

Présidence de la République Commissariat à la Sécurité Alimentaire (CSA)		APCAM/MSU/USAID Projet de Mobilisation des Initiatives en matière de Sécurité Alimentaire au Mali (PROMISAM)
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CSA/PROMISAM

“Projet de Mobilisation des Initiatives en Matière de
Sécurité Alimentaire”

RAPPORT DE MISSION PROMISAM

By

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Bamako
Avril 2006

English Summary

Dates: 10-21 April 2006, of which 5 days work for PROMISAM

Objectives for PROMISAM:

- (1) Respond to the request for help from Harouna Koné, Director of Planning for the Region of Sikasso and person in charge of the regional synthesis of the food security plans. His concern was to get some technical input on issues such as input supply systems and nutrition that were frequently mentioned as priority areas in the Sikasso plans.
- 2) Assist with the preparation of the PROMISAM quarterly report

Overview of the mission:

Although the plan was for me to work with M. Koné in Sikasso, he was unexpectedly called to Bamako after my arrival in Mali. We decided that he would bring all of his computer files and documentation with him and we would work together during the weekend and periods when he was not busy with meetings in Bamako.

The work focused on preparation of the synthesis for the Cercle of Sikasso because it was the largest cercle with 147 communes and contained a wide range of objectives and activities that were difficult to synthesize. Although quite a bit of work had already been done, there were problems of organization in the synthesis table that needed to be addressed. It was decided to use the 8 categories of sub-programs identified by the PNSA to reorganize the proposed objectives and activities so as facilitate use of the synthesis by other services and organizations involved in the PNSA.

An innovation introduced by the Sikasso team was to include more information in the synthesis than was the case for Gao (e.g., estimated costs by activity and commune). This was done because it was not considered practical to constantly refer back to the underlying commune reports given the very large number. As designed, the synthesis can be used as a cross-tabulated table where one can easily identify all communes having asked for a particular type of activity or all the activities requested by a particular commune; budget information is also readily available.

In addition to the design of the synthesis table, a number of substantive questions related to activities requested by the communes were addressed. The topics included:

- Input supply
- Nutrition training for women
- Management of cereal banks
- Coherence in estimated costs across communes

The rest of the trip report contains recommendations on how the CSA team can help the communes clarify their objectives and activities in these three areas and improve budgeting information. The annex to the report contains a number of practical references or case studies on alternative approaches to input supply, nutrition training and cereal bank management.

Rapport de Mission

Du 10 au 21 Avril 2006, Dr. Valerie Kelly a effectuée une mission à Bamako dont 5 jours de travail pour le PROMISAM

Objectifs PROMISAM:

(1) Répondre à la requête (voir ci-dessous) de Harouna Koné, Directeur de Planification de la Région de Sikasso et chargé des synthèses des plans de sécurité alimentaire pour la Région:

Je suis entrain de procéder, par étape, à la synthèse des plans de sécurité alimentaire des communes de la région de Sikasso. Je pense qu'il est bon de penser à travailler sur deux aspects qui reviennent souvent et qui me paraissent importants. Ce sont les aspects de nutrition et d'intrants agricoles. S'il est possible de trouver à MSU quelqu'un pour bien approfondir ces aspects, ce serait une très bonne chose.

(2) Donner un coup de main à l'équipe de PROMISAM pour la rédaction du rapport trimestriel de PROMISAM (1 janvier au 31 mars 2006).

Déroulement de la mission :

Il a été prévu que je me rende à Sikasso la semaine du 17 avril pour travailler avec M. Koné et son équipe. Après mon arrivée à Bamako le 11 avril M. Koné a été convoqué à Bamako pour une réunion du 18 au 20. Nous nous sommes mis d'accord que M. Koné vienne à Bamako avec toute sa documentation le 15 pour qu'on puisse travailler ensemble le 16 et 17 plus les après midi du 18 au 20 et durant toute la journée du 21 si nécessaire.

Le 16 et 17 M. Koné m'a montré le travail de synthèse fait à ce jour. Nous nous sommes concentré sur la synthèse pour le Cercle de Sikasso qui, selon M. Koné, était la plus difficile étant donné le nombre de communes (143 communes) et la vaste variété des objectifs et des activités identifiées par les communes. Bien que le format général pour la synthèse était bien fait (identification des objectifs, des activités, les montants des dépenses prévus et les sources de financement anticipées par commune) j'ai constaté quelques problèmes dans l'organisation et la présentation des objectifs et des activités :

- Une faiblesse dans le système de regroupement des objectifs dans des catégories clés ;
- Une faiblesse dans le regroupement des activités en dessous des objectifs visés ;
- Plusieurs cas d'objectifs et/ou activités avec des libelles trop vagues pour comprendre les intentions des communes.

Par exemple, les objectifs concernant l'amélioration de la productivité des cultures n'étaient pas groupés ensemble et séparés des objectifs concernant l'élevage. En plus, les activités semblable comme « appui aux producteurs pour l'accès aux engrais » et « magasin de stockage des intrants » n'étaient pas organisées dans la synthèse d'une manière permettant aux utilisateurs des synthèses de bien voir les liens potentiels entre ces activités.

Ainsi, nous avons travaillé sur la synthèse du Cercle de Sikasso pour mettre de l'ordre dans la présentation des objectifs et des activités. En fin, nous avons décidé d'utiliser les 8 catégories des sous-programmes identifiés dans le PSNA pour réorganiser les tableaux de synthèse.

- Le sous-programme I Amélioration des ressources naturelles de base
- Le sous-programme II Intensification des cultures
- Le sous-programme III Diversification des systèmes de production
- Le sous-programme IV Commercialisation et transformation des produits agricoles)
- Le sous-programme V Santé et nutrition
- Le sous-programme VI. Dispositif de veille, d'alerte et de réponses aux crises alimentaires
- Le sous-programme VII Mesures d'accompagnement du PNSA
- Le sous-programme VIII Appui à la mise en œuvre du PNSA et Arrangements institutionnels

Ce choix facilitera la revue des synthèses par les services ou organisations voulant travailler avec les communes pour avancer les objectifs et sous-programmes du PSNA. Le résultat servira comme modèle pour réorganiser les synthèses pour les autres Cercles de Sikasso.

Etant donné le nombre de communes dans la région de Sikasso avec 147 communes, la tâche de synthèse est beaucoup plus complexe que ce que nous avons vue pour la région de Gao qui ne compte que 24 communes. Pour éviter le besoin constant de révision des plans communaux, l'équipe de Sikasso a décidé d'incorporer plus d'information dans leurs synthèses sur les coûts estimatifs par activité et par commune. Cela va rendre le tableau de synthèse un peu lourd mais l'avantage est que le tableau servira comme un tableau croisé où on peut facilement identifier tous les communes qui ont demandé un certain type d'activités ou toutes les activités demandés par une commune précise. Dans les deux cas, il permettra de savoir l'importance des demandes en termes des coûts estimatifs. Mon impression est que pour les grandes régions avec beaucoup de communes, cette approche mérite d'être utilisée. Son utilisation va rendre la tâche de synthèse plus lente, mais à la longue ça va réduire le travail de suivi et faciliter les contacts avec les organisations que veulent travailler avec les communes sur les thèmes précis.

