

NEWSLETTER



N.º 3 - November 2014

Building the Capacity of Smallholder Farmers and Farmer Organizations (BCFFO) to engage in agricultural value chains in Sofala and Manica Provinces in Mozambique

Funded by the Alliance for a Green Revolution in Africa - AGRA



■ Editorial

Safe and firm steps towards the target...

In this issue, we would like to highlight the interview given by the representative of AGRA in Mozambique, Dr. Paulo Mole. At the same time, this publication presents the assessment undertaken by the Project coordinator and the thematic heads as well as the status of the three project components, namely Capacity Building, Production and Markets.

The Project coordinator talks about the issue of selling of produce, the impact of the political tension, which is now over, on the commercialization of surpluses of the crop season 2013/2014.

The Institutional Capacity Building coordinator addressed the legalization process of farmer organizations, promoting formation of associations and the results achieved by cooperatives. He also spoke about the ongoing trainings

and outperformance of the targets.

The Markets coordinator gave the overview of his component, focusing on the difficulties faced, best practices and the scenario of the aggregation centers.

The Production coordinator reported what is being done in his area of jurisdiction in respect of new technologies used in agricultural production, as well as strategies used for replication and dissemination of production technologies.

To substantiate the above-mentioned interventions, testimonials of several smallholder farmers elucidating the results achieved by the project are set out.

All in all, this publication shows that the project, in addition to increasing agricultural production and productivity, can successfully turn farmer organizations into cooperatives, which translates into a more effective

commercialization, improvement of sales and livelihoods of the smallholder farmers.

Finally, for all that was mentioned above, we can say that the Project has taken important steps towards its

objective: to increase agricultural productivity and revenues of smallholder farmers.

To the dear readers, we wish you a Merry Christmas and a Happy New Year 2015.

■ INTERVIEW



Dr. Paulo Mole, National Representative of AGRA in Mozambique

Interview with the AGRA's National Representative in Mozambique

With a view to inform the dear reader of the basic information about AGRA and the role it plays in Agriculture sector in Mozambique, the editor of this periodical interviewed the AGRA's National Representative in Mozambique, Dr. Paulo Mole. In essence, our respondent highlighted the objective of AGRA, the financial and institutional support that this institution gives to smallholder farmers, the impact of investments made by the organization he manages, how they conceive sustainable farming and what is his view with respect to the integrated project led by Concern Universal in the Manica and Sofala Provinces. Here is the interview:

1. Please, speak about AGRA and the role it plays.

One of the major problems of poverty in Africa is the fact that most of the smallholder farmers have low revenues and revenues are what give purchasing power in order for them to guarantee food security. That's why, the livelihoods for smallholder farmers are precarious and this further accentuates their poverty level. As Africa is a region where the major resource is the land and the primary activity of most of the population is farming, AGRA saw this as an opportunity to support smallholder farmers, in order that they get revenues and food they so much need.

The main objective of AGRA is supporting smallholder farmers to develop farming so that their revenues enable them to ensure food security and improve their livelihood.

About AGRA

AGRA stands for Alliance for a Green Revolution in Africa. It is Alliance because it realizes that farming is complex issue where many actors are involved.

AGRA has technical knowledge to develop and motivate farming. It has a group of scientists, managers and experts from different areas of the agricultural chain. It has a value chain and includes various components. All these components, jointly, can achieve the goal of helping smallholder farmers to produce. This value chain includes programs in the spheres of Seeds, Health and Soil Fertility, Markets Development and Financial Innovation, as well as the support to the development of policies in the agricultural sector.

2. What are the projects AGRA is funding and what has been the impact of this funding?

In farming, one of the major determinants for its development is availability of quality seeds and availability in quantities required.

The first AGRA program is in the area of seeds, called PASS (*Program for Seed Systems*¹). Under this program, AGRA is presently implementing the Scaling Seeds and Other Technologies Project (*SSTP*²), a partnership funded by USAID, under the Global Initiative on Hunger and Food Security - *Feed the Future*.

SSTP tests existing agricultural technologies to increasingly get quality seeds, and massify them. For example, to produce maize seeds, the basic seed is required. However, in order to have this there must be a variety discovered or improved by scientists. Once the basic seed is available, it is important to mobilize the private sector (seed companies), so that they multiply the seed; in other words, producing the seed and distributing it, so that it reaches the end users which are the smallholder farmers.

This is part of what SSTP seeks to do as project under PASS. And what does PASS do? To obtain seed varieties, you need scientists who discover the best seeds and make the crossings. Part of the work of PASS in Mozambique is to finance Mozambicans who will be graduating with Masters Degrees and PhD and will play the role of seed "enhancers" (*e.g. in Umbelúzi Station, there are scientists working there at the Mozambican Agrarian Research Institute-IIAM- who*

¹ Program for Africa's Seed Systems.

² Scaling Seed and other Technologies Projects (SSTP).

studied in Brazil, Kenya and other countries, some of which have been sponsored by AGRA) with mission of discovering and testing new seed varieties, to make them available for feeding the seed system chain in the country.

Smallholder farmers count on the best seeds to boost their productivity; therefore, through PASS, AGRA is funding the training of seed enhancers, research on varieties, seed production, and distribution companies.

The second program, called Soil Health and Fertility (SHF³), aims to improve soils and spread best practices on soil management. As can be seen, a good seed, with poor soils, produces nothing.

As with many other areas, the soil health and fertility program needs to have scientists who study the soil so that seeds discovered and produced are planted in suitable soils in right agro-ecological region to maximize their use and improve agricultural production.

In this sense, AGRA finances Mozambicans to graduate in soil health and its fertility. IIAM's scientists are in charge of soil survey in entire country, to discover the best recipe (nutrients that the soils have and need) to improve the soil health towards the quality of the developed and/or improved seeds. The objective is to know what is good for one soil and is not good for another. These scientists develop technological packages for different geographic locations where smallholder farmers are based. For example, at present, the recommended fertilizer component combination used in Maputo is the same used in Sofala and, because those are locations with different specificities, production can be good in a given province and not in another.

