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FARMERS IN THE DRIVER'S SEAT: INNOVATION APPROACH IN SMALLHOLDER AGRICULTURE

There are multiple causes of farmers not receiving sufficient returns to their roles in value chains, including low productivity and lack of competitiveness, in addition to the low levels of organisation among the farmers themselves. In an attempt to address these challenges, ASARECA initiated a project to develop the capacities of farmers' institutions to engage with the relevant actors in selected value chains in four countries: Burundi, Ethiopia, Kenya and Rwanda. This feature is from the project report covering the approach used and the lessons learned.

Meeting the increasing demand for food, feed, and fuel—the goal of the Comprehensive Africa Agriculture Development Programme (CAADP) of the New Partnership for Africa's Development (NEPAD)—depends very much on the productivity and market access of small-scale farms. Small-scale farms, operated by households with limited resources, remain the most common form of organisation in Sub Saharan African agriculture.

Properly functioning farmer or producer organisations (Producer organisations are member-based organisations with elected leaders and internal decision-making and control mechanisms) are key in realising pro-poor economic growth and poverty reduction, through the transformation of smallholder agriculture into a productive and profitable enterprise. Policy makers, research institutes, input suppliers, local governments, traders, processors and financial service providers can only effectively engage with and support smallholder farmers who are well organised and truly represented. Farmer organisations that represent and empower farmers are therefore an essential partner in technical, commercial and organisational innovation in agriculture.

Farmer organisations enable collective action by smallholders, creating economies of scale, reducing transaction risks and costs and thereby improving access to agricultural input and output markets. Through these organisations, smallholder farmers gain access to production inputs such as improved seeds, fertilisers, equipment and credit; they can bulk, store and invest in quality improvements to comply with increasingly demanding market requirements.

They can also develop their understanding of markets and exchange market information. With the right incentives, farmer organisations can support the generation and adoption of technological innovations that are very often embedded in and linked to organisational and institutional innovation.

Farmer organisations are also vehicles for smallholder farmers to voice their views, to participate in policy making and trade negotiations and to develop valuable influence. At different levels, farmer organisations increasingly engage in participatory governance and contribute to the deepening of

democratic practices and more transparent accountability relations. Improving the performance of farmer organisations has become a pervasive notion in many policy documents.

To better contribute to its goal and that of the CAADP agenda, particularly Pillar 4 on improved agricultural research, ASARECA seeks to strengthen and empower farmer organisations, through its Knowledge Management and Up-Scaling (KMUS) programme, to articulate their demands and better utilize agricultural research and development services. Farmer empowerment is seen to be a precondition for developing effective, demand-driven agricultural research and services. It is also vital to ensure efficient use of public resources, to strengthen farmers' negotiating power with private suppliers and traders, and to enable farmers to be more potent actors in all areas that influence their livelihoods, including agriculture.

STRENGTHENING FARMER ORGANISATIONS

Capacity building in agricultural development, including by ASARECA, has mostly focused on research and extension organisations; very little attention has been given to farmer organisations. These organisations represent the demand side of agricultural knowledge and technology. They need to be able to articulate 'real' demand for services and goods in the agricultural system and enable their members to apply them effectively, so as to improve productivity. Without strong farmer organisations and empowered smallholders, all efforts directed at strengthening agricultural research and extension could be futile.

CAADP puts it clearly: "The main players in broad-based economic growth are the smallholder farmers and hence there is need to strengthen their capacity and empower them to define and articulate their requirements in terms of services and technology; organise themselves to better access inputs, services and markets and conduct their own agricultural experimentation; and establish a strong voice for themselves in the policy and institutional building process." Farmer empowerment is widely regarded as the most sustainable approach to helping poor farmers in Africa move out of poverty.

In Eastern and Central Africa, smallholder agriculture holds tremendous opportunities for sustainable and equitable economic development. Professionally organised and empowered farmers are key actors. Therefore, well-functioning farmer organisations are instrumental in effective delivery of research, advisory, financial and business development services and to assure access to and profitable engagement in input and output markets. Without well-functioning farmer organisations, smallholder farmers are unlikely to effectively articulate their demands, influence research agendas, engage in collective marketing or gain ready access to services. Ultimately, farmer organisations need to engage in learning and innovation, in full contact with external stakeholders and in tune with the demands of members at all levels.