Plusieurs questions concernant la nature des activités choisies par les communes et les coûts estimatifs ont été discuté. Les questions peuvent être classées dans les catégories suivantes :

- L'approvisionnement en intrants
- La formation en nutrition pour les femmes
- La gestion des banques de céréales
- La cohérence des coûts estimatifs à travers des communes

Les intrants

Quatre communes dans le cercle de Sikasso avaient identifié une activité libellé simplement comme « approvisionnement en intrants agricoles » avec les coûts variant de 250.000 FCFA à 126.500.000 FCFA pour un coût total du Cercle de 188.750.000 FCFA. La nature de l'activité n'est pas claire pour ces quatre communes. Qu'est ce qu'ils veulent que la commune finance? Est-ce qu'ils veulent établir un système d'approvisionnement pour les intrants céréaliers comme complément aux systèmes en place pour le coton ou un système qui s'occupe des intrants pour toutes les cultures? Est-ce qu'ils cherchent à faire un approvisionnement directe avec les fournisseurs pour les producteurs du cercle ou de joindre avec d'autres cercles ou organisations de producteurs pour consolider les commandes et négocier les prix ? Est-ce qu'ils sont intéressés dans l'établissement des entreprises privés qui stockent les intrants pour toutes les cultures et les vendre pendant la saison de production (c'est-à-dire quelque chose comme les systèmes qui existent pour la vente des produits vétérinaire) ? Il me semble qu'il y a peut-être un rôle pour les services techniques au niveau des régions et cercles de fournir à la population plus d'information sur les possibilités d'amélioration de l'approvisionnement en intrants.

La situation actuelle consiste d'un appel d'offre par les associations des producteurs pour les intrants céréaliers et l'approvisionnement à travers la CMDT pour le coton. Pour l'avenir il est probable que l'approvisionnement pour le coton passera aussi par les appels d'offre faits par les associations des producteurs. Dans ce cas, le question clé est à quel niveau faut-il faire les appels d'offre : commune, cercle, ou région? Nous sommes en train de créer des comités au niveau des communes pour gérer les problèmes d'intrant mais quel est le rôle d'une comité communale (recensement des besoins, stockage, octroi et collecte des crédits, transport)? Pour bien lancer les activités d'intrants dans le cadre des plans de sécurité alimentaire, les acteurs à tous les niveaux doivent trouver des réponses à ces questions.

D'abord, nous pouvons nous inspirer des expériences déjà vécu au Mali et ailleurs. L'APCAM avec l'appui de IFDC a récemment fait des ateliers dans la région de Sikasso pour identifier les contraintes et les opportunités dans le secteur des engrais. J'ai mis en annexe une copie des rapports pour les ateliers de Sikasso, Koutiala, et Bougouni (voir annexes 1 à 3). De pareils ateliers sont aussi programmés pour Gao/Mopti et un a déjà eu lieu à Ouélessabougou. Un atelier national de synthèse est programmé pour le 21 mai. Comme APCAM intervient dans ses ateliers aussi bien que dans la rédaction des Plans de Sécurité Alimentaire, il me semble une bonne idée pour la CSA et ses partenaires au niveau des régions et des cercles d'assurer que les informations et recommandations des ateliers régionaux et l'atelier national sont mises à la disposition des communes pour les aider à mieux formuler leurs programmes pour l'approvisionnement en intrants.

En ce qui concerne l'organisation des producteurs pour l'approvisionnement en intrants il sera bon d'offrir des formations et des visites d'études pour que les représentants au niveau communal aient une bonne compréhension des bénéfices potentiels qu'on peut tirer en plaçant des grosses commandes consolidées. Aussi les commandes groupées peuvent diminuer les coûts potentiels en gestion au fur et à mesure que les groupements de producteurs deviennent grands (par exemple, la fraude et les non-paiements deviennent plus difficiles à contrôler).

Il y a deux études de cas au Mali où les organisations des producteurs se sont lancées dans l'approvisionnement en intrants directement avec les fournisseurs. La plus récente est le cas de FasoJigi, une organisation des producteurs dans l'Office du Niger qui est soutenue par le *Projet d'Appui à la Commercialisation des Céréales au Mali* (PACCEM) financé par les canadiens (voir annexe 4). Le projet a comme objectif principal de donner un appui pour la commercialisation du riz (stockage collectif avec un paiement au moment du stockage suivi par la possibilité d'autres revenus après la vente). L'association FasoJigi a décidé d'ajouter l'approvisionnement en engrais à leurs activités en 2004/2005. Elle a importé d'important quantité d'engrais pour leurs membres en négociant directement avec les fournisseurs à l'étranger. Une caractéristique de FasoJigi est que c'est une organisation des producteurs qui payent des personnes professionnelles pour effectuer les négociations pour les ventes de riz et les achats d'intrants. Leurs personnels ont bénéficié d'un appui de IFDC pour les achats d'engrais en 2004 (recommandations sur les fournisseurs à contacter, comment négocier, etc.).

Le deuxième cas concerne *Union des GIE de la Zone OHVN et Associés (UGOA)* qui a fait deux années de commandes des intrants en regroupant les commandes pour plusieurs associations (voir annexe 5). *Institut Africain de Gestion et de Formation (INAGEF)*, avec financement de l'USAID, a donné un soutien en termes de gestion. La première année les associations étaient toutes dans la zone cotonnière mais la deuxième année il y avait quelques associations dans la zone de l'Office du Niger, qui ont aussi participé. Bien que l'approvisionnement était bon pendant ces deux années (meilleur prix des engrais que le CMDT), l'UGOA a eu des problèmes de gestion qui lui a empêché de placer des commandes pour la troisième année.

Le but de cette note n'est pas de faire une analyse de ces deux études de cas, mais de les mentionner comme des sources potentielles d'information sur les opportunités et les contraintes liées à l'approvisionnement en intrants par les associations des producteurs. A mon avis, il sera utile d'organiser les visites et échanges entre les responsables des programmes d'intrants au niveau des communes avec les représentants de ces deux organisations et les projets qui les soutiennent.

Une autre approche aux problèmes d'intrants est de promouvoir le développement des réseaux de distribution commercial qui sont capable de mettre en place les quantités d'engrais dont les producteurs ont besoin pendant toute l'année pour couvrir non seulement la saison de pluie mais aussi la contre-saison (dans les zones irriguées). Déjà au Mali il y a un système semblable pour les produits vétérinaire. Dans le Kenya, ils sont

est en train de promouvoir la vente des intrants agricole par les mêmes vendeurs. Ils ont introduit un programme de formation des vendeurs des produits vétérinaires pour qu'il puisse aussi avoir une bonne connaissance des intrants agricole (semences, engrais, et produits phytosanitaires). Une ligne de crédit est disponible (à travers une ONG qui donne une garantie de 50 à 75% à l'importateur qui donne le crédit au détaillant) pour encourager l'achat des intrants agricoles par ce qui ont terminé la formation et ont les qualifications nécessaires pour avoir accès au crédit. L'ONG Citizens Network for Foreign Affairs est en train de soutenir des programmes de ce type au Kenya et à Malawi. Les programmes sont jeunes (2-3 ans de fonctionnement) mais semble avoir amélioré l'approvisionnement pour les zones où il y avait une assez forte demande d'intrants. L'expansion dans les autres zones reste timide. Je le mentionne parce que je pense qu'à la longue il sera bon d'avoir une combinaison des options pour l'achat d'engrais. Tous les producteurs n'ont pas accès aux crédits et la possibilité de placer leur commande bien en avance de la saison. Pour l'engrais des céréales, les producteurs veulent souvent attendre l'installation des pluies avant d'acheter, donc le développement de plusieurs réseaux pour l'approvisionnement servira les demandes différentes.