The third area funded by AGRA is Markets and Organization of Smallholder Farmers. We are talking about a specific program that aims to help smallholder farmers towards acquiring knowledge on how and where to sell their products. This is a program that also focuses on raising finance for smallholder farmer organizations, as well as providing training on market management, governance and stock management.

The key-word under this program is aggregation to create attractive production volumes for the market, which implies financing from AGRA to establishing models of how to finance associations.

The fourth intervention area of AGRA is Policy. In the area of policies, AGRA, In Mozambique, funds the operation of 3 forums called **Nodes of Policies** and which are the following:

- a) **Nodes of Policies in the area of Seeds:** this nodes discusses the identified gaps, both in legal and institutional terms to the functioning of the seed system in the country. The nodule serves to support National Seed Platform, which is a forum that brings together actors of the seed system in the country, coming from the public and private sectors;
- b) **Nodes of Policies in the area of Fertilizers:** like seed nodes, this node supports National Fertilizer

Platform by identifying gaps that hinder the development of the fertilizer value chain. The national platform gathers also all actors in the public and private sectors with interest in the fertilizer chain and who discuss and propose actions to the official authorities;

- c) **Node of Policies in the area of Markets:** this node brings actors who wish to improve the business environment, the markets (prices, price constraints), cost of financing, identify gaps and propose actions to the Government.

The vision of AGRA is that poor populations find in farming their basis for survival, and they can do much more, but for this to be achieved you need to help them improve their ability to produce. This shall cause them to have revenues as well as food and nutrition security guaranteed. Today, poor populations cannot maximize this ability, because they have no quality seeds available in sufficient quantities, and the soils they use are degraded; and this results in low productivity and production.

AGRA believes that without quality seeds, without healthy soils and with incipient markets, farmers are dealing with a challenge. That's why AGRA supports the Government's efforts. For example, the financial system does not easily finance agricultural projects due to the risk (farming is a high risky activity). For that reason, AGRA finances agricultural projects through donations.



AGRA finances agricultural projects through donations

Impact of the AGRA's work

The impact of AGRA's investment can be elucidated through some examples as follow:

- **Sweet potato:** there are farmers that produce sweet potatoes as a business, thanks to the massification and spread of the product (sweet potato), by AGRA experts;

Scientists financed by AGRA discovered new varieties (around 12), which are now being exported to Asia. This has an impact on nutritional health, because the sweet potato improves the diet of the people;

³ Soil Health and Fertility (SHF).

- **Cassava:** The variety of cassava used today for the production of beer was developed by teams of scientists funded by AGRA and today people have, in the brewing industry, a market for cassava in Nampula. In the future, other industries will emerge with new breweries. Currently, cassava worth more, because it already has the market;
- **Sorghum (discovered varieties):** Sorghum is the potential for brewing. Varieties discovered in the country, with the support of AGRA, are being released to farmers for them to produce, diversify their production and boost their revenues.

AGRA focuses very much on the training of scientists. Currently, AGRA is funding a Master's program in soils at the Eduardo Mondlane University (UEM), which was not running before. The training program has a group of 25 students, 15 of them have scholarships for working on soil improvement, the development of technological packages (e.g. to match the type of seed to the type of soil) and better practices on soil management in the country.

3. What are the major challenges, for you, in farming?

The challenge of farming in Mozambique is precisely what the AGRA's mission is about, in the country and Africa in general. The mission is to place at the disposal of smallholder farmers, quality seeds and in quantities, to be used in healthy and fertile soils. The purpose is to boost the current

low levels of productivity and production and, thereby, take advantage of market opportunities, to get the best prices for adequate revenues towards welfare and food security. This is the challenge.

4. Please, can you tell us something about the Integrated project of Concern Universal

In the past, AGRA's projects were individual components of its intervention chain. In other words, in the area of seeds, most of the projects were only about seeds. The same was true for soils, or markets. Currently, AGRA started to support integrated projects, where each element of the AGRA's intervention chain is part of a whole, according to the reality and the need for intervention. Today, projects are becoming increasingly integrated, supporting the community of smallholder farmers, in particular geographical areas, in an integrated fashion and with specific responsibilities of every service provider that is part of the intervention. This is the philosophy of the project led by Concern Universal. In the end, the idea is to draw lessons from the integration experience with a view to feed debates on policies and the impact of supporting development.

This is one of the first AGRA integrated projects in Mozambique, through which we have furnished the implementing consortium with enough resources; and we strongly believe that it will be successful.

■ INSTITUTIONAL CAPACITY BUILDING



Capacity building, Américo Tresébio

To learn about what was done under the capacity building, from May to October 2014, the editor of this publication talked to the coordinator of this area, Mr. Américo Tresébio, who has provided us with the following information:

1. About Legalization of Farmer Organizations

As for legalization of farmer organizations, 37 Associations (farmer groups) are legalized, 64 statutes for the same number of farmer organizations (5 in Gorongosa, 9 in Nhamatanda, 22 in Sussundenga, 13 in Gondola and 15 in Manica) were prepared and shared with the leaders of the farmer organizations. Of 64 statutes shared with farmer organizations, 35 were completed and submitted to local authorities at the district level. These are now at the subsequent phase of legalization.

2. About *Chicuízo* Cooperative (Sussundenga)

As regards *Chicuízo* cooperative, it is already established and has its own statutes; it is at the stage of formalization towards its legalization as a cooperative. The number of farmer organizations admitted to this cooperative rose from 11 to 26, with an average of 25 members for each organization, involving a total of 650 registered members.

Impact of the cooperative

It is believed that when farmer groups are organized and become cooperatives, they become more cohesive and strengthened with:

- Increased representativeness when discussing matters that interest them;
- Greater facility to raise resources and support;
- Increased credibility;
- Increased ability to manage a common good, in an effective fashion, to be used jointly;
- Increased access to information and new production technologies.

Some advice for associations that did not adhere to the cooperative

“What we are presently doing in the farmer groups, who are not yet integrated into cooperatives (around 433), is mobilizing them to come together and establish cooperatives. Once again, we are going to massify the dissemination strategy on the numerous benefits of working in groups. These are farmer organizations located in the 5 Project intervention districts.” **(Tresébio)**



Project mobilizes FOs to come together and establish cooperatives

Total number of FOs in the 5 districts where the project is operating

According to Tresébio, there are a total of 718 FOs, of which 466 covered in the year 1 and 252 farmer organizations relating to the first half of the year 2, spread over 5 districts, of which 128 organizations are profiled as cooperatives.

