

# NEWSLETTER



N.º 1 - November 2013

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

### Making smallholder farming profitable and sustainable

Insufficient knowledge of innovative affordable modern agricultural technologies, despite good conditions (favorable climate and water availability) for a successful farming leads to low (little) production, no surplus and low agricultural production revenues.

This integrated Project under the leadership of Concern Universal promotes a set of strategic actions aimed at putting into operation three important dimensions of the cycle: production of food crops, commercialization and institutional capacity building.

However, this Project recommends that Smallholder Farmers have access in the short and medium term, for example, to good quality seeds at affordable costs. This is possible thanks to subsidies given to seed Smallholder Farmers which make seeds reach Smallholder Farmers at a price perfectly affordable for them. Given these circumstances, dealers/distributors (agro-dealers) of agricultural inputs have the prerogative to buy seeds on credit and can pay off within 30 days after taking the products. The same benefit applies to Smallholder Farmers. This means that Smallholder Farmers have quality seeds in quantities desired. And besides that the training of farmers on integrated soil fertility management addressed by Kulima, one of the members of the Consortium (Project), will increase their agricultural production and their revenues.

On realizing that only collectively organized farmers can capitalize on the support offered by the Project and have more chances to succeed, Project encourages farmers to create associations. Project also enlightens farmers on legal instruments (training of members on the statutes of associations and their importance). Legal instruments provide farmers with protection and further opportunities (they can get investment loans with ease): In parallel, Project equips associations with fundamental knowledge on accounting. In this context, over the three years of the Project, the Smallholder Farmers, already organized in associations, will have good agricultural surpluses. These surpluses will be stored into warehouses already available and into those to be rehabilitated by the Project to facilitate agricultural commercialization.

Therefore, access to good quality seeds at affordable prices, promotion of a network of a well-organized commercialization network and capacity building of associations, from the legal and financial management perspective, if implemented in full and as planned by the Project, these components will result in a perfect production cycle. Such perfect pro-

duction cycle enables Smallholder Farmers to reach levels of production and productivity that will greatly contribute to their achieving the goal of the Project which is to increase agricultural productivity and revenues of Smallholder Farmers.

# ■ DESCRIPTION OF THE PROJECT

## Background

Concern Universal partnered with KULIMA, IDEAA, AGRIMERC-ODS, OCODEMA, KIXIQUILA Pesquisa & Consultoria, DENG COMERCIAL, LDA, ODC and SEMENTES NZARA YAPER is implementing a Project funded by the Alliance for a Green Revolution in Africa (AGRA). This is a single Consortium/Project addressing Smallholder Farmers issues, as its major premise is the sustainability of Smallholder Farmers' associations. In other words, at the end of the Project capacity of associations will be strengthened and they will be able to "walk with their own feet".

For this purpose, Project is implementing an intervention based on pre-existing initiatives to increase capacity of these organizations to effectively deal with very competitive input markets and external markets.

## Project Overview

**Total Project budget:** \$3,164,488.19  
**Start date of Project:** May, 1, 2013  
**Project timespan:** 36 months. (Ends in April 2016)

**General objectives of the Project:** increasing agricultural productivity and the Smallholder Farmers' revenues.

### Specific objectives of the Project:

1. To increase the knowledge and use of ISFM (integrated soil fertility management) among smallholders farmers;
2. To increase farmers' access to modern agricultural inputs (especially fertilizers and improved seed);
3. To improve access to output markets by Smallholder Farmers and reduce post-harvest losses;
4. To improve the capacity of Farmer Organizations (FOs) to meet the needs of their members.

## Overall strategy of the Project

The overall strategy of this Project is strongly linked to an integrated effort driven by a network of competent organizations, which together undertake to achieve common results as well as collectively take responsibility under the leadership of Concern Universal.

## Project Intervention area

Project operates in five (5) districts along the Beira corridor, two in

Sofala Province (Nhamatanda and Gorongosa) and three in Manica Province (Manica, Sussundenga and Gondola).