J'ai mis en annexe des résumés en anglais des études de cas et un résumé des activités des programmes pour promouvoir l'expansion des réseaux pour les ventes des intrants mentionnée ci-dessus ; malheureusement je n'ai pas de documents en français.

Les activités sur la nutrition

J'ai remarqué plusieurs cas où les plans communaux indiquent un besoin de formation en nutrition pour les femmes. Cela est une bonne chose mais pour que cela donne les résultats escomptés il faut être sûr que les femmes formées sont à mesure d'obtenir les aliments recommandés. Les études faites par MSU et l'INSAH sur les liens entre la malnutrition et la productivité agricole ont constaté une corrélation importante entre la prévalence de la malnutrition infantile et les revenus des femmes. Une comparaison des revenus des mères des enfants de moins de 5 ans dans la zone cotonnière (Koutiala et Kolondieba), l'Office du Niger (Niono et Macina), et la zone céréalière de Mopti (Bandiagara et Koro) a montré que les revenus les plus bas pour les femmes se trouvent dans la zone cotonnière. Pour l'échantillon entier la prévalence du retard de croissance est significativement inférieure chez les enfants des mères du quartile de revenus le plus élevé (24%) par rapport aux niveaux des trois quartiles de revenus inférieurs (38-40%). Ceci suggère que le revenu des mères devrait atteindre un certain seuil avant qu'il puisse avoir un impact important sur la réduction de la malnutrition. Les enfants des mères du quartile de revenus le plus élevé sont plus susceptibles de recevoir les nourritures complémentaires après six mois (32%) que ceux des mères dans les quartiles inférieurs (19%). Un plus grand accès et un contrôle des biens de productions par les mères et pères des enfants en bas âge peuvent aider à expliquer les meilleurs résultats de nutrition dans la zone rizicole économiquement dynamique et fortement productive. Le revenu global de la famille est également élevé dans la zone cotonnière mais il est contrôlé par le chef de la famille étendue et n'est pas toujours disponible aux parents de jeunes enfants (voir annexes 7 et 8).

Dans certains cas où les communes ont demandé les formations en nutrition il y a aussi des activités pour augmenter les revenus des femmes mais dans d'autres cas il n'y a rien. Etant donné les résultats de la recherche citée ci-dessus, je suggère que les agents techniques au niveau des cercles et des régions qui sont là pour soutenir les programmes communales introduisent l'idée de combiner la formation en nutrition avec les discussions sur la capacités des femmes d'obtenir des aliments recommandés (soit par achat, soit par production). Il se peut aussi que certains aspects de la formation en nutrition seront bons à partager avec les hommes. Si les femmes n'ont pas des moyens financiers pour offrir une alimentation diversifiée ou n'ont pas le temps de préparer correctement les aliments, il sera important que leurs maris soient au courant de l'importance d'une bonne nutrition et les contraintes à laquelle ses femmes font face.

Les banques de céréales

J'ai remarqué que l'activité demandée par 100% des communes du cercle des Sikasso est les banques de céréales. En regardant la site web de la CSA et en parlant avec les gens de PROMISAM j'ai compris que les « banques » dont on parle sont un peu différent des banques de céréales qui ont été établies dans le passé au Mali. Par exemple, les banques récentes sont créées au niveau des communes au lieu des villages et la gestion est assuré par la commune avec une supervision venant de l'administration au niveau des cercles et/ou la région au lieu des producteurs. Néanmoins, il ne faut pas négligé les leçons des expériences du passé. Il y a une littérature sur les banques de céréales dans le Sahel qui peut servir comme une guide pour les points forts et les points faibles des expériences passées.

Les banques du passé étaient surtout un moyen pour les associations villageoises d'aider les producteurs à écouler leur production au moment de la récolte à un meilleur prix que le prix du marché et d'acheter les céréales pendant la soudure à un prix moindre que le prix du marché (les banques d'aujourd'hui semblent avoir les mêmes objectifs). Les financements pour les magasins du stockage et les achats venaient des ONG en forme d'aides pour démarrer la banque. Les revenus des ventes étaient destinés à renouveler les stocks chaque année sur le marché à travers le temps pour éviter de tous vendre après la récolte quand les prix sont très bas. Aujourd'hui les financements de départ viennent largement du gouvernement pendant la crise alimentaire de 2005/2006 en forme de céréale mise à la disposition des communes pour les ventes aux prix moindre que les prix du marché. Il y eu plusieurs évaluations des banques de céréales soutenu par les ONG vers la fin des années 1990—pour la plupart les évaluations n'étaient pas favorables. Les raisons les plus souvent citées pour les échecs incluent :

1. L'incompréhension par rapport au fait que la marge bénéficiaire est très petite et la moindre erreur peut fatale dans les ventes et achats.
2. Les Banques de céréales font fréquemment des erreurs de gestions – l'inexpérience, la lenteur collective dans la prise des décisions et les pressions sociales conduisent à des mauvaises décisions en termes de temps d'action et de détermination des prix d'achats et de ventes ;

3. Le gérant des banques de céréales gèrent des bien collectives et non leurs propres or affaires privées ; donc il y a des faibles motivations pour minimiser les coûts ou efficace gérance;
4. Le stockage spéculatif est moins profitable et plus risqué que beaucoup de personnes assumaient;
5. Les graines qui sont empruntées dans les banques de céréales ne sont pas fréquemment remboursées;
6. Les banque de céréales souvent souffrent de la corruption et d'autres même abusent du cash dans la caisse (par exemple les prêts internes) ;
7. Les agents de support peuvent devenir des prédateurs, volant l'argent de la banque de céréale dont ils étaient supposés aider.

Les cas du succès ont été caractérisé par :

1. Des dirigeants dynamiques et dévoué;
2. Un choix judicieux des villages et beaucoup de formations des dirigeants avant l'opérationnalisation des banques de céréales
3. L'approche d'affaires économiques:
 - Pas de prêts de graines, évité les charités sociales;
 - Fixé le prix du marché ou proche du prix du marché;
4. Ne pas mettre les banques de céréales dans les localités très pauvres, chroniquement déficitaires parce que le faible pouvoir d'achat et la pression sociale d'étendre les crédits.
5. Ne pas aussi mettre les banques de céréales dans les localités excédentaires où il sera difficile de trouver des acheteurs.