Total number of cooperatives

Currently, 5 cooperatives are operating and are distributed as follows:

- o Sussundenga (3);
- o Gorongosa (1);
- o Gondola (1).

Result of creating cooperatives and associations:

- Some cooperatives and even associations closed contracts for sale of their yields, for example, with *companhia de Vanduzi*, which sells “baby corn” for export;
- Some signed contract with Mozseed in the year 1, with the objective of producing and supplying this company with bean seeds. Mozseed, in turn, processes and commercializes the seed.

3. Trainings

At present, new associations are being trained, as the goal is to reach 1,350 farmer organizations by the end of the Project, concretely in April 2016.

Lessons learned

- There is increased demand for soybeans and maize for feeding livestock in the region. This is result of high demand for meat, along the Beira corridor, as consequence of increasing population due to the mining and extractive industry across the region;
- There is an urgent need to explore alternative and innovative approaches in order to establish permanent connections with permanent buyers, to minimize the risk in the event that large buyers do not honor their commitments. This agent, will serve as the last resort buyer;
- We have learned that farmers are more interested in having a warehouse in their intervention area rather than an aggregation center. This option is a response to the inconsistency in the buyers’ flow, i.e. in the aggregation center, the product should be stored over a short period of time, but in the warehouse the same product should be stored over a long period of time, while prices or suitable buyers are being negotiated.

Surpassed goals

With a goal of at least 450 farmer organizations in an annual horizon, from May to October 2014, 252 farmer organizations have been identified and trained, amounting to an aggregate of 718. The topics that deserved more attention in the training were the following:

- a) Principles of cooperativism;
- b) Importance of organizing farmers into farmers’ organizations;
- c) Good governance;
- d) Drafting and development of a business plan;
- e) Promoting social participation of women and young people in the activities of the farmer organizations;
- f) Development of the statutes of the farmer organizations and their legalization.

4. Balance

The balance is positive, because a significant number of individual farmers joined the associative movement (farmer organization) and women participation has increased, including participation in the leading position, which shows the project's concern as regards gender issues. At present, approximately 30% of the leadership of farmer organizations are women. This conclusion was reached under the training and research work carried out by the project using CPI instrument (Capacity Performance Index) the same as Institutional Performance Index.

Legalization of *Santa Isabel* Association (*Associação Santa Isabel*)

Lourenço Lampião, in an interview with the editor of this newsletter, said that the Association of which he is a member is well controlled, legalized (2011), with DUAT and has 1 (one) bank account. It has currently 30 members (20 men and 10 women) and a legalized area for vegetables of 30 hectares of which 10 hectares are being exploited. It welcomes the support it has been receiving from the integrated project, such as trainings, access to improved inputs as well as market infrastructures.

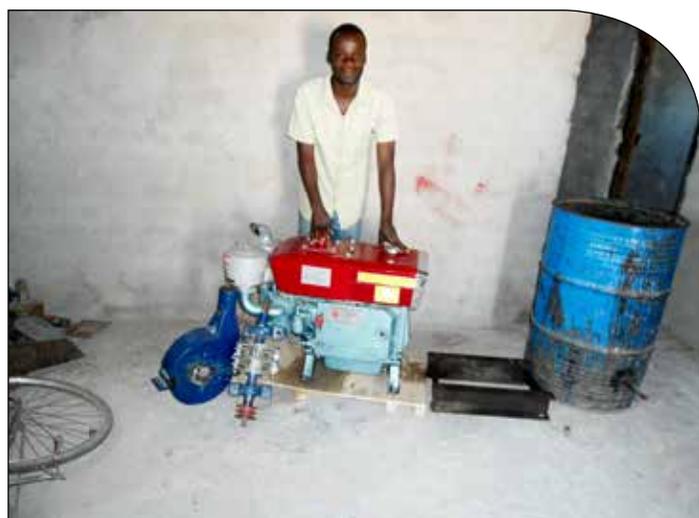
■ PRODUCTION COMPONENT

● Nhamatanda

In Nhamatanda, as for the agricultural production component, the editor of this newsletter heard the following testimonials:

About Production

“The Association of 3º bairro in the season 2013/2014, produced around 40 tons (sesame, which was the focus and maize).” **(Joaquim Mateus Joaquim - Chairman of the Association “Mambo Ngowalima”).**



Joaquim Mateus, Chairmen of the Association “Mambo Ngowalima”

About Sales - 2013/2014

According to Mr. Joaquim Mateus in the season 2013/2014, the association received integrated project that came to galvanize the capacity of the association, in terms of associativism, agricultural production and commercialization. Members of the association received training in the following areas:

- Integrated soil fertility management with objective to increasing crop production and productivity;

- Post-harvest Management and competitive commercialization expertise, in other words, collective Marketing and Market negotiation;
- Associations, cooperatives, conflict management, business plans, good governance, associativism and leadership.

Our source explained that this year the integrated project also continues to support trainings in the intervention components already mentioned, as is the case of collective sales and connection of smallholder farmers with large buyers in order that, in the future, the FO itself take the leading role.

“Through this partnership, we were supported by the project with 30 pallets, two electronic scales, 2 devices to gauge grain humidity and the other one to gauge the percentage of humidity inside the warehouse, and 3 calculators in May 2014 aiming to face the commercialization season 2013/2014.” **(Joaquim Mateus Joaquim)**

“Once this partnership was established, the association produced 250 ton of maize and 100 ton of sesame in an area of 166 ha for maize and 142 ha for sesame” **(Idem)**

Continuing his explanation, our interviewee emphasized that, due to the political tension that struck the country, buyers could not enter the market on time, which is why sesame was sold in a disorderly way to the company called Nhamatanda Comercial, as storing it over a long period of time would put it at risk and would imply additional costs to the smallholder farmers.

