It’s 40 percent protein, 20 percent oil, and nearly 100 percent profit. Farm cooperatives in Nigeria are expanding soyabean production, using high-yielding varieties, modern crop management methods and collective action to get higher yields and better prices.

The Madakiya area in Kaduna state has always been known for soyabeans. What’s changed in recent years is farmers’ willingness to invest in new technology for market-oriented production. 2SCALE works with an agribusiness cluster that was established in 2008, by a previous Netherlands-funded project implemented by 2SCALE partners. The cluster began with 300 farmers grouped into 12 small cooperatives. Today there are 43 cooperatives with over 500 members — of whom 40 percent are women.

2SCALE teams helped introduce new varieties and crop management methods, and create market linkages so that farmers can profitably invest in fertilizers and certified seeds. We also facilitated collective action — the farmers now buy in bulk, directly from the seed company, cutting their costs by 30 percent and eliminating the problem of counterfeit seeds.

“Before the 2SCALE project began, we harvested about 500 kg per hectare,” said farmer Joshua Agoni. “This year, our crops were severely damaged by birds — but I still harvested 800 kg per hectare. Next year, I am confident of getting 1,500 kg.”

Two new partners came on board in 2013: AACE Foods, a Lagos-based food processing firm interested in bulk purchases of high-grade soyabean, and
First Bank Nigeria, which is designing microfinance products and providing loans to build equipment and small warehouses.

Business within the cluster (in addition to external sales) has grown rapidly. Several cooperatives sell to five women’s groups, who are also members of the cluster. The women process soya into two popular traditional foods for sale to local markets: awara, which is soft unripened soy cheese, and daddawa (fermented soya, used as a condiment).

2SCALE is promoting several innovations to increase competitiveness and farm profitability. One is Rhizobium inoculation: increasing the populations of specialized soil bacteria that ‘fix’ atmospheric nitrogen, dramatically increasing yields while reducing fertilizer costs. Another is more efficient land use: smaller ridges and reduced spacing. The third is traceability — ensuring that processors can (if needed) trace back every lot and every bag to the individual farmer who supplied it. The project team is also working with the cooperative to improve storage facilities, introduce mechanization and reduce production costs.

Almost every farmer in the cooperative grows the variety TGX 1448, an industry favorite because of its high oil content. As a result, buyers are assured of adequate quantities and consistent quality of the right variety, available at one place.

The cluster is ready to take off. Markets in Madakiya and nearby Kafanchan are under-supplied. The poultry industry in Kaduna state has tripled its consumption of soya meal in the last five years. The potentially vast market for soya cooking oil has yet to be tapped. For the soya farmers of Madakiya, prospects have never been better.

The 2SCALE project is funded by the Netherlands government and implemented jointly by IFDC, ICRA and BoP Inc. 2SCALE was launched in June 2012. In the next 5 years we aim to develop 500 viable, sustainable agribusiness clusters in twelve countries across Sub-Saharan Africa, reaching 1.15 million farmers.