

# AGRIBUSINESS AFRICA: The 2SCALE Project newsletter



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## ONIONS WITHOUT TEARS

Support from 2SCALE has transformed the *Union Mandé Jigi* (Hope for Mandé), a group of onion producers in Mali. Most of the union's 1,020 members (860 are women) were experienced onion growers – but they still faced problems. “The variety we were using could not be stored for long periods,” explains union president Daman Keita. “We had to sell immediately after harvest, at low prices. Also, we were working as

individuals, not as a group. Everyone harvested and sold at the same time, so prices fell even lower.”

2SCALE partners helped address both problems. Market information and linkages helped the union coordinate production, staggering production cycles to ensure steady supplies and good prices for most of the year. Training programs on crop and soil fertility management reached 2,000 farmers. New onion varieties were introduced, such as Prema, a robust early-maturing variety from 2SCALE partner East West Seeds. The new variety is being tested by 2SCALE

clusters in four villages: Diola, Balandougu, Niantiguila and Ouolodo. Each village now has a learning center to provide year-round support. In 2014, Mandé Jigi aims to sell 600 tons of onions, worth 120 million FCFA (\$ 240,000).

In February 2014, a group of bankers visited the learning centers, and are now willing – for the first time – to lend to small-scale onion farmers. For the union members, the priority is irrigation “If we can get loans to buy an irrigation system, there will be no off-season,” says farmer Alfred Mariko. “Then we will be able to compete even with vegetables from Europe.” ■



## CASH FROM CASSAVA

The Dutch Agricultural Development & Trading Company (DADTCO) is working with 2SCALE to create a stable market for smallholder cassava farmers in Mozambique. The key is DADTCO's patented technology – a mobile processing unit that converts fresh cassava roots into cassava cake. This solves the two biggest challenges – perishability and transportation – that had earlier prevented commercialization of smallholder production.

2SCALE clusters deliver fresh cassava to the processing units, where it is converted to cake, which can be stored for *(continued on back page)*



Left to right: Sorting soybeans at the CTAE factory. Cold-pressing to extract oil; the sausage-shaped pieces are soy cake, the raw material for goussi. On sale in retail markets – small packets of goussi, affordable for the poor.

## PROTEIN FOR THE POOR

What has the nutritional value of 66 eggs, but costs the same as just four eggs? Answer – a kilogram of soybean *goussi*.

*Goussi*, a traditional dish in West Africa, is made from squash seeds. It's eaten with sauces, fish or greens, and is an important source of protein especially for families that cannot afford meat. 2SCALE is partnering with the Coopérative de Transformation, d'Approvisionnement et d'Écoulement de Soja (CTAE) in Benin, to promote *goussi* made from soybean. It tastes almost identical to traditional *goussi* and is more nutritious, more profitable and far less labor-intensive to produce.

CTAE, part of 2SCALE's Atlantique soybean cluster, buys soybeans from small-scale farmers. The oil is extracted and the remaining cake is processed into *goussi*, and sold mostly to low-income rural consumers. Last year CTAE sold around 115 tons of *goussi*, worth over 45 million FCFA (\$90,000).

2SCALE teams looked at each link in the value chain to understand the players, the economics and the opportunities for scaling out. CTAE

*Goussi made from soybean tastes almost identical to traditional goussi and is more nutritious, more profitable and far less labor-intensive to produce.*

sells *goussi* to wholesalers in 50-kg bags. The wholesalers (a group of about 20 traders) pack this into smaller bags of 20 and 40 FCFA for sale to retailers. The retailers are women who trade in food products. They come from small villages around Cotonou, buy the *goussi* from the wholesalers, return to their villages and retail the bags for 25 and 50 FCFA. Wholesalers

typically sell at least 500 kg per week, making a profit of about 50 FCFA per kilo. Retailers make much smaller profits, but for them too, *goussi* is a major source of income.

"It is women who are really promoting *goussi*," explains Raphaël Kokoun, production manager at CTAE. "At the factory, all key operations – sorting, cleaning, roasting – are done by women. All the retailers are women. And the consumers – it is the mothers who know that soy *goussi* is cheap but highly nutritious."