The FEISA project

It is in this context that the KMUS programme initiated the Farmer Empowerment for Innovation in Smallholder Agriculture (FEISA) project in 2010. The initiative started with a study to profile farmer organisations in the sub-region in order to identify priority needs for farmer empowerment and organisational strengthening. The study generated comprehensive information about the functions performed by farmer organisations with respect to empowering members to improve productivity. It also recommended strategies for addressing the identified priority needs for farmer empowerment and organisational strengthening.

The study findings were validated in stakeholder workshops with representatives from relevant ministries, farmer organisations, research and private sector, and used to develop a concept note.

KMUS subsequently used the concept note to prepare a call for project proposals that culminated in the FEISA project.

Within ASARECA, the KMUS programme oversaw the development and implementation of the FEISA project, whose output has led to this publication. The project is a priority intervention area under the strategic theme on 'Capacity development for agricultural product value chain actors' in the KMUS programme strategy 2009-2014 and contributes to the programme and ASARECA purpose 'Enhanced utilisation of agricultural technologies and innovations in East and Central Africa'.

The FEISA project was implemented as part of a strategy to empower smallholder farmers to improve their productivity in selected value chains. The FEISA project provided farmer organisations in Burundi, Ethiopia, Kenya and Rwanda with the tools and skills to assess their functioning, followed by tools for improved service delivery to members, in order to improve the participation of their members in value chains.

The project aimed to enhance collaboration with service providers from the public, private and non-governmental sectors, as well as private enterprises, in a multi-stakeholder process around selected value chains, where learning and innovation are essential. FEISA also aimed to provide lessons and build the capacity of farmer organisations to provide market access services to members.The experiences will shed light on best-bet choices for in- or outsourcing of services by farmer organisations and will facilitate the replication of success factors in other ASARECA member countries.

The innovation triangle approach

Innovation triangles are essentially composed of farmer organizations, agri-business (input traders, processors and output traders), and service providers (technical and managerial support to farmers, Farmer organisations and agri-business; banks and other financial institutions; and agricultural research and extension).

These stakeholders work together in value-chain-specific, multi-stakeholder platforms, or innovation triangles, where they define and coordinate activities in order to seize market opportunities for specific products, exchange knowledge and information, and learn from each other (learning-by-interaction) and the activities undertaken (learning-by-doing).

- Addressing burning issues to benefit from market opportunities: It is essential that innovation triangles address market opportunities, since these are a guarantee of sustainable income for smallholder farmers. This approach goes beyond a simple needs assessment, which often leads to a 'shopping list'. Furthermore, these opportunities for doing business together, whether between farmers and agri-business or between farmers and service providers, is the main motivation for stakeholders to participate in the platform. Therefore the platform addresses 'burning issues' that constrain potential benefits resulting from market opportunities and whose resolution, often through targeted support by service providers, results in quick wins for the farmers and other value chain actors.

- Facilitation of innovation triangles by apex farmer organisations: A basic principle of farmer organisations is that of subsidiarity; all tasks that can be dealt with at lower levels of organisation are best implemented at that level. Higher levels provide support to grassroots organisations, which are often business partners of agri-businesses in value chains. Apex organisations, which play no direct role as stakeholders in the value chain, facilitate innovation triangles to ensure the enhanced participation of smallholder farmers in value chains through improved service delivery by themselves or other service providers.

Assessing apex farmer organisations for service delivery to members

Apex farmer organisations play a key role in implementing the innovation triangles approach: besides the facilitation and service provision roles, they strengthen the capacity of grassroots organisations in accessing markets. These capacities include knowledge of markets, management and entrepreneurial skills, and links with business partners. These capacity strengthening services are a relatively new development for many apex farmer organisations and became one of the main strategies underlying the FEISA project.

A team from the Royal Tropical Institute (KIT) in Amsterdam, the Centre for Development Innovation(CDI) and the Social-economic Research Institute (LEI) from Wageningen University and Research (WUR) trained and coached staff members of the apex organisations to become innovation triangle facilitators.

