Case Studies on Linking West African Smallholders to Greater Value-Added Activities: Summary Description

A study undertaken by Michigan State University (USA), the University of Ghana, the Institut Polytechnique Rurale de Formation et de Recherche Appliquée de Katibougou (IPR/IFRA – Mali), the Institut d’Économie Rurale (IER – Mali), and the University of Abeokuta (Nigeria), with support from the Syngenta Foundation for Sustainable Agriculture

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Over the past 30 years, agricultural value chains, including those in West Africa, have become more and more consumer-driven, globalized, and integrated. However, there are concerns that the smallholders may miss the opportunities and potential benefits of participating in such value chains if modern supply chain models cannot effectively link producers with downstream agribusiness firms in a manner that reduces risks and transaction costs. In an effort to propose effective ways of linking smallholder farmers to profitable markets, Michigan State University, University of Ghana and other West African partners, with support from the Syngenta Foundation for Sustainable Agriculture, are conducting a set of comparative case studies across selected value chains in various West African countries to investigate and understand the various models of partnerships and contracting that effectively link smallholder farmers to downstream actors (agro processors and exporters) in a manner that benefits both smallholder farmers and the downstream firms, thereby providing incentives for farmers to participate in value chain activities. More specifically, the studies will identify the factors that affect the degree of success of various approaches (contract farming, vertical integration by farmer cooperatives, etc.) under different settings. This knowledge, in turn, will help identify which approaches work best in which circumstances and what accompanying measures governments and their development partners can undertake to foster such models.

For this purpose, the two value chains selected for Ghana are rice and cassava, with emphasis on examining the links between smallholders, farmer associations and processors, such as millers, starch producers and breweries. Case studies in other countries include examination between farmers and grain processors (for rice, maize and millet/sorghum) in Mali, between small orchard owners and mango exporters in Mali and among maize producers, feed millers and
poultry producers in Nigeria. In each instance, case studies of firms involved in innovative partnerships between farmers, their associations, various intermediaries and downstream processors and exporters are being conducted to understand the strengths and weaknesses of various approaches. The ultimate aim of the studies is to draw lessons about how to improve such partnerships in the future and the degree to which they can be extended to other settings.

Michigan State University and its West African research partners are extremely grateful to all the firms, farmers, and farmer organisations that have agreed to participate in these case studies. Any sensitive business information revealed by participants will be held in strict confidence. We welcome their feedback on preliminary findings, which will be shared with them, as will final reports if so desired. We are hopeful that the findings of these studies will promote “win-win” solutions benefitting farmers and downstream actors alike.