Ces commentaires sont tirés d'un reportage de séminaire sur les banques céréales organisé par CRS (Catholic Relief Services) et tenu à Dakar en 1998 ; le document en anglais est disponible sur l'Internet.¹

Une alternative aux banques céréales sont les « crédits d'inventaire ». Il s'agit d'un system où une coopérative des producteurs met en magasin les stocks de céréales appartenant aux membres et utilise ces stocks comme gage pour obtenir un crédit auprès des banques. Le crédit est utilisé pour donner les producteurs un avance sur les ventes anticipées des stocks (70-75% de la valeur mise en magasin). Plus tard dans l'année les membres ont le choix de rembourser le crédit et reprendre leurs stocks ou de laisser la coopérative vendre des stocks et rendre les bénéfices additionnelles s'il y en a. Il y a des associations des producteurs dans la zone Office du Niger qui sont en train de tester cette approche avec l'appui du projet Trade Mali (voir annexe 6).

La cohérence des coûts à travers des communes

Je comprends que l'estimation des coûts pour des activités identifiées par les communes est souvent difficile à faire. Néanmoins, quand on regarde la synthèse au niveau des

¹ Notes from the Workshop on: Community-level Grain Storage Projects (Cereal Banks): Why do they Rarely Work and What are the Alternatives?, January 19-22, 1998; Hotel Alafifa Dakar, Senegal Sponsored by Catholic Relief Services. <http://www.foodaid.org/pdfdocs/cmgmt/grainstorageworkshop.pdf>

cercles et de la région et on constate que pour les activités qui semblent être pareilles d'une commune à une autre, les coûts estimatifs sont en certain cas 10 fois plus grands que pour d'autres cas, on se demande pourquoi. Bien qu'on peut trouver des explications pour ces différences (population d'une commune beaucoup plus grande qu'une autre, par exemple), il sera souhaitable qu'au niveau des cercles et de la région on signale ces cas et évaluer s'il y a des besoins d'assistance au niveau des communes pour raffiner les estimations des coûts.

Liste des Annexes :

1. *Compte-rendu de l'atelier APCAM portant sur l'analyse des contraintes pour l'amélioration de l'approvisionnement intrants agricoles dans la région de Bougouni, MALI (contacter Nango Dembele, PROMISAM pour une copie en format PDF)*
http://www.aec.msu.edu/fs2/mali_fd_strtgy/rapport_definitif_bougouni.pdf
2. *Compte-rendu de l'atelier APCAM portant sur l'analyse des contraintes pour l'amélioration de l'approvisionnement intrants agricoles dans la région de Sikasso, MALI (contacter Nango Dembele, PROMISAM pour une copie)*
http://www.aec.msu.edu/fs2/mali_fd_strtgy/atelier_apcam_sikasso_fevrier_2006.pdf
3. *Compte-rendu de l'atelier APCAM portant sur l'analyse des contraintes pour l'amélioration de l'approvisionnement intrants agricoles dans la région de Koutiala, MALI (contacter Nango Dembele, PROMISAM pour une copie)*
http://www.aec.msu.edu/fs2/mali_fd_strtgy/rapport_atelier_koutiala_0206.pdf
4. *Résumé des activités de FasoJigi (tiré du rapport « CEM » pour la Banque Mondiale fait par MSU) en anglais (voir en dessous)*
5. *Supporting Farmer Cooperatives for Agricultural Input Supply in Mali, Case Study submitted for inclusion in the World Bank Fertilizer Toolkit (en anglais) (voir en dessous)*
6. *Trade Mali Rice Credit Storage Program (CSV) (en anglais) (voir en dessous)*
7. *Rockefeller Foundation Efforts to Promote Input Supply (en anglais) (voir en dessous)*
8. *Liens entre la nutrition infantile et la croissance agricole au Mali : Un résumé des premiers résultats par J. Tefft, V. Kelly, V. Wise, J. Staatz en collaboration avec l'équipe de recherche du LICNAG ; disponible à*
<http://www.aec.msu.edu/fs2/polsyn/number64f.pdf>
9. *Connaissances, attitudes et pratiques en matière de soin et d'alimentation de l'enfant : résultats préliminaires du projet sur les liens entre la nutrition infantile et la croissance agricole par V. Wise, J. Tefft, V. Kelly, J. Staatz en collaboration avec l'équipe de recherche du LICNAG ; disponible à*
<http://www.aec.msu.edu/fs2/polsyn/number61f.pdf>

Annexe 4 : Résumé des activités de FasoJigi
Résumé des activités intrants de FaSoJigi

Although improvements have been made during the past decade, the agricultural input delivery system in the ON is still characterized by high input costs, fertilizer shortages and late delivery, occasional shortages of preferred seed varieties, and higher than desirable levels of credit defaults.

There is growing concern about fertilizer because the past two production seasons have exhibited shortfalls in fertilizer supply and a decline in farmers' ability to acquire the all important input. Recent informal interviews with fertilizer suppliers and representatives of farmers associations in the ON revealed growing problems in the organization and financing of fertilizer imports and distribution.² The 2003/4 and 2004/5 campaigns were characterized by high rates of default by firms winning bids to supply farmers organizations, late deliveries, and skyrocketing prices in local markets (urea selling in 2005 at 18,000-20,000 FCFA/50 kg bag versus the 12,000-15,000 FCFA prices anticipated). Lack of professionalism is apparent among all actors (importers, distributors, farmer organizations) involved in the fertilizer procurement system. The bidding process is poorly managed and does not include an evaluation of the capacity of bidders to deliver on their offers. The legal process for pursuing those who default on contracts is complex, slow, and often corrupt. The International Fertilizer Development Center (IFDC) is active in the zone and has been working with farmers to promote the PACCEM/FASOJIGI (Projet d'Appui à la Commercialisation des Céréales au Mali) concept whereby farmer associations hire professional staff to market rice and accumulate capital that can be used to purchase directly from foreign suppliers (bypassing the increasingly dysfunctional input supply sector). The 2004/2005 season was a major success for FASOJIGI in fertilizer procurement (generally low prices and on-time delivery), but more attention needs to be given to the long-run sustainability of the system should the Canadian funding behind the PACCEM project be withdrawn. Another challenge for this model is the need for hired staff to communicate with the members of their associations so that the complex trades and negotiations that they conduct are transparent and farmers have confidence that their hired staff is acting in the interests of the membership—this is not an easy task when much of the association membership is illiterate and unfamiliar with commercial procurement and sales practices.

² This paragraph is based on information obtained by V. Kelly during a visit to the ON in December 2005.

Annexe 5

Supporting Farmer Cooperatives for Agricultural Input Supply in Mali

This program has been supporting farmer cooperatives over the last 15 years to perform many of the input/output marketing functions performed by the Government. Key lessons include:

- Long-term donor commitment is needed for African farmers to participate effectively in the agricultural sector.
- When given the opportunity and technical support, farmers have the capacity to organize themselves and obtain desired quantities of inputs at lower costs than government-supported input programs.
- Financial support for training and advisory services is essential and, if well administered, can represent a “smart” subsidy.