The consortium members provided initial training on: the self-assessment of farmer organisations; participatory mapping and analysis of value chains, with a strong emphasis on visualization tools; identification of 'burning issues' in value chains; and the basic attitudes and skills for effective facilitation. More importantly, the consortium coached staff members regularly during innovation triangles meetings and equipped them with simple tools to help stakeholders think and work together. These meetings were 'on-the-job training' and 'learning-by-doing' events for the staff members of the apex organisations.

A first activity of the FEISA project was a self-assessment by farmer organisations. Selected staff from apex organisations were trained and coached in carrying out an assessment of their organisations. Leaders, members and staff gave their views, based on a series of statements that covered several areas: Internal functioning of the organisation (governance and management); services provided to members and member organisations (facilitation of research development and action research, support to production, post-harvest handling and marketing); and collaborative relations with other stakeholders in the agricultural sector.

Results of the assessment were presented and discussed during a meeting with membership, leadership and staff representatives, which allowed for the identification and prioritisation of areas for organisational change of each farmer organisation.

Building innovation triangles

In each of the four countries under the FEISA project, the apex farmer organisation selected value chains and localities to initiate innovation triangles. The basis for selecting value chains was that they should relate to commodities with a high potential for improving smallholder income. Localities were limited to regions where at least one primary cooperative was already involved in the value chain activities, particularly in business-type activities such as producing and selling products, or processing and selling products.

For example, CAPAD in Burundi has built six innovation triangles, three in each of the two selected value chains: rice and potatoes. OCFCU in Oromia State, Ethiopia selected one value chain, coffee, within which it created two innovation triangles. In Kenya, KENAFF facilitated the creation of three triangles, one in each of the selected value chains, maize, potato and banana (tissue culture). IMBARAGA in Rwanda built three innovation triangles, two in the pineapple value chain and one in the potato value chain.

The apex farmer organisation played the role of convener and facilitator of the multi-stakeholder process at the level of the innovation triangle. Selected staff members from the apex organisation were

responsible for organising multi-stakeholder sessions, inviting members, facilitating the sessions and monitoring the follow up.

In an initial meeting in 2010, the stakeholders made a rapid analysis of the value chain, identified and confirmed market opportunities, identified key bottlenecks ('burning issues')and defined actions to be undertaken. Very often, the activities required collaboration between at least two stakeholders, which was an opportunity to build new relationships.

Between 2011 and 2013, the innovation triangles regularly met (two to three times a year) to assess and learn from the progress made in tackling bottlenecks, exchange information and decide how to tackle other bottlenecks. Learning was important, since not all priority bottlenecks were immediately resolved and the stakeholders involved needed to adapt the activities.

Providing services to grassroots farmer organisations

Besides facilitating the innovation triangles, the selected staff members from the apex organisations were also responsible for organising support services to farmers. These were intended to strengthen farmers' professional and entrepreneurial skills and aid them in tackling the bottlenecks that were constraining their access to market opportunities.

In practice, this meant that staff had to facilitate contacts between grassroots organisations and service providers after the innovation triangle meetings, help farmers to articulate their needs, contract service providers and co-organise training sessions. Since the FEISA project only provided small grants for service provision to farmers, staff often linked the FEISA project to other on-going projects and programmes that already funded support to farmers, such as the International Fertiliser Development Centre (IFDC) funded Catalyse Accelerated Agricultural Intensification for Social and Environmental Stability project in Burundi and the Agriterra funded micro-projects and Enhancement of Farmer Entrepreneurship for Development (EFED) project of KENAFF in Kenya.

Building the facilitation capacity of apex farmer organisations

Staff members are acquainted and skilled to implement support projects and programmes for grassroots farmer organisations. Often these support initiatives have pre-defined steps to be taken, and target a sole group of beneficiaries, smallholder farmers. FEISA's market-oriented, multi-stakeholder-driven innovation approach was rather new for many staff. The approach requires facilitation skills and not just project management, involves several stakeholders instead of only farmers, and is about business and not just development.

For many of the staff, the approach was completely different to anything they had previously undertaken. The goal of FEISA is that ultimately, the apex farmer organisations will be able to maintain the on-going operation of the innovation triangles without support.

