factory level.

For several years, MF engaged FAIDA, an NGO based in Arusha, to help it identify reliable farmers and promote the firm in areas where it wanted to expand operations. As MF became familiar with an area and the farmers there, FAIDA's role diminished accordingly. In addition to farmer identification and promotion of MF, FAIDA provided a broad range of technical support services, including support in locating selecting and mobilizing farmers, facilitating meetings and contract negotiations between MF and outgrowers, training farmers in business skills, organizing exchange visits and setting up collection centers. MF and FAIDA continue working together on specific issues, e.g. side-selling.

A jointly developed *crop calendar* that planned all activities for both parties from *seed to seed* greatly strengthened the collaboration between MF and FAIDA. Though there was also an MOU that described the roles of each party, the crop calendar laid out a schedule that detailed critical timing issues and enabled both parties to hold each other accountable.

## 1. Introduction

Action for Enterprise (AFE) contracted Match Maker Associates (MMA), a consultancy and training firm based in Tanzania, to develop a case study on MultiFlower (MF) to document 1) best practices for successful organization of outgrowing operations and 2) experiences and lessons learned on how development programs can best facilitate mutually beneficial outgrowing operations between agribusiness companies and farmers. In developing the study, MMA conducted interviews with various individuals and groups, including:

- MF management
- MF representatives responsible for field operations
- Field-level staff and/or suppliers
- Farmers
- Development organization staff.

As MMA validated the information it obtained by sharing it with the different parties engaged in the operation, the data, particularly the lessons-learned, provide a true picture of the complexities of MF's outgrowing operations.

## 2. Description of MultiFlower

MultiFlower (MF) began with the production of flower seeds in 1996 on a small field close to the founder / owner's home and a small number of outgrowers. The only field officer at that time was the owner who remains the majority shareholder. Since then, MF has increased its turnover from around €80,000 in 1996 to €800,000 in 2007. Presently, MF employs ten field officers, two administrators, three storekeepers, two individuals to conduct trials and a department manager. MF exports a wide variety of flower seeds, but the most common are divided into five main groups:

- Marigold
- Zinnia
- Cosmos
- Ipomea
- Sunflower.

All flower seed production is contracted to smallholder farmers, currently around 2,400, producing about 200 tons of seed on approximately 2,000 acres (650 hectares).

MF exports flower seed and also engages smallholders to produce vegetable seed which it distributes throughout Tanzania. Staff at the MF central cleaning and storage facility in Arusha work part time for the flower seed business and MF management and support departments – finance, human resource management and logistics – divide their time between MF and its sister companies, Greenstars and Arusha Cuttings.

MF produces flower seeds for eleven clients in the Netherlands, France, Great Britain and Germany who provide the seed stock. The increase in orders in recent years is due partly to flower seed companies that used to get seeds from China once again ordering seed from Africa.

The increasing cost of production in China, particularly for labor, and the tampering with patent rights is making some buyers wary of continuing to source from China.

### 3. Incentives for Outgrowing

Each variety of flower seed has its own ideal micro climate, e.g. altitude and temperature, and by engaging outgrowers, MF can benefit from the diversity of micro climates around Mount Meru and Mount Kilimanjaro. Moreover, plots that are widespread and isolated help to avoid cross pollination and enable producers to achieve a high purity standard of 98%. This gives smallholders a clear comparative advantage over estate-farmed flower seeds. Though it is possible to make estate farming work, as shown by companies such as Manyara Estate, cleaning is very labor intensive and it is difficult to make the business profitable. Most outgrowers allocate only part of their farm to flower seed production, typically about 80% or 1 to 1.5 acres (on the lower side there are farmers with 0.5 acres and on the higher side some farmers may go up to 6 acres). Combining flower seed production with that of food and cash crops spreads the risk for farmers and helps ensure their food security.