“As for maize, we managed to sell 100 tons with the support of the integrated project, in a collective manner, at the price of 5.50 Mt which gave us a net profit of 550.000.00 Mt, thus benefiting over 100 farmers of different associations. Those 100 tons of sesame generated around 3.500.000.00 Mt to smallholder farmers, sold at 35 Mt/kg, coming to 4.050.000.00 Mt. The major maize buyer was Mr. Pedro Manuel, from Inhambane trader, who absorbed 70 tons and the rest was sold to DECA and RASEW-limitada-Beira.” **(Joaquim Mateus Joaquim)**

“To deal with the production process, members use short-handled hoes, even when they have money to hire the tractor, as tractors of private individuals do not meet current demand in the District” **(Joaquim Mateus Joaquim)**

Impact of agricultural production on the social life of smallholder farmers

“Some managed to purchase zinc sheets to cover their houses, some have bought motorcycles and grinds. Thanks to farming, we are improving our livelihoods. When we sell our production, we get a revenue that meets our needs.” **(Joaquim Mateus)**

“For example, with the income provided by my production, I bought a grind. I am convinced that next year I will be an economic operator and stop being just a farmer. With a grind, I am going to increase my production, I am going to have part of maize processed and will sell it in the form of flour and the other part in maize (grain)”. **(Idem)**

“We have improved our houses, bought television sets and other house furniture. We acquired vehicles that help us transport people and, consequently, we already have an alternative source of income in the dead time of farming.” **(Idem)**



Joaquim Mateus improved his house, thanks to Project

Joaquim Mateus believes that the knowledge brought by the project resulted in the following: “The crop yield of this year has increased compared to the past seasons, due to ISFM technologies brought by the consortium (sowing techniques, use of fertilizers and plant density). In previous years, we produced a lot, not due to the crop yield but due to the cultivated area that was large. We were not earning anything and benefited others. With the project, some association’s members received training in Marketing and negotiation and, for this reason, we could promote our product (maize), although the price was not desirable (8 to 10 Mt/kg), which we are selling at 4.00 or 5.00 Mt/kg”.

Appeal:

“I wish the project would not stop here, because many associations still need its teachings and support, as developing smallholder farmers is a challenge and we need to potentiate ourselves to get out of poverty. With the project, we hope to constantly improve our livelihoods.” **(Joaquim Mateus)**

Statements of the chairman of the District Farmers Union of Nhamatanda (UDAC), Airone Isaías Joaquim, and chairperson of the farmer Association of the 3º Bairro.

About UDAC’s work

As regards the work done by UDAC, Airone Isaías said: “We are raising awareness of smallholder farmers for them to adhere to the trainings. We want them to deal with commercialization process and make business plans. We managed to raise awareness of 60 farmer organizations known as “associations” (1,785 members are already benefiting from training) and others remain in the sphere of agro-processing, marketing and development of small associativism projects.”

Impact of the training

“Farmer organizations that have benefited from technical assistance already know how to draft business plans and make collective (sale) commercialization, because they can already negotiate prices”. **(Airone Isaías)**

Access to Credit from microfinancing services

“In this regard, it should be noted that we work with *Banco Oportunidade* and Bank of Kulima and we sensitize the smallholder farmers who can adhere to the credit and enlighten them on how to access these services. At least 15 associations received credit from *Banco Oportunidade* (285,000.00 Mt maximum and minimum of 140,000.00 Mt) and 6 groups from Bank of Kulima”. **(Airone Isaías)**

Criterion used to allocate credit to beneficiaries

“In order that the member benefit from the credit, as a precondition he/she must belong to a particular group or farmer organization. The process is good because each member of the association, individually, cannot get agricultural credit, because of the risk, but through the farmer’s organization to which they belong, and if such association has statutes and is duly registered, they can access credit.” **(Airone Isaías)**

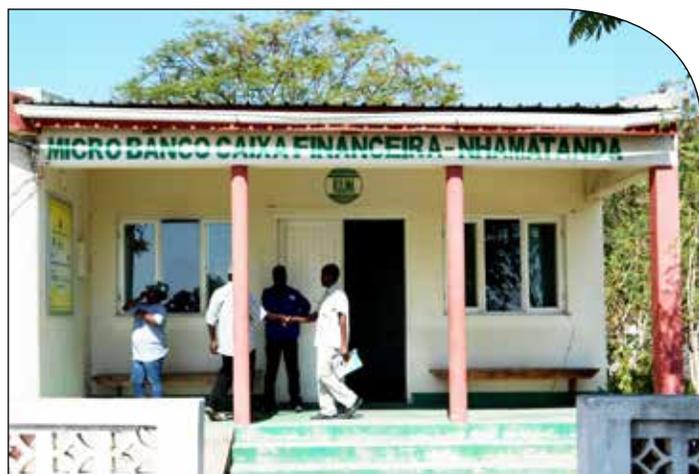
Profile that members of the organizations must have to access credit

According to Airone Isaías, to be eligible to credit, the association's member should fit the following profile:

- Be a member of an organization which is in full operation;
- Regularly take part in the statutory meetings of the organization;
- Ability to produce (he/she wants credit to produce);
- Be committed to the cause of the organization to which he/she is a worthy member;
- Have a recognized reputation, within and outside the organization.

Precondition for credit disbursement

One of the preconditions for the bank to disburse credit in favor of a farmer organization is that the farmer organization should deposit, as counterparty, 15% of the requested amount and at the end of the process, 15% following payment of the total credit amount (plus interests). After all these done, the credit is released to the proponent.



Micro - Credit Bank of Kulima

Lessons learned

This process fosters team work and gives greater responsibility to the members. Members are aware that any amount from credit must be paid off and that it is essential to know how to manage it, and this requires training/knowledge.

Benefits of Credit

As far as credit benefits are concerned, Airone Isaías Joaquim highlighted the following:

- “*Mambo Ngowalima* association was able to recover its tractor that broke down and it repaid the total amount of the first credit. It received the second credit for the commercialization of surpluses and guarantees that payment will be made in December 2014”.

- “There are members who are now living in better houses (they have improved their houses using bricks).”
- “Children go to school and one day can go to Universities, as their parents already get good revenues from the sale of their produce.”