## Direct Beneficiaries

An estimated 40,000 direct beneficiaries are to be reached with a full intervention package from this Project. The goal is to increase capacity in the sectors of production and marketing.

### Households – target of Project, by district, and respective percentage:

- **Sofala Province:**
  - Nhamatanda (8500 households from a total of 35,126, around 24% of the target-population of the district);
  - Gorongosa (6000 households from a total of 19,485, approximately 30% of the target-population of the district).
- **Manica Province:**
  - Sussundenga (7000 households from a total of 21,642, equivalent to 32% of the target-population of the district);
  - Gondola (10000 households from a total of 43,735, representing 23% of the target-population of the district);
  - Manica (8500 households from a total of 35,534, equivalent to 24% of the target-population of the district).

## Gender equity is one of the main Project components

The 2007 census shows that female population represents around 52% of the total of these districts. The intention of the Project is that at least 30% of the direct beneficiaries be women and young people.

## Project approach

The Project is designed to explore and develop mutually beneficial partnerships between private sector dealers and Smallholder Farmers. Such mutually beneficial partnerships start right from the beginning of the Project in order to build a system that can continue to operate even after the end of the Project. Partnership is guided by understanding interdependencies between efficient markets and market linkages, information systems and organizational development, and institutional capacity building for needy Smallholder Farmers. This will enable Smallholder Farmers to overcome barriers and improve productivity and revenues.

# ■ VOICE OF THE PROTAGONISTS

“This Project is a response to the wastage of agricultural potential of the Beira corridor resulting in the lowest average production across the entire south region of the Africa...”

Explains the Project Coordinator, Arlindo Muambole



For the reader to understand the contours of this Project at this early stage, it is fundamental that we talk to the coordinator, Arlindo Muambole. The coordinator answered the most relevant questions to the current time of the Project in an elucidative and didactic way. Here is the interview:

## 1. What were the reasons to undertake this Project?

This Project is a response to the wastage of agricultural potential of the Beira corridor resulting in the lowest average agricultural production across the entire south region of the Africa due to the following factors:

- The income of the Smallholder Farmers is that prevents them from acquiring inputs and improved quality (seeds and fertilizers);
- Reduced capacity of crop production and an inefficient network to sustain the purchase of inputs;
- Farmers do not have enough knowledge of the availability nor how they can make the most of agricultural technologies and the extension of the support;
- Lack of practical knowledge of sustainable agricultural production technologies.

## 2. What is the purpose of this Project?

The purpose of the Project is to increase crop productivity which will consequently increase revenue of Smallholder Farmers, thus increasing their ability to deal with “inputs” and “outputs” markets and service providers.

## 3. How do you characterize the relationship between the Government and the Project?

Relationship between the Government and the Project is good, because we are working with 5 extension workers who are based in the districts covered by the Project. These extension workers were taught by the KULIMA component (production). We are training a total of 35 extension workers both from the Project as well as the public extension services. Also at provincial level, we are working in smooth and coordinated manner and at a good pace and we actively involve government even in the process of beneficiary identification.

We are working together with the Provincial Directorates of Agriculture (DPA) in the two provinces through the Provincial Service of Agriculture and Provincial Services of Rural Extension, as well as local governing bodies. In Administrative Posts, we have support of the heads of the administrative posts and heads of localities, because we want to support/assist those unattended (those in need of such assistance) and we are making an inclusive approach.

## 4. When and where the implementation phase started?

Officially, implementation began in May 1, 2013, with disbursement of funds by the donor (AGRA).



## 5. What are the main components of the Project and of what does each consist?

The main components of the Project are as follows:

### Agricultural production component

Project works on an integrated approach, where each member institution contributes with its area of expertise. Just to illustrate, Kulima, AGRIMERC-ODS, Sementes Nzara Yapera and Dengo Comercial are integrated into the component of agricultural production. Responsibility of these entities is the provision of all essential factors for sustainable agricultural production both economically and environmentally, including transfer of improved technologies with respect to integrated soil fertility management (ISFM).