## 4. Structure of Outgrowing Operations

### 4.1. Organization

A female manager, assisted by a female deputy manager, is responsible for MF's flower seed contract farming (CF) operations. Currently, MF employs nine male field officers (FOs) and one field supervisor. With the exception of the supervisor, field officers do not hold a degree in agriculture; they are, however, highly experienced farmers. The FOs report to the supervisor every morning to plan activities for that day – or for several days if they must travel a long distance. In addition, they meet with the supervisor and management every other Saturday morning to discuss progress and issues and learn together. The supervisor compiles information provided by field officers and prepares weekly reports for management.

The deputy manager's prime responsibility is to oversee and monitor field operations while the manager consolidates all data, prepares reports for company management and maintains contact with the buyers. The latter is critical as buyers want to be kept updated of the situation in the field, particularly the anticipated output of their ordered varieties. Also, the manager informs buyers, who also supply stock seed, of any non-performance of seed or other factors that affect its production. It is interesting to note that even though company management is responsible for client relationships, MF also provides clients a direct line of communication with its operational managers.

The FOs are at the center of MF's field operations; they are supported by trusted *contact* or *lead farmers*, who help the FO and coordinate with individual farmers. Each FOs is responsible for a certain region during the entire growing season and when MF receives orders from buyers in January-March, it divides them amongst the FOs, taking climate, elevation, soil, etc. into account. The buyers then send their stock seed for distribution to the farmers. MF also produces some stock seed, which clients accept only if it meets high varietal and quality standards. As

farmers usually demand more seed than is allocated, the FO must decide who is growing what and how much.

Most outgrowers have at least two seed varieties in their fields – a common variety and one that is more specialized. MF first negotiates the prices with the buyer and then decides outgrowers' price per variety. Though farmers' prices are not negotiable, when a certain variety turns out to be difficult to grow, MF may request a higher price from the buyer and if the client approves, also raise the outgrowers' price. It is important to note that contracts are between MF and individual farmers and are renewed annually. The contracts are standard and, *except for price differences for each variety and the amount of seeds to be produced*, they contain the same conditions for every grower. Prior to planting, MF organizes a seminar with all farmers to assess the prior year's performance, discuss production issues, review contract issues and plan ahead.

The number of outgrowers a FO works with varies substantially—from a minimum of 150 farmers to a maximum of 350. The average is about 200 farmers. During the peak season (March – June) the FOs visit an average of 20 farmers / day. FOs use motorbikes that MF provides and often stay overnight in an area. The amount of time they spend in an area depends on the number of lead farmers available to help them.

Lead farmer selection occurs in two stages 1) MF develops a shortlist of potential candidates in an area and 2) farmers choose one of them as their lead farmer. The lead farmer assists FOs distribute seed and provides advice throughout the growing season on topics such as land preparation, planting, harvesting and cleaning. Lead farmers also communicate with FOs about any production issues and inform farmers of follow-up visits by FOs. An interesting feature of the MF program is that lead farmer payment is performance-based. If field preparation and seed distribution meet MF performance criteria, lead farmers receive TShs 40,000 (US \$32)<sup>6</sup>. Adequate supervision of production, harvesting and cleaning as judged by agreed-upon indicators, earns them another TShs 85,000 (US \$67) earning them a total of TShs 125,000 per season or about US \$100. MF reimburses operational costs such as travelling to HQ to deliver monthly reports or the collection and distribution of seeds on an actual-cost basis.

In general, lead farmers and FOs provide individual outgrowers with advice and support rather than using demonstration plots. Instead they advise farmers to visit neighbors experienced in flower seed production to learn from them. Should problems such as diseases arise, lead farmers communicate with the FO (via mobile telephone) who then attends to the problem. If problems cannot be resolved on the spot, the FO takes digital photographs to share with the field supervisor and management. FOs also request advice from MF's buyers and transmit the photos to them.