Importance of training and experience exchange

For Airone Isaías, training is the basis for development. Because there are many members lacking training, the project should keep training smallholder farmers. If trainings are not provided, associations will not be sustainable, even if a donor comes and offers them a tractor. Our source believes that the consortium should foster the experience exchange. He says:

“I was already trained as marketing and commercialization trainer, and have benefited from the exchange of experiences in Macate (Manica). Furthermore, I learned that in order to produce soybeans, inoculants should be used (*set of bacteria that helps fixation of azote-nitrogen in the soil*) and many smallholder farmers do not do that.” So, this is one of the simplest ways of supplementing Nitrogen in the soil with no application of mineral fertilizers.

Testimonial of a Credit Beneficiary

“I bought a small open-backed truck that helps me take my family to the farm and transport my products to the warehouse and to the point of sale.” **(Airone Isaías)**

“I have paid off the credit that I was given in August 30, 2014 (I received 50,000.00 Mt and I have reimbursed 60,000.00 Mt) within 7 months.” **(Idem)**

Responsibility of the Association in credit repayment

“The Association takes responsibility for the repayment of credit in case its members fail to repay the credit to the bank. There are individual guarantees provided for by agreements between the members and their respective associations. In case members do not honor their commitments, associations solve the problem with the bank and, subsequently, the association solves the issue with the implicated member.” **(Airone Isaías)**

Impact of the sales

Airone Isaías stated that 50% of the associations have improved their lives, since their most successful members have already acquired among other goods, motorcycles, bicycles, TV sets, cell phones, and have purchased 2 tractors.

Sales

As regards produce sales, Lourenço Lampião **chairman of Santa Isabel Association** explained that maize sales brought

good revenues. However, in general the commercialization process was not at its best, as some products are losing quality while still in the possession of the Association. Under the integrated project, IDEAA-CA has promised to identify a new interested buyer for the remainder of produce. Also, it made the payment of 1.5 tons of maize. Of 5 tons produced, 1.5 tons were sold, amounting to 7,000.00 Mt.

Impact of credit on the social life

“I got credit and worked on 3 hectares of sesame, but at this farm I only achieved 400 kg and sold at the price of

38.00 Mt. I was able to repay 10.000.00 Mt and the rest of the credit will be repaid using the income from the sale of vegetables. To produce large amounts of vegetables, I buy seeds and fuel for irrigation. In parallel, we already have one assistant who works regularly with us and we now have the skills/technologies that help us boost production.”

(Lourenço Lampião)

“At the end of 2013, I completed the construction of a brick house.” **(Idem)**

New experience in controlling plant pests

According to Lourenço Lampião, due to the pest of grasshopper, *Santa Isabel Association* wants to stamp out the pest by strategically promoting a unique experience with 4 members who will contribute 20.000.00 Mt (5.000.00 Mt x 4) for the purchase of grasshopper, as chemicals may not be applied by all and so it is difficult to control pests completely. The idea is to foster a biological pest control through the consumption of grasshopper as food.

Tractor is needed...

Our source, who spoke on behalf of *Santa Isabel Association*, asks for the support of the integrated Project in the sense that this could facilitate the organization he manages to get a tractor on credit to enable timely and quality ploughing.

Fair sales prices must be guaranteed

According to Lourenço Lampião, the fact that the selling price of maize in the 2013/2014 agricultural year was relatively low affected the smallholder farmers and the situation is even worse for smallholder farmers who have accessed microcredit. Such smallholder farmers who accessed microcredit will not be able to pay off the amount in debt. Against this background, our source perceives that the project will help associations to find honest buyers who pay fair prices for the forthcoming crop season 2014/2015.

Sussundenga

During the trip to Sussundenga, the editor of this publication met with part of members of the Associations integrating the **Cooperative – “Kubatana Chicuízo”**. Here is the information collected:

Statements of Francisco Marimbe (Chairman of the Cooperative):



Francisco Marimbe

Current Status of the Aggregation Center

In addition to the trainings, the Cooperative *Kubatana Chicuízo* benefited from the integrated project an infrastructure (aggregation center) to facilitate transitory concentration of the agricultural surpluses for the collective sale. According to Francisco Marimbe, at the present time, and at the initiative of the cooperative itself, they are making bricks to fence the aggregation center, in order that greater comfort can be reached for the handling of products and the security of the property.

Negative impacts of political and military tension on the sales made by the farmer organizations in the first year of the Project

As for the sesame, Marimbe clarified that, using as pseudo-argument which is the excuse of armed conflict, Chinese buyers paid 25.00 Mt/kg, right at the opening of the market. Farmer organizations produced, but they did not control the total quantities of each product, although the instruction of the project was that, ultimately, yields

should be gathered in order that collective selling could be done. However, this instruction was not strictly observed by members of the farmer organizations and, eventually, they gave way to offers from intermediaries by selling at a relatively low price, between 20 and 25.00 Mt against the official market price of 60 Mt/kg. In addition, our interlocutor emphasized the following: *“fearing not selling their yields, in virtue of the argument of the political tension, associations believed in the good faith of the Chinese buyers and showed an attitude of distrust of the instructions set out by the project, as they did not present the issue to the market component on time.”*

Difficulties to sell at a fair price and cunning buyers

As for the yield sales, and according to our source, the scenario was as follows:

“Smallholder farmers had to sell the quantities available, because there was no alternative at that time. It was difficult for the project to bring buyers on time for the associations to feel confident in the project.” **(Francisco Marimbe)**

Francisco Marimbe reported a case where some Chinese buyers pretended that they did not want to buy maize any more, and later they showed up with low prices. According to our interlocutor, individually, members of associations sold maize at 5.00 Mt/kg to DECA (company based in Chimoio). In addition, Marimbe regretted the attitude of some buyers who always “tortured” farmers psychologically during the period of political and military tension, and used to say that the road had been blocked for the people and good movement and, therefore, smallholder farmers should sell their produce, otherwise they would not get buyers. This situation has greatly affected farmers’ revenues. Allied to this, the prices offered were the worst. He cited the example of the previous year (2012/2013), where maize was purchased between 7.00 and 9.00 Mt/kg against 4.50 to 5.00 Mt/kg in the crop season 2013/2014.