Name of project or program: UGOA, A Farmer Cooperative Enterprise for Agricultural Input Supply in Mali (*Union des GIE de la Zone OHVN et Associés*; The Upper Niger River Valley Union and Associated Farmers’ Enterprises).

Initiation date: 2002

Completion date: Ongoing

1. Description of project, program, or approach

UGOA links together 13 diverse farmer associations, approximately 400 farmers, in a private sector umbrella organization created to obtain agricultural inputs at prices lower than those offered by the national cotton company and associated government development agencies. UGOA is not the result of a particular donor or government project, but the result of farmer initiative and independent action. This initiative and independent action, however, arose from a long-term USAID commitment to farmer capacity building efforts in the *Office de la Haute Vallée du Niger*, a government development agency located in Mali’s cotton region, and a number of timely institutional reforms. This case study describes the institutional reforms and capacity building effort within the sector, explains how they contributed to the creation of UGOA, and provides an assessment of UGOA for the first two years of its operation. The study concludes that the capacity building process represents the type of long-term donor commitment required if African farmers are to become politically and economically active participants in an increasingly commercialized agricultural sector.

2. Implementation details

From the late 1970s through the 1990s, USAID provided a broad range of support to Mali’s *Office de la Haute Vallée du Niger* (OHVN), a governmental authority responsible for agricultural development in the 31,000 square kilometer area along the Niger River

from the Guinea border to roughly 100 kilometers north of the capital city, Bamako. A key element of the USAID program was to improve farmer skills and capacity so that they could assume many of the input and output marketing functions performed by the OHVN. As part of this effort, USAID funding supported CLUSA³ field assistants who developed the cooperative business and financial management capacity of over 350 village-based farmer groups. Until recently, the principal activity of these groups was to manage input credit for cotton production, consolidation of demand for members, preparation of credit requests, and negotiations with credit institutions on behalf of their members to obtain credit for the consolidated demand. The OHVN continued to supply inputs--obtained by way of the national cotton company, which imported in large lots to realize economies of scale--and purchase output, which ensured that credit repayment could be deducted at the source. Mounting dissatisfaction with the rising costs of inputs channeled through the CMDT and the OHVN led these progressive associations to create a private sector umbrella organization, *Union des GIE de la Zone OHVN et Associés* (UGOA). The UGOA mandate was to order and distribute agricultural inputs and equipment at costs below those offered through existing channels. Five factors contributed to the successful creation of UGOA as a farmer-managed enterprise: (a) improvements in the institutional environment; (b) long-term investment in capacity building for problem solving and negotiation; (c) reliance on community-generated capital; (d) promotion of strong leadership and sound business practices; and (e) supportive government agencies.

Institutional environment: During the 1990s there was a general improvement in the institutional environment related to the creation and management of farmer associations--the variety of associative options was increased and the administrative hurdles for creating associations were decreased. Farmers, through their elected representatives, were given a greater voice in cotton sector policy and management decisions. Salient details of these institutional changes are described in Box 1.

³ In Mali the National Cooperative Business Association, NCBA, is still referred to by its previous name, the Cooperative League of the USA, CLUSA.

Box 1. Supporting Institutional Reforms

- 1980s: *Associations Villageoises* (village-based associations) promoted as institutions through which input credit would be managed in the cotton zones; structure remained “top-down.”
- Early 1990s: *Groupement d'intérêt économique* (GIE) recognized as a legal form of business association and permitted freely associating individuals to form groups. Start-up required only a statement of the proposed economic activity; it did not require initial investment capital.
- 1997: The Uniform Act of Rights for Commercial Groups provided the legal basis on which groups of village associations or GIE could join together to pursue economic or business activities without adhering to the regulatory constraints of the 1988 Cooperative Law.
- 2001: *Etats Généraux du Secteur Coton* provided farmers with an improved mandate to participate in cotton sector policy and program decisions, thereby encouraging some associations to play a more active role in the management of commercial activities.
- 2001: The Cooperative Law was modified providing farmers more flexible and independent options for organizing cooperatively. The mandatory, and burdensome, “establishment tax.”

Capacity building: During the late 1980s and early 1990s the Government of Mali and donors agreed that the role of agricultural parastatals needed to be scaled back; the fiscal burden of the government providing a full range of commercial services to farmers was too great. Farmers were expected to take on more responsibility for various aspects of input and output marketing functions while the government would retain responsibility for extension and other programs of a “public goods” nature. However, low levels of rural literacy coupled with an established habit of having parastatals perform all input and output marketing functions meant that farmers lacked the basic skills necessary to create and manage organizations capable of assuming input acquisition and credit management functions. The USAID project that was providing support to the OHVN during the reform process recognized the importance of farmer capacity building and, more importantly, the time it would take to build this capacity. With core operating support through a USAID-CLUSA cooperative agreement, and additional support from diverse international and national sources, the *Institut Africain de Gestion et de Formation* (INAGEF) provided management and advocacy training to community organizations and farmer enterprises in the OHVN area for almost 15 years. This long-term INAGEF commitment to providing training and support aimed at improving a community’s organizational management and problem solving skills in a variety of areas--literacy training, democratic governance, community health and education services, economic growth--contributed immeasurably to building local skills, organizational experience, and the management capacity that were recently channeled into the creation of UGOA. These multiple experiences helped to increase farmers’ confidence in their ability to handle their own input supply needs.

In 1999 INAGEF responded to requests from several newly created GIEs to expand their economic and marketing activities. In an effort to reduce input costs, the GIEs and INAGEF decided to create an umbrella organization to consolidate the input supply and equipment orders for nine individual GIE representing approximately 4,000 farmers. The INAGEF assistance to UGOA has been of two types:

- (1) Support to member associations for managing and negotiating seasonal input loans with different banking and financial institutions;

- (2) Support to UGOA for consolidating and soliciting input orders; preparing and managing each step of the solicitation and selection process; and resolving conflicts among organization members (e.g., changes in orders or late repayments), as well as those that arise regarding suppliers (e.g., late deliveries, or supplies that do not conform to contract specifications).

Reliance on community capital and promotion of sound business practices: Training and advisory methods used by INAGEF promote the use of community-generated capital--rather than reliance on project funding, transparent reviews of business practices, and an open approach to cooperative business decision making. As members of farmer groups recognize the need to replace village-based concerns with the business principles needed for sound management of their economic activities, INAGEF helps them develop mechanisms to transition from traditional organizational structures--with leadership roles often assigned to influential families or elders, to competence-based business structures. INAGEF field personnel are trained and skilled at helping community organizations build on their strengths, identify their weaknesses, and seek their own solutions to conflict during this transition period.

Government support: Community organizations and the collective farmer enterprises that work directly with UGOA continue to depend upon close relationships with government programs and agencies, including local governmental bodies such as the rural communes and the programs of various ministries (i.e., health, education, agricultural research) as well as the agricultural development services provided through the OHVN. The OHVN still handles cotton marketing, approval of BNDA loan requests, and the provision of technical advice and research, including the quality control of inputs and equipment.