#### **4.2. Method of Selecting Outgrowers**

The way MF mobilizes and selects farmers has evolved over time. Initially, and when opening a new area, MF and sometimes local NGOs, promoted the new cash crop. After farmers in an area became familiar with flower seed production, MF reacted to requests to participate in its

<sup>6</sup> \$1 = 1.26 Tanzanian shillings (Oct 2008)

outgrowing operations, choosing farmers with an established reputation. Expanding the production capacity of existing outgrowers is responsible for 70% of the annual growth in MF flower seed production—newcomers whom lead farmers identify and recommend account for the remaining 30%. There are many advantages to working with farmers already proven to be productive and reliable, including increasing the number of farmers FOs can work with and controlling costs because they do not require the same amount of support and attention as less experienced newcomers. There is a financial incentive for FOs to engage farmers with the proven ability to deliver according to the contract because their salary is based partly on results. FO bonuses depend on the production of flower seeds and fulfillment of buyers' orders as well as total production in their area. Normally, a bonus of one to three months pay is added to their salary incrementally during the year with final payment at year-end.

### 4.3. Procurement / Distribution of Seeds and Inputs to Farmers

MF signs contracts with farmers in January-February and distributes seeds as soon as possible thereafter. Previously, MF's buyers provided the stock seed for *free*, but due to frequently late deliveries, MF negotiated with some clients the right to produce and retain stock seeds – except for hybrids – particularly marigold and sunflower. MF produces the stock seed on its own farms in Arusha and Moshi, outsourcing some production to selected outgrowers. It also uses the same to test for quality, including germination rate, determination of growing patterns and habits, comparison of locally-produced seed with imported seed and, ultimately, seed selection.

Only a few farmers require inputs other than seed. MF estimates that around 10% of farmers must apply fertilizer like UREA and only 3% need to use pesticides or fungicides. MF buys fertilizer and pesticides in bulk and issues them to farmers in need of these inputs, deducting the cost from their final payment, which saves farmers from having to rely on local suppliers for their inputs. The FO provides technical support to farmers, from land preparation to harvesting through farm visits and hands-on advice. During critical times like harvesting, the FO stays in a village for several days to ensure activities are done correctly. Harvesting is the most labor intensive of all activities in the production cycle; it must be done by hand and most farmers hire casual laborers to assist them. The flower seed outgrowing scheme provides substantial employment; a rough estimate is that outgrowers engage approximately 10,000 casual laborers, or 10 to 20 person-days each per production cycle. Following harvest, seed must be dried and cleaned and the protocol and method differ for each variety. The primary criteria for clean, dry seed are that they should contain less than 10% dirt and have less than 8% humidity.

In its flower seed outgrowing scheme, MF does not promote linkages with input supply companies; it supplies the stock seed and when needed, chemicals and fertilizer. MF provides these inputs on credit and deducts the cost from the crop receipts so no external financing is required. Harvesting and cleaning are the most labor intensive activities, but as most farmers have small plots they usually manage with family labor. For farmers with larger plots and capital constraints at time of harvesting, MF is willing to assist well-known, trusted farmers with an advance on the crop payment so they can hire casual labor.

As mentioned earlier the prices per variety are set by MF. On average, the farmers are receiving around 50% of the FOB price<sup>7</sup>. The seed has to be clean and it has to meet the germination and purity requirements (respectively 97 and 98%). Verification of cleanliness, purity and germination is done at the MF warehouse (go-down) and due to the fact that it takes time to test the seed on its qualities, farmers are paid three months after delivery. Farmers are responsible for the delivery of the seed to the go-down. All other logistics including sorting, cleaning, testing, packing and shipping are the responsibility of MF. It should be noted that MF is normally paid four months after having paid the farmers as the buyers also wish to test if the seed complies with the quality parameters before payment. In spite of not having a credit policy, MF occasionally provides pre-payment to their well known and reputable farmers but never more than 10% of their crop value.