Environmental sustainability is assured by transfer of modern technologies in Agricultural production, known as Integrated Soil Fertility Management (ISFM).

The economic financial sustainability is ensured through increased levels of crop productivity, in general, by increasing yields and, consequently, the final production of the crops identified by the Project. Increase in yields and final production of crops will be possible by using improved seeds as well as increasing the rate of use of improved fertilizers.

### Institutional capacity building

Capacity Building component has the following responsibilities: organizing beneficiaries (Smallholder Farmers) in associations or cooperatives and promoting institutionalization of organizations, including training.

### Marketing component

Marketing component focuses on market aspects such as capacity building on technologies reducing post-harvest losses, group sales technologies through product bundling up to the sale. Marketing component also deals with aspects relating to added value of products; let's say that organized farmers have more decision-making power over prices of their products.



Marketing Training

### Seed supply process on the part of the member companies of the consortium

Project promotes reduction of costs of agricultural inputs, since costs are a key factor for accessing and using improved agricultural inputs on the part of Smallholder Farmers. In order to overcome this challenge, seed production companies benefited from funds that aim to minimize production and seed supply costs to the final consumer. In this context, seed prices are uniform and relatively low compared with normal circuit. This aims to encourage and spread the use of improved inputs by Smallholder Farmers.

## 6. What is the difference between this Project and others?

This Project makes connection between all steps involved in agricultural production to the final consumer of the end product. Sustainability lies mainly in increasing capacity and independence of Smallholder Farmers and seed companies themselves. It is believed that, once conditions are established, companies will have the necessary, sufficient capability to put products in places with the greatest demand and at fair prices. On the other hand, after Smallholder Farmers appraise and analyse gains earned through significant production achieved through use of modern technologies as well as gains achieved from the sale at fair, profitable prices, they will not need any further assistance.

Therefore, the main difference between this Project and others that preceded this one is that this Project promotes strengthening of associations so that they become sustainable, independent, and able to negotiate fair prices for their products, something not happening before.

## 7. What results do you expect to achieve by the end of this phase?

We are very optimistic about achieving what was planned under the Project, because we have all the necessary resources in line with the needs (human and financial) and, according to the activity monitoring we are carrying out, everything is well on track and we believe we are going to achieve the targeted objectives for year one of the project. At this point in time, we are at the foundation phase, but in terms of activities we are happy. As we previously mentioned, sector activities began in mid-June and it would be premature to advance any numbers.

## 8. When you say “production chain”, what does it mean?

In the commercialization component there has been a lack of connection between Smallholder Farmers and the market. Consequently, Smallholder Farmers work for resellers/wholesalers. The intention is to reduce injustice in relation to the gains of the Smallholder Farmers. So, Smallholder Farmers are being trained on conservation in order that they can sell at the right time. Rehabilitation of warehouses for storing agricultural production is being undertaken. We recognize it is a challenging task; nevertheless we will not rest until Smallholder Farmers get to understand that the agricultural production can be a lucrative activity.

“KULIMA (...) advocates transfer of technology to the Smallholder Farmers, including integrated soil fertility management.”

Highlights Cesário Fernandes KULIMA's technical Assistant:



In order that we become more aware of KULIMA's intervention in the Project, the editor of this periodical publication interviewed the KULIMA's technical assistant, Cesário Fernandes who stated the following in relation to the Project and the involvement of KULIMA in this very Project.

Can you speak about the Project cycle?

Consortium/Project was established to increase the production capacity and productivity of Smallholder Farmers. As for products, the aim is to facilitate marketing of what is going to be produced by agricultural Smallholder Farmers.