Learning through sharing and documenting experiences and results

Sharing and learning activities assured that the activities supported by the FEISA project had relevance beyond the direct intervention countries and localities. With support from the Eastern Africa Farmers Federation (EAFF), the experiences with practical tools (self-assessment tools for farmers' organisations, facilitation of innovation triangles) and agricultural innovation processes and results were shared. EAFF organised a series of regional workshops and peer review missions in which all four national farmer organisations participated. The final and closing workshop was dedicated to documenting and analysing a series of case studies which helped to draw lessons and define the way forward for sustaining and scaling out the innovation triangle approach.

LESSONS LEARNED

The experiences gained and results obtained through the innovation triangle approach generated the following lessons:

Interventions should be guided by a clear priority issue: In all cases, the grassroots and apex farmers' organisations were able to clearly articulate a priority issue that warranted a response using the innovation triangle approach. The approach enabled this issue to be validated by other stakeholders. The identification and articulation of this issue was central to the approach as it provided the platform from which interventions and activities were identified and responsibilities assigned.

Central importance of market opportunities: The approach did not always clearly articulate targeted market opportunities, but these should be as clearly articulated as the priority issues. This is important so as to provide the business context of the innovation triangles. In cases where the question of market access was addressed, the innovation triangle provided a complete picture. For example, in the potato value chain in Rwanda, IMBARAGA facilitated interactions between the KOABIKI cooperative and supermarkets in Kigali. The supermarkets defined the quality of potatoes required, and the cooperative, through one of its members, was able to respond to this specific requirement.

Important role of the facilitators: The facilitator needs to have sufficient and continuous consultations with actors to build their confidence in the innovation triangle. The facilitator must not be biased, should be a good listener and have the ability to tap into the knowledge of experts and practitioners in the value chain, so as to achieve mutually set targets. It is not only about facilitating the meetings; a facilitator needs to follow up on stakeholders' agreed activities, and to facilitate shared activities of two or more stakeholders who have agreed to work together on a specific issue. More importantly, the facilitator should provide some guidance on market orientation at the grassroots level, by linking them with buyers who know market requirements.

High dependence on donor-funded projects: With the exception of OCFCU in Ethiopia, the apex farmer organisations are significantly dependent on donor-funded projects, which affected the application of the innovation triangle approach, which was business-oriented, and prevented it achieving its full potential. In the potato value chain in Kenya, the facilitators were unable to identify private sector players or enterprising members of the farmer organisations who could invest in demonstration plots. Instead, the innovation triangle was dependent on a donor-funded project to set up the plots.Once this project support was withdrawn, the innovation triangle collapsed. In contrast, in the potato value chain in Rwanda, one of the members of the cooperative was able to use her own resources to access markets and hire transporters to exploit a business opportunity in the value chain.

Importance of a business orientation: With the exception of OCFCU in Ethiopia, the apex farmer organisations do not have a business orientation at the institutional level. This affected the entire orientation of the approach in terms of objectives and targets. OCFCU is one of the leading coffee exporting cooperatives in the country, with established linkages with coffee buyers around the world. The project interventions responded to OCFCU's objective of improving its export performance by addressing challenges experienced by its membership. For example, OCFCU trained over 100 coffee farmers on seed preparation and nursery management, distributed over 100 kg of seed, and trained cooperative leaders on coffee quality requirements, among many other activities. These interventions all contributed to a 23% increase in output and an eight-fold increase in dividend paid to coffee farmers over the project period.

Key role for enterprising individuals: Entrepreneurs within the apex and grassroots farmer organisations need to be identified and encouraged to respond to business opportunities in the value chain so they are able to exploit opportunities with support from facilitators. In Rwanda, the woman

entrepreneur was a member of the KOABIKI cooperative. After receiving training as a facilitator – and on her own initiative – she exploited the business opportunities for washed potatoes, with facilitation from IMBARAGA. She effectively exploited the opportunity to sell washed potatoes to three supermarkets and three hotels in Kigali. By the end of the project, she was employing 50 people to wash and pack the potatoes, and she was paying potato farmers between RWF 20 and 30 higher than the price paid by traders.