The main incentives for farmers to join the outgrower scheme are the attractiveness of flower seed as a cash crop and the secured market. They also have an opportunity to grow by expanding the area of flower seed under cultivation and producing high-value flower seeds that provide a higher return. MF selects only well-performing farmers to cultivate more complicated high-value flower seeds, particularly hybrid seeds requiring a greater level of effort in weeding, rouging and pollinating.

## 5. Fundamentals of Success

The success factors for the flower seed outgrowing scheme are:

- MF has a very close and transparent relationship with its international buyers. They know MF tries its best to provide timely delivery of quality seed in accordance with contract specifications and they understand the challenges of producing flower seed in Tanzania with smallholders—they have visited the farms. MF also provides regular progress reports and updates them if certain problems occur. The result is a high level of mutual trust between MF and buyers.
- Farmers know MF is a reliable and competent company that is accountable and transparent in its dealings with them. Farmers understand that contract conditions must be strictly adhered to and MF will ban those who engage in side-selling for life; however, there is no exclusivity clause in the contract and farmers can sell flower seed not grown under contract by MF to others. They also can decide annually if they wish to renew their contract with MF and can either drop it or enter into a contract with another company.
- MF's hands-on and professional extension services greatly contribute to the success of the scheme. Farmers are not left on their own and receive significant support and coaching from FOs to achieve their contractually-agreed outputs. The fact that FO remuneration is partially result-based definitely makes them highly committed and ensures they strive to achieve their targets as doing so can double their salaries.
- The opportunities for farmers to increase their income through flower seed production either by increasing the area under cultivation and/or growing higher value, more complicated flower seeds also adds to farmer commitment and success of the scheme.

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<sup>7</sup>Free On Board: A shipping term which indicates that the supplier pays the shipping costs up to the point of shipment: ex. seeds shipped f.o.b. Dar es Salaam. *Source:* [www.businessdictionary.com](http://www.businessdictionary.com)

Such opportunities stimulate ambitious, business-minded farmers and result in reliable and competent suppliers.

- The extremely committed and competent owners, managers, supervisors and administrative staff of MF definitely contribute to its success. The entrepreneurial drive of the founder / owner has never ceased and, even though the day-to-day management of the company is now done by others, he is available 24/7 to advise and coach. Though he moved back to the Netherlands five years ago to be closer to the market and buyers, he makes at least ten trips yearly to take care of his business interests, including MF. The general manager is committed and knowledgeable and continues to strengthen the approach introduced by the owner of building the capacity of the Tanzanian middle managers, technicians and supporting staff. Company protocols, administrative systems and reporting procedures continue to enable and support FOs in their role as the core of the MF outgrowing scheme.

## 6. Biggest Challenges

There are a number of challenges, such as:

- *Pre-cleaning and adequate storage at farm level:* MF can increase efficiency and cost-effectiveness if cleaning and sorting of flower seeds is at the farm level. This requires an investment in tarpaulins for proper drying and sieves for cleaning. Investments in adequate village storage facilities are essential to maintain quality.
- *Increased productivity:* proper land tillage, particularly deep ripping to 70 cm of the land could increase yield per acre and farmers' incomes substantially. This requires that farmers have access to reliable and affordable ripping by tractor, of at least 100 horsepower. Another firm already promotes this for safflower production and MF could replicate it.
- *Improved storage facilities and cash flow for MF to store seeds:* due to a lack of appropriate storage facilities and cash flow constraints MF must sell its excess production of flower seed to buyers at a discounted price. MF actually suffers twice because in addition to lower prices for excess seed, orders the following year may decline as buyers have sufficient stock, which they are able to store. A climate-controlled storage would enable MF to store seeds at maximum 15°C and, rather than dumping them, keep them for the next season when it could ensure timely delivery and have sufficient seed for production.
- *Production of own stock seed:* MF is already doing this, but it would like to increase the scale of this production to 80% of its requirements. The buyers support this development and it is likely to be achieved in the coming years assuming it can properly store the seed.
- *Mechanized cleaning at central/factory level:* a machine for cleaning the seeds has been procured but still has to be installed. Delivery of clean and even better vacuum sealed seed will increase value by 5 to 10% and also reduce the rejection percentage (presently around 5 to 10%).