Please, characterize the production process

Agricultural production is a system with multiple branches involving elements from supply of inputs or factors of production (production tools, seeds, fertilizers, machinery and other) sector preparation, harvest, post-harvest handling and marketing of surplus.

The KULIMA within production component promotes the transfer of technology to the Smallholder Farmers including Integrated Soil Fertility management and Agricultural Practices. And this involves aspects like opening of demonstration camps, which aim to boost the integrated management of soil fertility among the Smallholder Farmers.

KULIMA wants to promote installation of demonstration farms for testing integrated soil fertility management techniques.

What training strategy was adopted by KULIMA?

The district extension workers trained by Kulima on integrated soil fertility management will train trainers (contact/reference Smallholder Farmers existing in the district). The latter, in turn, will replicate the training to other members of the associations around them.

Who runs a farm is the contact Smallholder Farmers, and such a farm will benefit 100 agricultural Smallholder Farmers in the neighbourhood.

What is agricultural commercialization?

Agricultural commercialization will be strategically supported by AGRIMERC through the chain of agro-dealers established in the target districts of this Project. The seed production companies, namely Dengo Commercial and Sementes Nzara Yapera have a specific mission of producing improved seeds for Smallholder Farmers under the Project.

If the institutions above do the job effectively, the intended results will be achieved.

When Smallholder Farmers achieve high levels of results, then the marketing group headed by Kixiquila is going to find customers to buy the products available. Indeed, the approach is for Smallholder Farmers to work on 4 agricultural crops, namely maize, beans, sesame and soybeans. The objective is both ensuring the food and nutritional security of the families, and also selling of surpluses of agricultural Smallholder Farmers through a guaranteed and structured market.

What are your expectations for this Project?

We have here a perfect alignment and I hope there are no disasters (drought and/or floods) that hinder this Project, because we are on the right track.

The target is to support 40,000 smallholder Farmers. In fact, for this to happen, farmers themselves must be following and implementing the ISFM technologies and GAP (good agronomic practices) through demonstration farms during crop production season.

This year we are targeting 10,000 smallholder farmers benefiting from ISFM technologies aiming to change the current levels of crop productivity.

Thus, in 2014 and 2015, the goal is to achieve 15,000 tons each year.

# ECHOES OF NHAMATANDA

As approved by the Project, there are 5 districts covered. However, in the context of this publication and in order to share with our dear readers activities taking place at this early stage of the program, we show testimonials and interviews of actions performed until the end of September, in the districts of Nhamatanda (Sofala province) and Sussundenga (Manica province).

## Nhamatanda (Sofala Province)

In the district above, on the 22nd of September, the editor of this newsletter accompanied by the Project team had opportunity to assess the scenario generated by the emergence of this Project, listened to and registered testimonies of six members of local associations and one contact farmer who spoke about their expectations for this Project and their feelings about what has been done by the month of September.

### Testimonies of the members of the associations of Nhamatanda:

"We have previously worked with some programs, which did not include the sustainability component of our associations. After the end of the support programs, we had no basis to continue on our own. This Project privileges sustainability of associations." **Joaquim Dingana (Uthumi Ndi Phaza Association)**

"This consortium came to strengthen associations left by other programs, so that, when it stops operating, associations will have already become sustainable, i.e., they can walk with their own feet." (**Idem**)

"Things have changed compared to the past, because the new Project provides for correction of the flaws of previous programs. For example, in the last year, information was centralized in one person in the community. This consortium works in a transparent and comprehensive fashion, since all members of the associations are involved in the Project." **Jorge Bernardo (Uthumi Ndi Phaza Association)**

"I liked the idea of this Project that provides for promotion of seeds at affordable prices. This will help our associations to rise up. Consequently, in the future, we will be able to buy seeds, even if not at subsidized prices, since the Project wants to strengthen our associations accordingly." (**Idem**)



Member of one association talking about the project, in Nhamatanda

"I am happy. I have high expectation for this new Project. The working methods differ from previous programs in terms of support and

relationship with the associations." **Adélia Parafino (Uthumi Ndi Phaza Association)**