2SCALE is also working with CTAE to improve marketing. Packaging is being made more attractive. Package sizes are being adjusted, based on findings from market research conducted by 2SCALE in 2013. Nutrition information is being shared through printed packaging, simple leaflets and radio broadcasts. The

next phase will include 'tasting tests' in both urban and rural areas.

In less than 2 years, soy *goussi* has become the main source of protein for at least 11,000 families in southern Benin. We have a need, a product, and a partnership – so expect this number to grow substantially in 2014. ■

## No RAIN? No PROBLEM!

For smallholder farmers across Africa, the biggest risk is drought. Low or poorly distributed rainfall can affect plant growth, reduce yields, or even completely destroy the crop. Index-based crop insurance is one way to protect farmers against catastrophic losses.

2SCALE partnered with PlaNet Guarantee and local microfinance institutions to introduce index-based insurance for four maize clusters in Benin and Mali. The process is simple and transparent. Farmers pay a premium of about €16 per hectare. Compensation is paid when a measurable parameter (in this case evapotranspiration) exceeds a threshold value. In conventional insurance, in contrast, the field has to be inspected to estimate crop losses,

followed by negotiations about how much compensation should be paid.

The roll-out involved three steps. First, a sensitization program that reached 800 farmers. Then, training for business support services and finance institutions, using training materials (manuals, videos) developed by PlaNet Guarantee. And finally, farmer training implemented for each cluster. A total of 417 farmers – more than half of all cluster members – purchased insurance. Five farmers claimed compensation at the end of the season, and all claims have been settled.

This season, the index insurance program is being expanded to new clusters (rice in Benin, sesame in Mali). Registration has become easier. Farmers can now pay their premiums not only to the SCALE partners FECECAM and SianSong in Benin, and N'Goloniaso in Mali, but also at the local cooperative. ■



## COWPEAS IN TOGO

With the harvest just completed, members of a 2SCALE cowpea cluster in Togo are smiling all the way to the bank. The Tray Cooperative in the Plateau region sold over 100 tons of cowpeas to the shopping cooperative Akotché Tchikossan, under the terms of a contract that 2SCALE helped negotiate.

2SCALE's support includes not only market linkages but also production methods, especially pest management. Insect pests cause severe damage every year. Most farmers use poor quality and non-approved pesticides that are cheap but ineffective, and also hazardous to health. 2SCALE brought in a new partner, agri-input supplier SPROCA. Together, we established demonstration plots and provided farmer training on products, dosages and application methods. Now every member of the Tray cooperative uses the right pesticides in the right way.

Kokou Akata, the cooperative's 'first farmer', harvested 6.6 tons from his 3-hectare field. He sold 6 tons, earning \$2000. This is the first time he has grown a crop on his own land. Until last season, he rented a field – he bought his new farm with profits from last season's cowpea harvest.

"2SCALE has changed my life," says Mr. Akata. "I hope your project will help other cooperatives, so that every farmer can become successful like me." ■



## BUILDING CAPACITY IN UGANDA

Agribusiness development in Uganda is gathering pace – and coaches are keeping up. Two rounds of training were implemented in February: field coaching in five areas (Arua, Kumi, Lira, Moyo, Soroti) and a workshop in Kampala. The field coaching was a follow-up, to monitor coaches' performance after a previous training cycle on financial education. The Kampala workshop, for agribusiness coaches, was conducted by ICRA and two national trainers. Eleven of the 12 2SCALE coaches in Uganda participated.

The workshop introduced a new training module on 'Building business relationships'.

It covered various aspects: competition and coordination (game-theory exercises to demonstrate how difficult it can be for people to work together), types of relationships, financial goals (selection, prioritization, efficiency analysis), and contracts (types of contracts, key clauses). Networking and brokering were also discussed, clearly defining the roles of coaches and business support services, and how exactly they would promote business relationships.