3. Results/Impact

Information on the UGOA operations are available for the first two years. Through receipts from the bidding process and input sales in 2002, UGOA covered its basic operating costs and earned a profit of \$1824 (about 1% the value of sales) while providing inputs to members at a lower cost than prevailing market prices (See table 1).

Table 1 UGOA Input Supply Savings: Agricultural Season: 2002/2003

Product	Quantity	UGOA price (\$/ton)	Prevailing price (\$/ton)	Savings (\$/ton)	Total savings (\$/ton)
Cotton NPK	1,822 tons	297.00	312.00	15.00	27,300
Cereal NPK	36 tons	296.00	344.00	48.00	1,728
Insecticides	2,9701 lt	4.40	6.00	1.60	47,522
Totals					76,550

Success in 2002 did not go unnoticed. Four additional farmers' groups outside the OHVN requested affiliation the following year. The UGOA 2003/2004 demand for fertilizer, insecticides, herbicides, and backpack sprayers from the expanded group of 13 farmer organizations solicited expressions of interest from five private suppliers, with three making firm offers. UGOA members again realized significant savings on inputs.

At present, UGOA is organized as an association. Its objectives are consistent with those identified for cooperatives by the Malian cooperative law,⁴ but it is not yet legally established as a cooperative or as a business enterprise. This means that UGOA is not eligible for credit; each village-based membership group is responsible for securing its own credit. Capital used for purchasing inputs was a combination of capital accumulated by member organizations and input credit that member organizations obtained from financial institutions. A major challenge for ensuring the sustainability of input supply schemes in SSA is credit repayment. Collection efficiency by the UGOA member organizations was reported to be close to 100% for the first two years of operation.

UGOA represents a cooperative business activity that is in the process of merging traditional village-based structures into modern, business-oriented associations. The final form that the business activity will take is not yet fully apparent. What is apparent at present is (a) the very important role that long-term donor support for farmer capacity building and support services has played in helping farmers to create UGOA and (b) the manner in which institutional changes have permitted farmers to challenge the conventional wisdom that the cotton company can provide the best input prices. As UGOA expands and matures, it will need to establish itself as a legally recognized entity; clarify the rules concerning ownership of its assets; and gradually assume responsibility for many of the tasks now performed by INADEF consultants.

4. Lessons learned

- (i) *When given the opportunity and technical support, farmers have the capacity to organize themselves and obtain desired quantities of inputs at lower costs than government-supported input programs.* The UGOA example illustrates that this is true for a cash-crop based production system where input use is profitable.
- (ii) *Given the prevailing context of illiteracy and poorly developed management skills, however, financial support for training and advisory services is essential and, if well administered, can represent a “smart” subsidy.* Continued improvements in management skills will be particularly important as cotton sector reforms advance and the role that the OHVN now plays in approving credit applications--required by the banks--and deducting credit reimbursements from farmers' sales receipts is diminished, thus passing increased responsibility to farmers.
- (iii) *The key is to ensure that needed training and advisory services are available over a relatively long period of time (already 15 years in the OHVN), are provided in a flexible manner that responds to farmers changing needs and skills, and that there is a plan for gradually increasing the cost-share of these services paid for by individual farmers and their organizations.*

Source: This is a case study prepared for the World Bank Fertilizer Toolkit by J. Bingen, 2006.

⁴ Loi 01-076 of July 18, 2001.

Further reading

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Annexe 6 : Trade Mali Rice Credit Storage Program

Rice Credit Storage Program (CSV)

ISSUES

In Mali, the small rice producer has production debts to pay at the end of the growing season and has pressing needs for money for family and social reasons. The primary source of income during that period is rice and in most instances, the producer has no choice but to sell at harvest when the amount of rice in the market is driving the price down to its lowest point for the year. Better timing of rice marketing would improve producer revenue but the small grower has little or no access to sources of credit—primarily through lack of loan guarantees—to handle liquidity needs until a better seasonal selling period.

SOLUTION

The USAID TradeMali project and its partners⁵ have implemented a Rice Credit Storage Program (CSV) to take advantage of the strong market demand, storage characteristics and seasonal price fluctuations of rice in Mali. Introducing the CSV activity to take advantage of seasonal price fluctuations, this activity led to increased producer incomes. The CSV program offers a range of benefits to all involved parties by providing small producers liquidity at a crucial moment and offering the prospect of higher revenues through sales at a more favorable time. Microfinance institutions, skeptical at the start, are expanding their credit participation in the program. This reversal of position on the part of the financial institutions is based on the potentially large number of new and repeat clients, the reduced risk resulting from shared control over the disposition of the rice, and the very high repayment rates.

TradeMali CSV Program

	Year 1 2003-04	Year 2 2004-05	Year 3 ⁶ 2005-06
Number of regions ⁷	3	3	4
Volume stored (tons of paddy rice)	75	631	2 500
Credit (Millions of francs cfa)	7	48.5	180
Number of micro finance institutions ⁸	2	7	8
Number of village associations financed	14 ⁹	21	60
Number of village associations involved	19	21	
Number of new village associations involved ¹⁰	19	20	
Number of beneficiaries (association members)	207	1158	

⁵ Two other USAID projects are involved: Mali Finance assists with negotiations with the micro finance organizations; PRODEPAM shares the costs of the field interns.

⁶ Estimates based on visits to village associations prior to harvest in 3rd year.

⁷ Yr 1: Mopti, Segou, Timbuktu (no credit was received, associations self-financed); Yr 2: Timbuktu, Mopti, Segou; Yr 3: Timbuktu, Mopti, Segou, Sikasso

⁸ Yr 1: Kondo Jigima (in 2 regions); Yr 2: Kondo Jigima (2 regions), Nyesigiso (2 regions), FCRMD, CVECA, DOT; Yr 3: Kondo Jigima (2 regions), Nyesigiso (2 regions), FCRMD, CVECA, DOT, Kafo Jiginew

⁹ The 5 associations in Timbuktu self-financed.

¹⁰ Yr 1: new activity, all groups were new; Yr 2: 20 of the 21 groups were new, due to sporadic rains and locust attacks rice harvest was poor and former member associations had little or no rice.

Sales value (Millions of francs cfa)	12.4	93	
Number of support institutions ¹¹	2	4	5
Percentage of on time loan repayment	100%	100%	

The results from the project's second year show that 21 producer associations composed of 841 men and 317 women stored 631 tons of rice; 94 percent of the women were from the Timbuktu region. The groups secured institutional financing worth 48.5 million FCFA and repaid 100 percent of the loans and interest. By storing and selling in a more lucrative period, the associations earned profits of 13 million FCFA, or more than \$1,200 per association, after payment of interest and bank fees. The strong demand by new groups in neighboring areas for inclusion as we enter Year 3 demonstrates the spread effect possible when beneficiaries perceive value. The rice credit storage program will expand the number of groups in our existing regions and initiate interventions in the Sikasso region. Operations in the Gao region will be investigated.

The CSV rice storage activity has demonstrated the powerful combination of storage and credit in support of the seasonal marketing approach. It provides cash to meet critical social needs, builds relationships between rural borrowers and microfinance institutions, and allows for the possibility of investment in other short-term economic activities. This model should be expandable to value-chains involved with other storable commodities as the embrace of this concept expands among microfinance organizations.