Low scale of volumes but growing market opportunities: In most cases, the scale of production by the grassroots farmer organisations was too low to attract a significant private sector actor. Instead, the farmers' organisations engaged with small traders and other buyers, and this increased their business risk. It is more interesting to have several grassroots cooperatives involved in one innovation triangle, since this creates the opportunity to offer larger volumes and enhanced economies of scale. This is particularly the case when there is a sustained and growing demand for products and farmers are able to organise the supply of large volumes of high quality products.

Predominance of production-oriented priorities: Out of the 14 burning issues that were identified by the four apex farmer organisations, ten were related to crop production. The farmers' organisations' priorities were to access quality and clean planting material, and to improve their capacity to apply improved planting technologies. This shows that the farmer organisations clearly identify a supply side constraint in their respective value chains, which reveals the importance of well-functioning input markets. Only by improving their supply side capacity can farmers' organisations gain better access to markets.

Demands by grassroots farmer organisations: The platform—and the grassroots farmer organisations in particular—could ably describe their priorities in the context of engaging in value chains and business. Through the design of the approach, the apex farmer organisations are expected to facilitate a process that enables the grassroots organisations to address these priorities. Putting the grassroots organisations and other business actors in the value chain at the centre of the approach, within the innovation triangle, facilitated the voicing of their needs. This was rather new for both the apex and grassroots organisations. It raised expectations of the grassroots organisations, which started putting pressure on the apex organisation.

No one-size-fits-all approach: The successful application of the innovation triangle approach depends on various factors, including the context of the value chain, the entrepreneurship capacity and mindset of the apex and grassroots farmer organisations, and the performance of other players in the value chain. In that sense, it is important that the approach is used as a tool which the facilitator and other actors can adapt in the context of their respective situations. For example, the KOABIKI cooperative registered significant success in the potato value chain in Rwanda because of a combination of factors, including enterprising members and business opportunities in the value chain. In the coffee value chain in Ethiopia, significant achievements were realised due to astrong, business-oriented apex farmer organisation, a well-defined value chain, and support from other value chain actors, especially government extension service providers.

Multi-stakeholder processes trigger innovation: The involvement of different stakeholders in the value chain was very innovative. The approach enabled the farmers' organisations to have structured discussions with research organisations, agricultural input service providers and traders, among others. These discussions are the beginning of a relevant evolution for the grassroots and apex farmer organisations from having a project and donor orientation to a business orientation. There is evidence that this evolution is being realised at the grassroots. For example, the cooperative members of IMBARAGA registered a company called F3U to sustain momentum from the project. The company has accessed premises where Irish potatoes will be washed and sold.

SUSTAINABILITY AND SCALING OUT OF THE INITIATED ACTIVITIES

To sustain the activities that were initiated and supported by the FEISA project and to scale out to other apex and grassroots farmer organisations, the following needs to be done:

Continuous application by apex farmer organisations: The apex farmer organisations should continue to apply this approach to respond to the priorities of their members. The more the approach is applied, the more the apex farmer organisations will evolve into effective providers of business-oriented services to their members. Continuous application would strengthen the capacity of the facilitators to apply the same tools with other grassroots farmer organisations, and contribute to the evolution of the mindset of the apex farmer organisations from a project to a business orientation.

Actors should set business targets linked to markets: The stakeholders in the innovation triangle should clearly define targets for business performance. These may include increases in productivity, yield, sales, revenues and profits. Setting such targets would enable the different players, especially the farmers' organisations to have a clear focus as they engage in different innovation triangle interventions. It is important that these targets are set during the initial stages of the approach, such as joint action planning meetings. In the pineapple value chain in Rwanda, the COAVGA cooperative registered yield increases of up to 50%. This increase was noticed by the Gakenke district authorities, who are now keen to work with COAVGA to apply this technology in other areas in the district.

Conduct market assessments: The apex farmer organisations should conduct assessments of target markets to inform their decision making, so that market opportunities are as clearly articulated as priority issues. This goes hand-in-hand with setting business performance targets. The market assessments should answer the following questions: (a) Who are the specific current and potential buyers of our products? (b) What are their quantity requirements, including the timing of these requirements?(c) What are the quality requirements for each target market? (d) What is the reserve price below which it is not profitable to target these markets? Market assessments are particularly needed for the rice and potato value chains in Burundi, and the banana and potato value chains in Kenya.