Women's considerations about the Project, in Nhamatanda

"I welcome the new organization provided by the program approach with both hands. I expect that the organization and activities of the Project will help in the development of activities and associations." **António José (Eduardo Mondlane Association)**

"Approach of the Project is appropriate to the reality of the region. This Project advocates the component of commercialization and marketing for sale of production as well as organization of associations in order that these associations have negotiating power." (**Idem**)

"Program will assist associations in a timely manner so that they are ready to respond to demands; that is to say, making seeds available on time in order to prepare farming sectors at the appropriate time." **Abram Alberto (Kudya Ngulima)**

"I am happy because this Project proves to be more flexible and serious than previous programs." **Paulina Chicuane**

### Testimony of a contact farmer:

"I was trained by KULIMA's extension workers to replicate training to 100 members of the association on how to prepare the sectors." **João Paulo Ranguisse (Facilitator of the UPHUMI NDI PHAZA Association-contact farmer)**

"Under the Project, through KULIMA we learned that we should not make fire after weeding. I learned that I must use fertilizers in the right season." (**Idem**)

"2 members from each of the 4 Nhamatanda associations have been trained. They have the mission to replicate the training to other members of the associations. We are ready to teach the knowledge we received." (**Idem**)

"Replicating the training received to other members of the associations will help the work in the school farm. This school farm will be managed by an association in order that it teaches, in practice, how to practice farming." (**Idem**)

"This Project is welcome, as it is expected to increase agricultural production, improve product flow and the revenues of associations. Basically, maize, beans, sesame and soybeans will be produced." (**Idem**)



# ECHOES OF SUSSUNDENGA

## Training in statutes of associations

Capacity building of associations is one of the components of the Project and training of members of the various associations in statutes, importance and benefits was secured by the Project. In this context, on the 23rd and 24th September training in statutes of associations was administered, taught by a trainer of Concern Universal. During such training, the newsletter editor listened to the testimonies of the trainees, interviewed the trainer of Concern Universal and one extension worker trained by KULIMA, to better understand the training contours. Here are the statements recorded in September 23:

### Testimonials from trainees:

"Training is important, because associations will prepare and implement statutes based on this training. My association has no statutes yet, only registration. The training I received will help me pass on to all members what I have learned, so that the association will develop its statute."  
**James Arone (Association of Irrigators of Rotanda headquarters)**

"Training is good because we, members of associations, did not know what a statute was and the importance thereof. We thought that creating a group was enough for an association to be already legalized. We did not know that there are specific rules that only a statute offers to legitimize an association." **Júlio André (Agro de Munhaza Association)**

"I am happy for the training given by the trainers, because, according to the statute, the work we used to do at the association did not follow a statute, because we do not have one. We now know that an association needs a statute. So, with this knowledge we will start working based on a guide that will govern the life of our association and cause it to have much higher productivity." **Filipe Francisco (Urombo Wanhaha Association)**

"I am thankful for the training in statutes. Replica of the training that we are going to implement when we return to our associations and promote preparation of statutes will help our associations to get organized and legalized. Statutes will govern the life of the associations." **Elias Isaías Macande**



Trainee talking about the project and the training received

"From today on, I am aware that an association needs a statute and will convey this knowledge to other members of my association. An association with statute is already prepared to have good production rates,

because it is working legally. Working legally will facilitate support, such as bank loans. So, an association with statute becomes strong and ready to contribute to increasing productivity and revenues of its members." **David Juliasse (Associação "trabalhar para receber"/"working to receive" Association)**

"It is very important that we share the knowledge we get with the members of our associations, so that they are strengthened. We should also replicate contents of the training in statutes to other neighbouring associations, so that they become sustainable." **Tenday Elias Chicocha (Associação "Acordos de Roma" - Rotanda/"Rome Peace Agreement" Association - Rotanda)**