TradeMali has signed protocols with three major Malian government organizations to contribute field staff to CSV operations in their zones to monitor activities and provide training (after receiving Training of Trainers sessions from TradeMali). The project also works with the Government's extension service (SLACAER) in the Timbuktu region and soon in Sikasso.

HOW DOES IT WORK?

The CSV program uses village warehoused rice (primarily paddy rice) as the guarantee for a short-term loan from a micro finance institution. Protocols are signed between TradeMali and the micro finance institution indicating roles and responsibilities, bank charges, interest rates and maximum term. Prior to harvest, TradeMali surveys potential groups for interest and suitability (estimated rice production volume, prior credit history, and suitable warehousing). Interested groups are assisted to form their management committees, evaluate potential storage quantities, introduced to the credit institution, complete credit applications and receive training and assistance throughout the season. In the presence of the credit institution, TradeMali and the management committee rice is brought to the warehouse, stacked, inventoried and recorded. The warehouse is then closed by two strong locks. The association keeps one key and the financial institution the other. The association receives financing equivalent to 70% of the value of the rice at harvest prices. Periodic visits are made by the financial institution and TradeMali to verify the stock. TradeMali and the management committee monitor the rice market prices and recommendations are made as to the best selling period. The financial institution is present at sales, and loan and interest payments are paid at that time.

TradeMali also provides training of trainers, and training in the CSV program to the extension services and the collaborating financial institutions. The extension services in

¹¹ Yr 1: ORS, Slacaer (Timbuktu); Yr 2: ORS, ON, ORM, Slacaer (Timbuktu); Yr 3: ORS, ON, ORM, Slacaer (Timbuktu), Slacaer (Sikasso)

turn provide monitoring and training to the CSV groups, with TradeMali staff spot checking and supervising the process.

TradeMali hires interns (university graduates without work experience) as field staff to monitor the CSV associations and provide ad hoc training and support. Not only does this provide a cost effective means of working with large numbers of groups, it also enhances the graduates' employment prospects.

WHY IS CSV INCREASING IN POPULARITY?

- Provides liquidity to rural smallholders at an opportune time enabling them to address important economic and social needs;
- Provides the producer with an opportunity to earn more by selling rice in a better period when prices are relatively high;
- Provides the producer with an opportunity to invest a portion of the credit in economic activities¹² ex. rice mill, threshing equipment, etc.; and,
- Provides the producers with an opportunity to improve their negotiating positions by selling the stored rice as a group.
- Enables the producer to generate income at an opportune time so as to purchase inputs for the following agricultural season.

OTHER BENEFITS

- Creates or reinforces relationship between the micro finance institution and the producer association.
- Creates a new source of loan guarantee—stored rice under dual lock and key—for a group which does not usually have access to the traditional types of guarantees: property, equipment and other capital goods.
- Forces the association to become more professional through: the establishment of a management committee, training in simple organizational management, recordkeeping, working as an association, loan repayment, and relations with credit institutions.
- The association becomes more visible and has more lobbying and negotiating power; for instance to gain technical assistance in production or to have a better bargaining position when selling as a group.
- The association can also take advantage of the relatively large stored quantities to invest in a simple rice mill, process the paddy and sell the rice to earn more profit.
- Traders like the program because it provides an identified central location having a known significant volume of stored rice. The traders do not have to find and negotiate with dozens of small farmers and then collect the rice from their plots.
- The micro finance institutions like the CSV program because it offers the possibility of a significant increase in their customer base with limited risk and provides the potential for recuperating past due loans by involving rice producing associations having outstanding debts in the program.
- The CSV is a simple program which is easily replicable to other rice producing zones.
- As the micro finance organization becomes comfortable with the CSV operation it is willing to expand to other rice producing regions; and, in the medium term, may be willing to finance other activities from the CSV groups or expand the concept

¹² Which has been done in a number of cases.

- to other commodities having similar storage and market demand and seasonality characteristics in Mali (for example, potatoes and onions).
- The rural extension services like the Office de Niger, Office Riz Segou, and Office Riz Mopti, like the CSV program because it increases the revenue and economic opportunities of the rice producers in their zones, provides the growers with the means to pay the “Offices” services on time, and reinforces the capabilities of their extension staff through training of trainers in the CSV program.

CONSTRAINTS AND ISSUES

The supply of adequate storage is a limiting factor in the expansion of the program. Not every producer association has access to suitable facilities. For major repairs or construction seasonal credit would not be suitable and sources of longer term credit are rare. Our feeling is that given continued good experience under the present system using seasonal credit, the micro finance institutions will be willing to test the concept of longer term construction credit with the associations providing labor and certain building materials.

In a very good crop year, seasonal price rises may not offset the cost of interest and bank charges enough to earn a profit.

ANTECEDENTS

Previous to that there were a number of village cereal bank projects in the rice areas of Mali sponsored by donors and NGOs. Typically under this scenario, the sponsor would provide funds to buy rice for village storage at harvest. A management committee would be organized and training provided. The management committee would determine the sales time—normally during the period when rice was in short supply—and the sales price. Sales prices could vary from village to village and prices were often set with social conditions in mind. The village cereal banks have become less common.

Annexe 7 : Rockefeller Foundation Efforts to Promote Input Supply

Developing Rural Agricultural Input Supply Systems for Farmers in Africa

From World Bank, 2006, African Fertilizer Toolkit

The Rockefeller Foundation is supporting three institutions to develop agricultural input supply pipelines in rural Kenya, Malawi, and Uganda with an emphasis on three key factors: (a) affordability, (b) accessibility, and (c) incentives. Key lessons include:

- Development of rural stockists (agro-dealers) is critical for accelerating smallholders' access to quality agricultural inputs in Africa.
- There is a strong positive correlation between availability of credit and the volume of trade in fertilizers and other agricultural inputs in rural areas.
- Distribution/sale of appropriate small packs of agricultural inputs increases their affordability, safety, and quality.

1. Description of Project, Program or Approach

Following market liberalization throughout most of Africa, the private sector moved in to undertake the functions performed previously by the public sector on the import, procurement, and distribution of agricultural inputs. Unfortunately, the majority of the farm input supply companies have concentrated in urban areas and target primarily commercial farmers. They have not moved into rural markets nor developed rural input markets that reach the rural poor. Therefore, millions of the rural poor farmers do not have access to affordable agricultural inputs such as improved seeds, chemical fertilizers, and other agro-chemicals needed to help them raise their farm productivity. Poor development and weak performance of rural agricultural input markets explain the current low productivity of smallholder farmers

To improve food security and achieve Millennium Development Goals, there is a need to put in place a public-private partnership framework that will: (a) raise the awareness of and improve the efficiency of use of improved technologies and inputs among poor farmers, thereby creating a high demand for these inputs; (b) lower the transaction costs of supplying rural areas with agricultural inputs; (c) improve the linkages between importers, wholesalers, and retailers by removing marketing inefficiencies; and (d) improve the economies of scale in marketing of inputs at the wholesale and retail levels.