Aggregation Center will be fundamental in commercialization

Our source said that the lack of a functional Aggregation Center hindered the produce aggregation. “Once it is completed, people will prefer selling at the Aggregation Centers and not taking production to the street.” In addition to what he had said before, he stressed that the infrastructure in which the yields aggregation center will be operating lacked fence to protect products against rain and wind as well as protection itself.



Current status of the Aggregation centre in Sussundenga

Impact of improved access roads on the collective commercialization

“With the tarmac road in Sussundenga, there will be much competition in the purchase of produce, which will thus facilitate collective sales, once access will be easier.” **(Francisco Marimbe)**

How is the forthcoming crop season being planned?

“For this crop season, we plan to gather production (at harvest time). Each member will bring their produce and pre-selection will start at the aggregation center, as a way to discipline dishonest smallholder farmers who, by the way, insert non maize related material (stones) into the bags for purposes of raising the weight dishonestly. This production, after going through a certification process, can be sold directly to the buyer, or transported to the warehouse, in cases you are negotiating with or have identified a potential buyer. The view is to plan how much each wants to grow (e.g. 3 hectares of maize).” **(Francisco Marimbe)**

What is the reason for delay in the completion of the Aggregation Center?

Francisco Marimbe considers that the delay in completion of the aggregation center is related to the difficulty of the members themselves who could not take part jointly in the production of bricks as agreed between the beneficiaries and the project. In addition, our interlocutor presented the following arguments to justify why the Aggregation Center was not timely completed: “First of all, we had to define how much was required (in cash) to complete the infrastructure. Secondly, it was necessary to find someone to do the work and who would determine the amount for each member to pay and this only started in August (400.00MT/each member).”

Current Status of the Aggregation Center

Francisco Marimbe said that, so far, bricks have already been made. Our interlocutor assured that 30,000 bricks for the covering of the aggregation center shall be made available soon.



Bricks for the Aggregation centre in Sussundenga

Role of the Aggregation Center

“Once the Aggregation Center is established, it will be facilitating publicity, visibility and location of our cooperative.” **(Francisco Marimbe)**

Impact of the project

“The project has helped in many ways, strengthened the associative movement, provided trainings that changed the way we think and see things, improved the management of our sales through establishment of the Aggregation Center and many other good things that are aimed at improving our lives in general.” **(Idem)**

Revenues resulting from the training provided by the project

To elucidate the result of the training provided by the project, Francisco Marimbe gave the following examples: “In area of 20x20, using ISFM technologies, with 1 kg of maize one gets 150 kg and the revenue is 750.00 Mt and with 2 kg of soybeans one gets 70kg with revenue of 840.00 Mt”.

Gains arising from the establishment of the cooperative

“The major gain was the awakening to the agricultural production and commercialization and how associations implement them. Note that the number of associations affiliated to the cooperative increased from 8 to 21. The cooperative now has 21 associations with 460 members (239 men and 221 women).” **(Francisco Marimbe)**

Challenges

Given that the project has guaranteed improved seed, Marimbe argues that the challenges to be faced are the following:

- o More credit so one can increase their production area and hire labor, work in order for them to assist in the soil preparation and crop management;
- o Ensure that agricultural inputs arrive on time, so that the farm area for sale and the farm area for consumption can be timely determined.

Strategy to cope with the issue of commercialization

“For crop season 2014/2015, before the smallholder farmers start farming, the project will contact buyers, as from the day 22/9/14. Now talks will be held between the buyers and sellers to fix the price to be used to sell production to buyers, because this encourages and reassures smallholder farmers.”

MARKETS COMPONENT

To familiarize himself with the markets component, the editor of this periodical spoke with the chairmen of the District Farmers Union for Nhamatanda and Manica, Mr. Airone Isaías and Mr. Pita Pacanate respectively, and with the coordinator of the markets component, Mr. Anésio Walter.

Conversation with Airone Isaías (UDAC of Nhamatanda)

As for the markets component, the chairman of the District Farmers Union of Nhamatanda (UDAC), Airone Isaías shared the following with the editor of this newsletter:



Airone Isaías, showing the equipment

The challenge of selling the entire yield

“We are now looking for another company to successfully sell the remaining 274 tons. We have already sent a maize sample to another potential buyer from Inhambane. As far as sesame is concerned, we have no buyer yet.” **(Airone Isaías)**

Manica

The editor of this newsletter spoke with the coordinator of the markets component, Anésio Walter, on the current status of his field of work, from May to October 2014. During the interview, the following information was presented:

Equipping Warehouses

In order to equip warehouses and avoid complains of traders, the markets component acquired the following equipment to monitor storage conditions of the produce to be stored:

- o Full kit of scales;
- o Termohygrometers to measure humidity of the grain itself;
- o Humidity and temperature gauge inside the warehouse.



Challenges in commercialization/markets component

Under post-harvest losses reduction, we can highlight the following challenges:

1. “The issue of the smallholder farmers themselves (in terms of honesty). In other words, bags for the collection of a field product were given to the smallholder farmer and as he/she (the smallholder farmer) wanted to earn more, he/she used to insert cobs (maize straw) and stones into the bags to increase the weight when it came to move the product from the field to the warehouse. Before it was stored, the product had to be cleaned, and at that time, all these irregularities were detected and the product had to be sieved, bagged and after registration, the product entered in the warehouse.” **(Anésio Walter)**

2. “The quality of maize itself. In this case, there was no uniformity in grains.” **(Idem)**
3. “The political and military tension caused buyers coming from the south region not to travel to the central region. This led to the reduction in price of all crops (maize, soybeans, sesame and beans) for lack of competition among buyers.”
4. “The low price offered was not worth the cost/benefit to the smallholder farmers. For example, in the previous agricultural year, maize could be bought at 10.00 Mt/kg and, in this agricultural year, the price ranged between 4.50 and 5.00 Mt/kg. In the previous season, for example, soybean was sold at 18.00 Mt/kg while in this crop season, the price ranged from 10.00 to 15.00 Mt/kg. All these occurred because we only sold locally and we did not reach the south region where there are strong buyers and because of the prices offered by DECA and Abílio Antunes (they took advantage of the situation). This scenario made it difficult for us to sell the surpluses at a fair price.” **(Idem)**
5. “Buyers have not predisposed themselves to move to the production area to get the goods, which made the project intervene, by helping smallholder farmers to take produce to the warehouse.” **(Idem)**

Response to the challenges

o Quality of the Product

The equipment for quality control has been introduced in all aggregation centers (14). Products are monitored in Aggregation Centers and moved to the central warehouse. **(Anésio Walter)**

o Price and the transportation of surpluses

“The issue of price is outdated, because consensus was reached and, for example, on the day 22/09/2014 a meeting was held between the buyer himself/herself and smallholder farmers, in Macate (new district).” **(Anésio Walter)**

According to Anésio Walter, so far as transportation is concerned, the philosophy of the integrated Project will be followed, where the buyer will get his/her product at the aggregation centers or warehouse only.