Sharon Alebo coaches chili clusters in Soroti in eastern Uganda. The workshop exceeded all her expectations. "Can you imagine farmers changing their thinking completely, to appreciate farming as business? I have never seen this happening before – but this is what the team has done! Thank you, thank you." ■

## CASH FROM CASSAVA

(Continued from front page) long periods. The cake is sold to large-scale buyers such as CDM, the country's largest beer maker, as raw material for their popular Impala beer. The cake can also be sold to manufacturers of bread, flour and industrial starch.

The processing unit moves to a new area every few months, to minimize farmers' transport costs. Each unit services farmers within a 20 km radius. In addition, DADTCO is establishing collection points where farmers can aggregate produce for collection.

Two DADTCO processing units are in operation, in Nampula and Inhambane. More than 3000 farmers have registered, and deliver nearly 4 tons of cassava roots every week. Farmers are paid cash on delivery.

Lack of quality planting material (stem cuttings) is often a bottleneck in cassava production. Another 2SCALE partner, Corredor Agro, produces and distributes cuttings of a new high-yielding cassava variety. The combination of the new variety, improved production methods and healthy, disease-free cuttings has produced dramatic results. Cassava yields have doubled, from 5 tons to 10 tons per hectare. Earlier-maturing varieties have shortened the crop cycle and increased farmers' profits. And a crop grown mostly for home consumption is gradually becoming a genuine cash crop. ■



## OPEN SESAME!

Ethiopia – already one of the world's largest sesame exporters – aims to double production in key sesame areas in the next few years. To support this effort, 2SCALE and its partners established a series of demonstration plots in the Amhara and Tigray regions. The plots have just been harvested, and the results are exciting.

Twenty-five demonstrations were conducted on farmers' fields (belonging to members of 2SCALE clusters) and at government-run Farmer Training Centers. The key partners were the Humera and Gonder Agricultural Research Centers and the Sesame Business Network. For the demonstration program, farmers volunteered to test several new technologies on their own fields, at their own expense.

The demonstrations compared:

- ▶ Recommended fertilizer application vs. current farmer practice
- ▶ Traditional vs. improved varieties
- ▶ Row planting vs. broadcasting
- ▶ Different levels of frequency of weeding

The results show that sesame yields can be increased significantly with only slight changes in agronomy – and by up to 185 percent by using the complete recommended 'package of practices'. At demonstration sites in Humera and Metema, two of the country's most important sesame areas, yields rose from 480-500 kg to 1,375 kg per hectare.

The findings have impressed the zonal administration and the Ministry of Agriculture, who have announced their intention to scale up the demonstrations to new sites in these areas and to other sesame areas across Ethiopia. ■

## FORTHCOMING EVENTS

- ▶ **Cluster development strategy meeting, Togo, April 2014.** Project partners will meet in Sokodé to discuss cluster development options post-project; 2SCALE will largely disengage from Togo in May 2014.
- ▶ **NAC workshop, South Sudan, April 2014.** Members of the National Advisory Committee will meet in Juba to evaluate progress, and discuss priority commodities and target areas.
- ▶ **Business development meetings, April-June 2014.** Existing and potential

business champions will help plan pilot programs, to be rolled out later in the year, targeting BoP markets. Meetings in Benin (April), Kenya (April), Ethiopia (May) and Nigeria (June).

- ▶ **Training programs, South Sudan, May 2014.** Two training programs for coaches in Juba, Magwi, Morobo and Yei. Training will include market linkages and the use of M&E tools.
- ▶ **Soybean and potato stakeholder workshops, Nigeria, May 2014.** Workshops in Markurdi, Benue state

(soybean) and Jos, Plateau state (potato) will examine opportunities in these sectors in Nigeria, to help prioritize 2SCALE activities. Participants will include ministry of agriculture, processors, agro-input suppliers, banks, farmers and NGOs.

- ▶ **Training of trainers on pest and disease management, Nigeria, May 2014.** Training will target current and potential 2SCALE trainers, focusing on safe use of pesticides. Implemented in partnership with COLEACP, a network that promotes ACP-EU horticulture trade.