Three issues are central to the development of such a framework. First, measures are needed to increase the volume, range, quality, and demand for agricultural inputs in rural areas using commercial channels to supply inputs to the doorsteps of farmers (i.e., accessibility). Second, there is a need to reduce input costs to farmers so they can profitably use new agricultural technologies (i.e., affordability). Third, improvements are

needed in the functioning of agricultural output markets so that farmers can achieve higher prices and incomes from the sale of their farm produce (i.e., incentives).

The Rockefeller Foundation is supporting three institutions to develop these agricultural input supply pipelines in rural Kenya, Malawi, and Uganda. The projects are being implemented by the Citizens Network for Foreign Affairs (CNFA)/Agricultural Market Development Trust (AGMARK) for work in Kenya; and AT-Uganda, for work in Uganda; and CNFA/RAISE project in Malawi.

2. Implementation Details

First, there is need to train a network of rural stockists that can supply fertilizers and other inputs to farmers. Many of the stockists, where available, do not have knowledge of improved seeds and fertilizers, or of safe handling of agrochemicals. Consequently, they are unable to provide farmers with credible information on agricultural inputs use. To solve this problem, the stockists are trained—using commercially-delivered training modules—to develop their technical, product, and business management skills. The modules cover areas such as knowledge of fertilizers and seeds, book keeping, costing and pricing, managing business relations, sales and marketing, stock management, and managing working capital. Once completed, these stockists become certified as “agro-dealers.”

Second, these certified agro-dealers are linked, using credit guarantees, to major agricultural input supply firms who supply them with stocks for 30-60 days credit period. The credit guarantee covers 50% of the risk of default. The choice of agro-dealers, to whom credit guarantees are provided, is made independently by the companies based on their own selection criteria.

Third, to improve affordability of inputs for farmers, the agro-dealers pack and sell seeds and fertilizers in small packages, ranging from 1 kg for seeds, to between 2 kg and 10 kg packs for fertilizers.

Fourth, to help achieve economies of scale in sourcing and transporting fertilizers and other inputs, the agro-dealers form themselves, at the district levels, into “purchasing groups”—with group members providing joint collaterals to guarantee the supply of inputs from the companies. Furthermore, the agro-dealers have organized themselves into national level agro-dealer associations which allow them to better negotiate for lower prices and better credit financing arrangements with the agricultural input supply companies, while it also helps them to influence government policies on imports, pricing, distribution, and marketing of agricultural inputs. As the numbers of agro-dealers have expanded in each of these countries, the flow of farm inputs, particularly fertilizers and improved seeds, into rural areas have increased significantly.

3. Results/Impact

In Malawi where the CNFA/RUMARK project started in 2001, 322 agro-dealers have been trained and certified across the country. A recent survey of rural markets showed that the majority of farmers now buy their inputs from the agro-dealers, compared to buying directly from the government-owned Agricultural Development and Marketing Agency (ADMARK) or the commercial companies. The distances that the poor travel in search of inputs have been drastically reduced in many districts as the number of agrodealers expanded. The range, volume, quality, and prices of agricultural inputs supplied into rural areas have also improved significantly. Within two seasons, these agro-dealers moved seeds and fertilizers worth close to \$900,000 into rural areas based on the credit guarantees. In addition, even greater volume of seeds, fertilizers, and agrochemicals were supplied into rural areas by the agricultural input supply companies, without the need for credit guarantees. The sale of fertilizers by certified rural stockists rose from \$125,000 at the end of April 2003 to \$676,000 at the end of April 2004—an increase of 441%. The default rate on the credit guarantee over the past three years has been less than 1%. This is associated with the quality of technical and business management training the agrodealers receive and their use of collective action to ensure repayment. The expansion of the agro-dealers has also led to an increase in rural employment as they employ casual laborers to assist in loading and off-loading inputs, while also employing permanent sales staff for their operations.

The agro-dealers have also become the most important extension nodes for the rural poor. Several local and multi-national seed, fertilizer, and agro-chemical companies now conduct demonstrations of new technologies with the agro-dealers in rural areas. In western Kenya, GIS-based “rural input access maps” have been developed, which now make it possible to determine the distances farmers in various locations have to travel to purchase inputs. These maps, recently launched by the Government of Kenya, will be of great value to the government and donors in their attempts to better target fertilizer subsidy programs. They will also assist the private sector in determining where they should focus their attention to reach under-served markets.

4. Lessons Learned

- (i) *The development of rural stockists (agrodealers) is critical for accelerating the access of the rural poor to quality agricultural inputs in Africa.* Their development significantly reduces search costs faced by farmers, making much needed production inputs available in rural areas at the right time and in appropriate volumes, sizes, and affordable prices. A new form of private sector driven extension system is emerging in these countries as the major agricultural input supply companies are increasingly conducting commercial demonstrations of new technologies in rural areas with rural stockists.
- (ii) *There is a strong positive correlation between availability of credit and the volume of trade in fertilizers and other agricultural inputs in rural areas.* The use of credit guarantees in Kenya, Malawi, and Uganda is showing impressive results.

It is helping to relax the high capital constraints faced by rural stockists, allowing them to significantly expand the range and volume of fertilizers and other inputs supplied to rural areas. The experience with the credit guarantees in Malawi shows that every dollar of credit guarantee provided to the agricultural input supply companies generated sixteen dollars worth of supply of fertilizers and hybrid maize seeds from the companies into rural areas—a leveraging ratio of 1:16. Efforts are needed now to scale-up training and establishment of rural stockists across sub-Saharan Africa. Governments could consider the establishment of national agricultural input credit guarantee facilities to be implemented by commercial banks to link rural stockists to agricultural input manufacturers, importers, and suppliers, and accelerate the access of the rural poor to productivity enhancing inputs.

- (iii) *To improve affordability of agricultural inputs, it is important that suppliers of agricultural inputs be encouraged to package their products in smaller sizes that are affordable to the rural poor.* This helps improve effective demand. Agro-dealers are already selling seeds and fertilizers in small affordable sizes to the rural poor. Although the possibility for adulteration exists in a few cases, when non-certified stockists try to sell unpackaged and re-bagged fertilizers, such cases are becoming increasingly less likely as the government regulatory agencies become closely involved in quality control, training, and certification of stockists. However, if agricultural input supply companies can develop appropriate small packs for the poor, it will go a long way to facilitate affordability, safety, and quality of agricultural inputs.
- (iv) *Although these rural stockists are becoming important sources of agricultural inputs in rural areas, government subsidy programs could create uncertainties for their operations or undermine their operations.* For example in Malawi, the country's Starter pack input program and Targeted Input Programs had significant negative effects on the operations of the rural stockists as it displaced the private sector. Efforts to promote subsidies of fertilizers for farmers should be done in ways that do not distort or displace these emerging rural input markets. To ensure this, fertilizer subsidies could be provided to poor and vulnerable households in the form of vouchers. If the vouchers are specified as redeemable from certified rural stockists, then such “smart fertilizer subsidies” could be used to further develop, rather than undermine, rural agricultural input markets that serve the poor.