## 7. Role of Development Organization—MF Perspective

MF has received support from FAIDA MaLi (FAIDA), a local NGO, that has helped introduce the company in villages where it was not known and flower seed as a cash crop was a new activity. FAIDA seminars that enabled farmers to understand the cost / benefit and risks of producing flower seeds and compare it with other cash crops were especially instrumental in promoting the scheme. FAIDA also played an important role during contract negotiations by explaining the terms and conditions. Since it was an outsider and not part of the company, FAIDA was able to address many outgrower concerns and fears. According to MF, FAIDA's most important contributions were its promotion of them in new areas and identification of reliable farmers. Once MF was familiar with the area and the farmers, FAIDA's work was done. The MOU MF signed with the NGO for expansion into a new area was for a maximum for two years and sometimes only for one. Following this period, MF continued on its own (as described in section 4, above) though it has asked the NGO for assistance when specific problems occur, particularly side-selling.

The challenge for the NGO is to exit in a timely fashion and not assume tasks and responsibilities that belong to the private sector. The NGO must avoid free hand-outs and not pamper farmers, e.g. by transporting their produce. There is always a bit of sensitivity between NGO and company field staffs because NGO employees often have higher salaries and better working conditions than company staff. Moreover, NGO staff has a tendency to make promises and commitments to farmers that the company cannot honor.

NGOs or projects can play a major role in providing baseline data, particularly about soil fertility through soil sampling. They could help mobilize resources for essential activities like soil ripping.

## 8. Role of Development Organization—FAIDA Perspective

### 8.1. Company Selection and Establishing Credibility

The relationship between FAIDA and MF has a long history, beginning in 1997 when FAIDA was an SNV (Netherlands Development Organization) project and the coordinator met regularly with the MF owner. Collaboration between FAIDA and MF evolved from these meetings. The main criterion for FAIDA to engage with MF was the potential for smallholder farmers to generate income. Because plots for flower seed production are usually small and often close to the home, the MF outgrowing operation was particularly attractive for female farmers and an additional factor that made FAIDA enthusiastic about mobilizing outgrowers for the company. SNV did not formally assess the company, but due to the Dutch connection between the two entities, it had a good understanding of the owner's entrepreneurial abilities and the viability of the company. At that time, MF was the only company in Tanzania producing flower seed; a competitor emerged only in 2006.

The MOU between FAIDA and MF clearly states the roles and responsibilities of both parties. FAIDA would not assist MF with assessing market demand, accessing markets or determining the feasibility of the outgrowing operations—the owner of MF was very well connected with the

Dutch buyers and he knew both the margins in the trade as well as the competition. The types of support FAIDA offered evolved over time based on its ongoing collaboration with MF.

## 8.2. Managing Collaboration

The joint development of a *crop calendar* that planned out all of the outgrowing activities from *seed to seed* greatly strengthened the collaboration between MF and FAIDA. The calendar helped clarify the role of each party – as described in the MOU – but more importantly it provided a timeline for the different activities that each party could follow. It also enabled both parties to hold each other accountable and it facilitated the interaction of the staffs of both organizations, particularly at the field level, because they knew what activities they needed to undertake either by themselves or together – and when. The crop calendar also allowed MF and FAIDA staffs to carry out activities without seeking approval from supervisors. The top MF and FAIDA managers were involved mainly in developing the MOU and addressing problems their field staffs could not resolve.