Connection of Associations to structured markets

Our source informed that 8 associations have been connected to structured markets (it means place where you make the purchases and there is a record of payments, i.e., receipts, invoices, cash sales). Structured markets differ from the case of the vendors who have no record of commercial transactions and no relationship links between the buyer and the supplier.

Here is the list of associations connected with structured markets:

1. **Associação Abelha** (A member of IDEAA and headquartered in Macate district) - engaged in the production of soybeans. The quantity produced was 30 tons, sold at 10.00 Mt/kg, because IDEAA provided smallholder farmers with all inputs (and debited the invested amount);
2. **Kurara Akuna Ndima** (Mavonde Administrative Post) - with several branches, also has grown soybeans amounting to 30 tons, but the association did not commercialize for IDEAA and instead sold at 12.00 Mt to a trader, having been left with a debt (inputs and bags provided by IDEAA);
3. **Kurima Kwakanaca (Manica)** – it grows maize and is linked to IDEAA, an intermediary for 1 dealer from Beira. They had 130 tons of maize and sold the yield to the buyer at a price of 6.00 Mt/kg for UDAC.
4. **Wanzay Futa** (Sussundenga) - linked to IDEAA and to maize production. It grew maize and sold 80 tons at 5.00 Mt/kg to a dealer from Beira;
5. **Group of farmers in the Monha Locality (Sussundenga)** – they produced 5 tons of soybean (but not the best one) and commercialized it at 10.00 Mt/kg;
6. **Association of the 3° Bairro (Nhamatanda)** - it produced maize (900 tons) and sold it at 5.00 Mt/kg. IDEAA was the intermediary and there was a direct connection. The production was sold to a trader of Inhambane;
7. **Matsinho Association (Vanduzi District)** – it has commercialized to 1 individual buyer, (5 tons of maize at 5.00 Mt/kg);
8. **Messica Association** (Manica district, Messica administrative post) – it has commercialized 40 tons of maize at 5.00 Mt/kg.

Machipanda



Sr. Pita Pacanate showing the equipment

In his visit to Machipanda (Manica), the newsletter editor spoke with the chairman of UDAC, Pita Pacanate, whose report is shown below:

• About the purchase of maize

“First of all, UDAC talked to IDEAA (as last resort buyer) and it agreed to buy maize, and to this effect, it

advanced 5.500.00 Mt, because it was an early stage, UDAC distributed it to its members (associations) who paid smallholder farmers for every 20 kg of maize 115.00Mt.”

(Pita Pacanate)

According to Pita Pacanate, the Project supported UDAC of Manica with the following:

- o 31 pallets to improve storage of products in the warehouse in particular maize; 1 scale; 1 grain moisture gauge and 1 thermohygrometer for gauging the room temperature (inside the warehouse).

Difficulties in the disposal of excess production

Our source said that there were difficulties with disposing of surpluses, maize in particular, from the areas of production/purchase into the warehouse (for 3 months).

Capacity building to use equipment

According to our source, with a view to transfer knowledge on the use of the equipment made available to UDAC by the Project through the markets component, the following trainings have been administered:

- o How to arrange products inside the warehouse;
- o How to carry out stock control inside the warehouse (registration of incoming and outgoing products);
- o How to adjust the room temperature in the warehouse for good storage.

Monitoring the quality of maize grain

“For this campaign, we will introduce other types of equipment, we are talking about Sieves in order that we could get uniformity of the grain (the same size), because sellers (farmers) bring the grain in different patterns. This will make it possible to monitor the quality of the product. The better the quality of the product, higher gains the farmer will get.”

About UDAC

UDAC is the Acronym for District Farmers Union, which is responsible for all associations integrated in it, and all constraints that they have are reported to UDAC.

Being a member of UDAC has advantages

A direct benefit of belonging to UDAC, for example, is that one who belongs to an organization, either a club, Association or Cooperative, and in turn affiliated to UDAC, sells its product at a price relatively higher than those who do not belong to any farmer organization. In this case, who earns more is the one who is a member of a FO.

Balance of Mr. Anésio Walter, coordinator of Markets Component

The editor of this periodical, at the end of the visit to UDAC, asked Anésio Walter, coordinator of the markets

component to draw a general report of the work of the component he manages covering May to October 2014. This is the summary of his explanation:

Difficulties Faced

1. Relatively low prices of the produce against the prices offered over the previous agricultural campaigns were implicitly linked to political and military tension experienced in the country, in particular in the central region. This led to no competition between buyers. This caused local buyers to fix prices and smallholder farmers could not negotiate those prices. On the other hand, dishonesty, on the part of smallholder farmers made the produce to lose quality. As a direct effect, low prices were offered and sometimes the produce was rejected. At a given extent, road access caused buyers to refuse to enter some zones of production;
2. Lack of organization and readiness of smallholder farmers for collective sales (some buyers, rather than selling collectively, did so individually and therefore lost out).

Best practices

One of the good things arising from the sale, at community level, is the community contribution in terms of material for finishing touches of the Aggregation Centers (sand, bricks, labor and the part of the door). Another best practice was the support from the project in terms of cement to build and plaster the walls as well as the floor.

