What is 2SCALE?

The Netherlands-funded 2SCALE project is the largest agribusiness incubator in Africa, working with more than half a million small-scale farmers and entrepreneurs in nine countries. We build networks that connect farmers, buyers and intermediaries, enabling them to create and grow new businesses. We build local agribusiness capacity by providing technical assistance and brokering partnerships with financial institutions and business support services. We also work with private firms, helping them to develop local food markets and engage more closely with (buy from or sell to) rural communities.

Why Agribusiness?

Greater market participation by local actors will boost food security and agricultural trade. A growing market encourages investment by farmers (e.g. better seeds, new equipment) as well as entrepreneurs... growth leads to more growth. But potential entrants face huge challenges – lack of financial muscle, high transaction costs, limited knowledge of markets. 2SCALE helps create new businesses and expand existing ones by bringing the right partners together for collective, coordinated action.

The 2SCALE model is inclusive business – viable, equitable agribusiness partnerships that meet financial as well as social development goals.

Why is 2SCALE Unique?

Because of its approach. 2SCALE’s entry point is a business proposal from a local trader, a farmer cooperative, a processing firm... anyone with a good idea. Project teams help translate the idea into a viable business. We mobilize and train groups of farmers, and create the linkages to ensure that all elements – technology, organizational capacity, market access, credit, extension advice – are in place. The result? Agribusiness clusters and commercial value chains that can compete effectively in the market, benefiting producers, consumers, and everyone in between.

Sounds good, but does it work in practice? As of mid 2017, we’re working with 567,000 farmers (36% women), 1500 cooperatives and 1300 rural agribusinesses. Every major project target has been met or surpassed, six months ahead of schedule.
2SCALE has built 50 partnerships in 9 countries. Here are four examples, illustrating the ‘match-making’ approach – bring partners together, and help them create and share wealth.

**Benin**

In Benin, a group of 4500 women farmer-entrepreneurs is shaking up the rice business. They grow high-quality rice using the best available technologies, and process their harvest into nutritious, affordable parboiled rice for sale to restaurants and supermarkets.

The first step was to increase production. 2SCALE partners helped introduce a new aromatic, large-grained rice variety and train members of the women’s cooperative on modern production methods. Yields tripled from 1 ton to 3 tons per hectare; some women now harvest up to 5 tons per hectare.

Next, we introduced low-cost equipment — designed by Beninese engineers — that increased throughput twelve-fold, significantly improved quality, and reduced fuel consumption by two-thirds. We standardized processing methods to ensure quality and consistency.

“Before 2SCALE, our biggest problem was quality,” says Juliet Ogbonikan, president of the cooperative. “No matter how hard we tried, our rice looked like popcorn and smelt like something going bad.” Not any longer. Saveur, the cooperative’s brand, is now served at upscale restaurants in Cotonou. The country’s biggest supermarket chain buys 10-15 tons each month.

On average, members have increased their income from 50,000 to 120,000 FCFA ($220) per month. It’s still hard to compete with cheap, well packaged white rice from Asia, but Juliet is confident. “We have the right equipment and the right training, thanks to 2SCALE. We’ve doubled our sales in the past 2 years — and next year, sales will double again.”

**Ghana**

**Koko Channel!**

Formal and informal marketing channels don’t usually mix. But in Ghana, we’ve combined them into a unique marketing model. Koko (porridge) sellers distribute a new maize-soya blend made by 2SCALE partner Yedent. Sales have increased four-fold in 12 months.

The koko channel — a network of informal street vendors operating mostly in low-income areas — is operational in six cities. It complements the regular marketing chain comprising distributors, small retailers and supermarkets.

This partnership has helped Yedent establish a reliable supply line for soybeans, strengthen marketing, and expand into the vast ‘base-of-the-pyramid’ (BoP) market. First, we linked Yedent to farmer organizations (previously trained by 2SCALE) with the ability to deliver. We identified aggregators whom the farmers trusted, and helped broker formal supply contracts. Farmers responded by expanding soya acreage and investing in seeds and biostimulants to increase yields. Yedent purchased more than 1000 tons in the program’s first season, and aims to triple this figure in 2018.

The marketing campaign was designed jointly but funded almost entirely by Yedent. It included radio shows, posters, sales vans, uniforms and umbrellas for vendors — even branded disposable cups for customers buying very small quantities. It’s a new product, targeting a new market... but the koko channel is working well. Yedent is confident that by December 2017, BoP families will have bought more than 100,000 packets of low-cost, high-protein Maisoyforte.
Potato Partners

Smallholder farmers produce the bulk of Kenya's potatoes, but have little influence on markets and trade. 2SCALE is helping to change this, with help from two private firms — aggregator Molly Flowers and processor Kevian. We've mobilized more than 48,000 farmers (20,000 women) into groups, dramatically increasing their market muscle. Several thousand farmers have been trained on modern production methods; yields have increased by 80%.