Coaching of facilitators of innovation triangles: The facilitators need further coaching on their roles and expectations. This is particularly important since the current facilitators are all from the apex and grassroots farmer organisations, and are biased in their application of the innovation triangle approach. Coaching should address and deepen the following issues: clarity on the goals and objectives of the actors in the innovation triangle; qualities of a good facilitator and how to apply those qualities; defining the agenda of innovation meetings; sustaining the commitment of different actors in the innovation triangles; understanding of markets; and setting of business targets.

Coaching farmer organisations in business planning: The managers, coordinators and leaders of the apex and grassroots farmer organisations need to be trained and coached in business planning. This is critical for several reasons. Firstly, some of the grassroots farmer organisations needed to access credit from financial institutions and were required to develop a business plan. These included the Girumwete Dukore cooperative in the rice value chain in Burundi, the Turahiriwe cooperative in the potato value chain in Burundi, and COVAFGA in the potato value chain in Rwanda. Secondly, effective business planning combines market analysis, profitability analysis and an analysis of the technical and operational aspects of the business. These are important exercises that would contribute to the development of a business orientation within the farmer organisations.

The project report is titled, Farmers in the Driver's Seat: Innovation in Smallholder Agriculture in Burundi, Ethiopia, Kenya and Rwanda, *edited by Bertus Wennink (KIT), Mainza Mugoya (EAFF), Lydia Kimenye (ASARECA), Helena Posthumus (KIT). The publication is available at www.asareca.org/content/about-farmers-drivers-seat*

COMMUNICATION

Awards

Ecological intensification is the development of high-yield crop production systems that protect soil and environmental quality and conserve natural resources. International Plant Nutrition Institute (IPNI) established the IPNI Science Award to promote contributions in ecological intensification. It recognises achievements in research, extension or education, which focus on efficient management of plant nutrients and their positive interaction in fully integrated crop production, enhancing yield potential, and/or improving crop quality. Agronomists, crop scientists, soil scientists, and food scientists are eligible for nomination. Deadline for submission of nominations is 30 September 2014. Go to http://goo.gl/ylXeO1 for the details

ENERGY GLOBE Award was founded to present successful sustainable projects to a broad audience, as many environmental problems already have feasible solutions. Therefore, ENERGY GLOBE invites sustainable best-practice projects to participate in the competition. Eligible projects are those with a focus on saving resources, improving air, soil, or water quality, increasing energy efficiency, using renewables, as well as fighting against climate change. Projects can be entered by individuals, companies, organisations, and public authorities. Several projects may be entered by a single competitor. Submission deadline for the 2015 Energy Globe Award is 22 September 2014. For more information, go to www.energyglobe.info/en/participation/conditions-of-participation/

Fellowship

The John Dillon Memorial Fellowship provides career development opportunities for young agricultural scientists or economists from Australian Centre for International Agricultural Research (ACIAR) partner countries, who are involved in a current or completed ACIAR project. Annually, 8-10 Fellowships are offered. The Fellowship aims to develop leadership skills in agricultural research management, policy and/or extension technologies. The fellowships involve a 5-6 week period in Australia, and the Fellows are hosted by Australian organisations, participate in a formal research management training course, and undertake visits to various institutes, including the presentation of relevant lectures. More information is at http://aciar.gov.au/training/JDF

Grant

Monsanto Fund accepts grant proposals for programmes to improve lives in farming communities around the world in the following areas: One, basic education support designed to improve education, including supporting schools, libraries, science centres, farmer training and academic programmes. The other, meeting critical needs by supporting non-profit organisations that help with food security, sanitation, access to clean water, public safety and various other local needs. Applications opened on 1 July and will close on 31 August. Check www.monsantofund.org/grants/international/

PAAP received these announcements from Francois Stepman, PAEPARD, who is gratefully acknowledged

This newsletter is an attempt to use e-communications to provide to a broad audience within and outside Eastern and Central Africa a mechanism for distribution and exchange of information relevant to agricultural policy issues. This newsletter is being sent to you as PAAP's stakeholder. We want to respect your privacy and desire not to have your e-mail inbox filled with unwanted correspondence. If you do not want to receive this newsletter please send us a note at <paap@asareca.org>, and we will remove your name from the distribution list.