"My association was working disorderly and did not know that a statute was a must. In using the training I received, I will help my association have a regulatory instrument: a statute." **Efreme Eliasse Ueremo (Association "enxada na mão"/"hoe in hand" Association)**

"This training has opened up our visions, because earlier, in our associations, we were working in the dark and without rules. If earlier associations functioned disorderly, with the introduction of statute of associations, anarchy will end. For example, chairmen of the associations will no longer hold positions for life nor be owners of everything. On the other hand, women now have the same opportunities as men. That is to say, women can also be chairwomen. Such a thing was not happening within associations." **Castigo João (Murime Mafume Association)**

"Statutes safeguard gender issues. With the training received, I realized that women must have the same opportunities as men within an association, i.e. positions of responsibility currently held by men can also be held by women." **Noria Dixone (Associação Agrícola de Murowa/Murowa Agricultural Association)**



One of the trainees talking about the impact of the trainings on the strengthening of the associations

### Luisa Filipe (Kuguta Kuchanda Association)

"An association having a statute is an organization working under the law and, therefore, with "legs to walk"; because a statute is a guide to the growth of the association."



Jose Arone, extension worker for Sussundenga district

Another respondent interviewed by the editor of this publication was the KULIMA's extension worker, for the district of Sussundenga, José Arone, who spoke about the training he received and his work with contact Smallholder Farmers. Here is the dialogue:

### Who trained you to become an extension worker?

Other extension workers and I were recruited and trained by KULIMA to work in 5 districts (Sussundenga and Gorongosa in Sofala province, and Nhamatanda, Manica and Gondola in Manica province).

### What is the role of an extension worker under the Project?

The role of an extension worker is to train contact Smallholder Farmers who, in turn, have obligation to train 100 Smallholder Farmers around them, i.e., in the specific area he/she works.

### What is the objective of the training administered by an extension worker to contact Smallholder Farmers?

The objective is to make Smallholder Farmers able to manage soil fertility through best practices in farming, such as avoiding uncontrolled burning, promoting and spreading the use of organic compounds to ensure soils fertility, and undertaking anti-erosion measures (one of the causes of wear of soils). On sloping lands, we encourage use of live barriers (use of anti-erosive grass) or use of rocks to control erosion. These can all raise production levels. The intention is to reach 1.5 tons/hectare. We are currently reaching 900kg/hectare due to practice of farming without fertilizers, practice of uncontrolled burning that decreases the organic matter in the soil and lack of efficient erosion control methods, both from wind and water.

### What is the purpose of setting up demonstration farms?

We will set up demonstration farms for Smallholder Farmers to witness and practice the teachings they receive to increase production rates. What we want is to increase production. The other thing we want is to avoid "nomadism" in order to make the agriculture sustainable. When production is low, agricultural Smallholder Farmers migrate after causing deforestation. The idea of the Project is to manage lands in the efficient and sustainable way, so that even the grandchildren of the current Smallholder Farmers can use such lands as a way of alleviating poverty. A good soil fertility management will avoid deforestation and soil erosion.

### What is your view regarding the Project design?

"Consortium is a well-designed Project because it tackles problems of production and commercialization (selling surpluses). It seeks to promote higher levels of agricultural production by promoting prices of agricultural inputs at the level of districts.

In addition to the above mentioned, consortium has the institutional capacity building component to organize cooperatives and associations so that they have capacity to negotiate the price of their production and have credibility to get loans for their activities.