We helped introduce Kenya’s first supply contracts for potatoes, and the first loan packages tailored for small producers. More than 1000 tons of potatoes have been delivered under these contracts. Several hundred loans have been disbursed, with no defaults.

Another challenge is storage: 40% of the potato harvest never reaches the market, because of damage by insects and fungi. We’ve developed a low-cost design for small warehouses, 40 ton capacity, built locally using local materials — a wooden frame, wire mesh, bales of straw, and mud for plastering. Farmers benefit twice over. Storage losses are reduced by 90%; and they can harvest, store and wait, rather than selling at low prices immediately after harvest. Fifteen warehouses have been built, and are owned and managed by community groups. Farmers provided land, labor and most of the construction material. Warehouse construction is being scaled up with funding from local governments, private firms and development agencies.

In parallel, 2SCALE teams work closely with government agencies and our private-sector partners to test new high-yielding, disease-resistant varieties. More than 50 new varieties have been officially registered in Kenya in the past two years.

Pastoralists Go Commercial

In Nigeria, dairy giant Friesland Campina Wamco is bringing traditional Fulani pastoralists into the commercial dairy sector for the first time. Fulani communities, mobilized and trained by 2SCALE, deliver 11,000 liters of fresh milk per day (18,000 liters during peak season) to collection centers where the milk is tested, bulked, chilled and trucked to Lagos for processing. Five pilot dairy farms have been set up — on Fulani land, with the local communities sharing costs — to showcase best practices in herd management, animal nutrition and veterinary care.

Cattle owners are using practices introduced by 2SCALE: hygienic milking procedures to prevent spoilage, enrichment of rice straw with urea and molasses to increase energy and protein content, and supplemental feeding to maintain milk yields during the dry season. Cows that gave less than 2 liters of milk per day now give 3.5 liters. Profitability per lactating animal has increased by nearly 80%.

Over 1000 milk producers and extension agents have been trained. Community-based livestock workers and a professional business support organization are in place, working with Fulani communities year-round. A tsetse fly control plan is being piloted with the Nigerian Institute for Trypanosomiasis Research. Legumes such as lablab bean have been introduced into cereal monocultures, providing high-quality cattle feed while simultaneously improving soil fertility. Women and youth have formed new dairy cooperatives, and are working collectively to improve output and quality.

The Fulani produce 70% of the country’s milk — but until now, they sold only limited quantities, and almost exclusively on the informal market. This partnership, bringing technologies and markets to small-scale producers, has transformed Nigeria’s dairy sector.
**Which Countries?**

2SCALE works in nine countries – Benin, Côte d’Ivoire, Ethiopia, Ghana, Kenya, Mali, Mozambique, Nigeria and Uganda. Eight of the nine are ‘Dutch partner’ countries, i.e. priorities for Dutch funding to support agribusiness development.

**Which Crops?**

2SCALE works on four product groups: staple crops, fresh produce (vegetables, potatoes), oilseeds and livestock-related (e.g. dairy, animal feeds). We focus on a few priority commodities that are important in multiple countries, so that lessons can be shared. We also work on a few locally important value chains, introducing and pilot-testing innovations that will later be scaled out to new areas.

**How to Partner?**

2SCALE agribusiness clusters represent a huge potential market: they could supply several hundred thousand tons of a range of food commodities, and purchase upwards of $50 million worth of seeds, fertilizers and agrochemicals every year. To access this market — or simply to offer your expertise to help build African agribusiness — register on our website www.2scale.org.

**5 Years, 500,000 Farmers**

The project was launched in June 2012. By mid 2017, 567,000 farmers had been linked to 1300 agribusiness enterprises. Nearly 1500 cooperatives have streamlined their operations or improved governance practices to give women a louder voice. Clearly, 2SCALE works. Inclusive business isn’t just a slogan, but a new way to drive agribusiness development in Africa.

<table>
<thead>
<tr>
<th>Country</th>
<th>Farmers</th>
<th>Businesses</th>
<th>Cooperatives</th>
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<tbody>
<tr>
<td>Benin</td>
<td>62,000</td>
<td>284</td>
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<tr>
<td>Côte d’Ivoire</td>
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The 2SCALE project is funded by the Netherlands government and implemented jointly by IFDC, ICRA and BoPInc. Our partners include the private sector, government agencies, research centers, development organizations, universities and many others.