Current status of the Aggregation Centers

The examples of Aggregation Centers operating normally are those of Manica, locality of Mavonde and Chirodzo (Manica/Messica). The other Aggregation Centers are still at an early stage, but they have already manufactured bricks. The project is transporting the bricks and stones. The community identifies and pays the builder who sets the foundations, provides bricks and the project provides cement. The mason covers (to avoid rainwater infiltration) the infrastructure. The community felt the need to cover the Aggregation Centers to help sales.

Currently, a total of 14 Aggregation Centers were established, of which 9 were established in the first year and 5 in the first half of the second year, i.e. from May to October 2014. These centers were very important for smallholder farmers to aggregate their produce which were commercialized collectively.

From May to October 2014, 5 new Aggregation Centers were built in the following locations: 1 in the Matsinho Administrative Post, which belonged to the Gondola District, 1 in Mutindiri in the community of Zembe, 2 in Nhamatanda and 1 in Dombe in Sussundenga District.

In all locations where the Aggregation Centers were established, it is noteworthy that there is a good relationship and understanding between beneficiaries, the project team and local authorities, who are involved actively in the discussions related to the identification of the best locations, to respond efficiently and effectively to the beneficiaries in the region.



Aggregation center in Chirodzo before and after intervention

QUANTITIES SOLD IN ALL DISTRICTS (THE ONES WHO WERE SUPPORTED BY THE PROJECT AND THOSE WHO SOLD PRODUCTS INDIVIDUALLY) / CONNECTION WITH STRUCTURED MARKETS

■ Comments from the Project Coordinator

As regards the challenges in the sale of produce, by smallholder farmers, the editor of this publication spoke with the coordinator of the Integrated Project, Arlindo Muambole, whose dissertation is presented below:

About the issue of sale of production

Messages that the project conveyed

According to the Project coordinator, in Dimbautoro, smallholder farmers sold sesame to a buyer, initially at 20.00 Mt/kg, and he resold this product at three times higher price (the project investigated and discovered that fact), and after 2 weeks the same buyer came back and purchased sesame at 45.00 Mt/kg.

Continuing, Mr. Arlindo Muambole said that the project warned once again smallholder farmers not to be hasty in sales and that sales should be made collectively, as smallholder farmers would have greater negotiating power. In this very case, smallholder farmers had lost a lot of money because, for example, selling 100 kg at 20.00 Mt/kg, earning 2,000.00 Mt is very different from selling at 45.00 Mt/kg the same quantity and gain 4,500.00Mt, which makes a big difference (2,500.00 Mt more).

Smallholder farmers were sensitized and so concluded that, according to the instructions of the project if they sell collectively they will have more opportunities to sell their products at fair prices. In parallel, smallholder farmers realized that they were deceived by the buyer (who was cunning). They have decided to remedy the mistake they made.



Arlindo Muambole, Integrated Project Coordinator

Impact of the conflict

The Project coordinator addressed the negative influence that the political and military tension brought to sales. For example, the project coordinator said that DECA, in the last commercialization season, used to buy maize at a price ranging from 7.0 to 9.00 Mt/kg and bought it until the last moment, because there was competition (the saleswomen from Maputo) who pitched their stalls at points of sale. With the outburst of political and military conflict, the percentage of sales declined and caused other buyers to lower the prices, at a loss on the part of smallholder farmers, as buyers fixed the prices. This scenario, to some extent, caused the project's efforts to be discredited, since at the time of disclosure to and sensitization of smallholder farmers, the main message was that if smallholder farmers followed the project instructions, they would end up winning, and they would sell at competitive and fair prices.

■ Comments of the coordinator of the production component



Gildo Xavier, Coordinator of the Production component in field with farmers

In the conversation he had with the editor of this periodical, the coordinator of the Production component, Gildo Xavier, gave the current status from May to October 2014, in his component. The comments are as follows:

“We are collecting data of the results demonstration plots, known as CdR, and making data analysis, in terms of crop yield. The analysis performed, as for CdR, at maize plots not fertilized, generally one cannot reach 1 ton (about 800/900 kg taken without fertilizers).” **(Gildo Xavier)**

“In plots fertilized at 50%, 2.5 tons were obtained. In plots fertilized at 100%, crop yields ranged from 3-4 tons/ha. However, yields are low because, even though analysis of soils were conducted, the type of fertilizers were not used accordingly as recommended, because we did not have the recommended ones and so we used the commonly used (12-24-12). **(Idem)**”

“On the 3rd and 4th of November 2014, the integrated project was honored by the visit of the representative of the markets component of AGRA (donor), Mr. John Macharia, who is based in Nairobi (Kenya). According to the visitor, this is one of the programs that is quite organized, especially with regard to the quality and quantity of information.” **(Idem)**”



Visit to Association Santa Isabel in Nhamatanda

“In short, AGRA wants to know the price at the local market at the time of sale, so to highlight the differences between commercializing the produce individually and in aggregate by farmer organizations. The good performance of the smallholder farmer, as an individual or in the organized way, is directly reflected in the Project performance and, consequently, in the good performance of AGRA as a whole.” **(Idem)**”

“In order to ensure sustainable farmer organizations, a proposal was presented towards coping with the difficulties that smallholder farmer’s face when supporting their associations. Instead of smallholder farmers contributing through a value of 2.0 Mt per each kg sold, they can contribute in kind. For example, smallholder farmers can give a specific amount of produce to the association and this association, subsequently, sells the produce and gets a higher value for the sustainability of the association itself.” **(Idem)**”



Motorized pump of Santa Isabel Association

The visit perceived that associations are not doing enough to maximize their funds and raise more funds to maintain their motorized pumps for irrigation. As a suggestion, each member should supply the pump with fuel and contribute with a levy at the harvest time, whether in cash or in kind to be converted into cash.

Ficha técnica

Propriedade: Concern Universal
Editor: Jorge Manuel da Conceição Júnior
 (Email: jorgeginho@yahoo.com.br)
Supervisão: Arlindo Muambole e Helena Skember
Revisão: Arlindo Muambole

Layout: Publiflix
Impressão: Brithol Michcoma
Periodicidade: Semestral
Tiragem: 500 exemplares
Boletim Informativo: Registrado com o número 65/GABINFO-DEC/2011