During the first years of the outgrowing operations, there was a dependency by both MF and the farmers on FAIDA. As mentioned earlier, FAIDA performed a broad range of services considered critical at the initial stage of the scheme. Initial distrust of the company by the farmers also contributed to a dependency on FAIDA. Another factor that fostered dependency by both MF and the farmers was the *area-based approach* that FAIDA followed. Under this approach, FAIDA based field staff in each selected location, while MF field officers were based out of Arusha head office and visited the field only periodically for specific activities. This initial dependency on FAIDA increased in time of crisis, e.g. when seed did not perform or when there were problems during rouging (the process of removing diseased plants) and harvesting. In these situations both MF and the farmers relied on FAIDA to resolve the problems! In some instances FAIDA even went to the extent of providing allowances to the MF FOs so they could visit problem areas or buy some sieves to address cleaning issues. Such interventions went beyond the scope of the MOU and did not allow MF and its contracted farmers to resolve the issues together. This may have delayed the development of a mature relationship between the company and its outgrowers.

Maintaining positive collaboration was always a challenge for MF and FAIDA. From 1997 until 2001 the relationship was positive even though there were some ups and downs during that period. After 2001, however, the relationship became more problematic and it halted completely from 2002 until 2006. Various factors contributed to a cessation of the relationship, including:

- The new FAIDA coordinator did not have the same rapport with the owner of MF as the former coordinator did and it became more difficult to work out differences
- An MF buyer supported the MF flower seed supervisor in starting up her own flower seed company and MF lost a substantial share of the market
- FAIDA had just started a mobilization program in new areas, but the loss of this buyer meant MF had inadequate seed and could not supply many newly-mobilized farmers.

Both MF and FAIDA learned many lessons during this period and despite their past problems they resumed collaborating in 2006.

### 8.3. Monitoring

The crop calendar facilitated the monitoring of the company's commitment to the work plans and FAIDA also conducted regular field visits and received periodic reports from MF. Nearly all field activities were undertaken jointly by MF and FAIDA field staff so they were fully aware of each other's contributions. In addition, the MF and FAIDA field supervisors submitted reports on their field activities. If FAIDA field agents felt that MF was not performing as agreed, they communicated their concerns to their manager who would contact the MF manager responsible for the outgrowing activities and request improvements. Sometimes, however, FAIDA felt that it did not have adequate leverage to ensure that the company would make all necessary and agreed-upon investments. FAIDA felt that the company understood (from the crop calendar) the timing of different activities, but it also felt that they did not fully recognize the time needed to oversee and supervise the scheme, particularly at the head office level.

### 8.4. Capacity Building Activities

FAIDA and MF field staffs worked closely together in the field and there was a lot of exchange and mutual learning which contributed to building MF's capacity. The FAIDA agronomist imparted significant knowledge to MF's field officers, greatly facilitating their capacity-building. Most MF FOs were trained farm workers who had ample experience in flower seed production and extension, but little advanced knowledge of soil fertility, crop diseases, etc. FAIDA also supported MF by introducing yield and quality improvement programs such as advising the company to concentrate a limited number of similar varieties per location so that only a few sieves would be required for cleaning seed since different varieties require different sieves, which can be expensive for farmers.

Specific activities FAIDA undertook in supporting MF expand its outgrowing operations included assisting with:

1. Selecting locations and selecting and mobilizing farmers
2. Designing and/or commenting on outgrower contracts that buyers developed and translating them into the local language, sometimes for a fee
3. Facilitating meetings between the company and farmers to discuss the business, negotiate contract terms and end of season / contract evaluations
4. Organizing and facilitating platforms in which all stakeholders in the value chain could discuss the business venture and make commitments to start contract farming arrangements / outgrower schemes
5. Organizing farmer exchange / learning visits and farmer field days
6. Preparing technical / extension brochures and pamphlets on crop and/or translating them into the local language
7. Conducting follow-up visits and advising farmers, i.e. field extension services
8. Organizing collection centers at the farm level and identifying lead farmers to interface between the company and farmers
9. Mediating conflicts between the company and farmers
10. Developing policies / procedures relevant to the outgrowing operations.