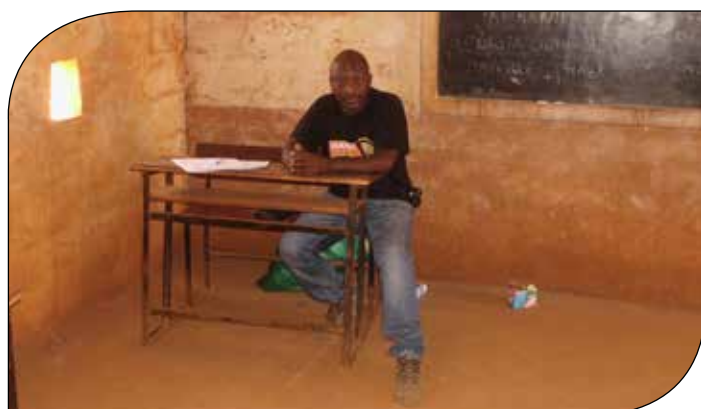
This Project addresses all problems of the farmer, such as acquisition of agricultural inputs through production up to the sale of agricultural products. It is a complete Project because, once it is over, associations will be sufficiently prepared to be sustainable. "



# ■ INSTITUTIONAL CAPACITY BUILDING

After this training is over, (...) each association will start drafting its own statute and using it. By so doing, each association will be reducing internal conflicts.

**States, convinced, Américo Tresebio Tomas**



With the purpose of describing the contours of the training in the area of statutes of associations, the newsletter editor talked to the trainer of Concern Universal about the institutional capacity building component, Américo Tresebio Tomas, who granted the following interview:

## What is the objective of the training?

I administered training in the area of statutes of associations/cooperatives. The objective of this training is to strengthen associations/cooperatives in order that they have their statutes. Many have statutes unadjusted to reality, some do not have one and others just “copy and paste” statutes of other organizations, just because they want to say they have one.

## What conclusions did you draw from the training?

Before the training started, I wanted to know what ideas trainees had on statutes of associations. After this exercise, I realized that there are many associations that have no statute or they are not disseminated. Or even not all members of the associations get involved in the process of preparation and approval of statutes.

## What is the importance/impact of this training?

With this training, each association will prepare its own statute and use it within the association. This will reduce conflicts inside the associations/cooperatives. In case of conflicts, the association can be dissolved based on the statute. For example, a chairman of an association used to be a chairman for life and a dictator. This situation made other members of the associations to abandon such associations because the statutes were not being enforced or because there were no statutes at all. Now with statutes, these situations will be prevented.

## What content was taught in the training?

During training the following has been taught: definition of a statute, importance of a statute, preparation of a statute, legalization process for

associations/cooperatives, benefits of legalization of associations/cooperatives, and benefits of operating as association/cooperative.

Other component of the training was to teach participants on how to set up results demonstration farms for the benefit of the associations or cooperatives.

## What is a results demonstration farm (C.D.R)?

This is a plot (farm) where crop production techniques are taught. Demarcation of land and manure process is also taught in this training.



Tresebio leading the training session

## The terms extension worker, agricultural smallholder farmers and contact smallholder farmers look like synonyms? Can you tell us the difference?

### Extension worker

Under the Consortium, an extension worker is an individual trained by Kulima, an organization operating in the sector of production for the Project. KULIMA trains contact smallholder farmers on basic crop production techniques (the setting up of results demonstration farms, pest and disease control, and guided tours for exchange of experiences among smallholder farmers about for example soil fertility management.

### Agricultural smallholder farmers

In the context of the Project, he/she is an individual directly linked to the farm, i.e., the owner of the farm. He/she can be either a member of the association or a Smallholder Farmers.

### Contact Smallholder Farmers

Under the Project, the contact Smallholder Farmers is an individual trained by the extension worker and concurrently a member of an association. Their mission is to replicate the training received to other members of the association

# ■ COMMERCIALIZATION OF AGRICULTURAL INPUTS

## Commercialization of agricultural inputs in Nhamatanda, Sussundenga and Catandica

To explain to which extent institutions involved can bring this Project “to fruition” from the perspective of commercialization of agricultural inputs, first it is important to understand whether such institutions are strong enough to meet expectations. That is why, the newsletter editor interviewed three respondents involved in the commercialization of inputs, namely Mr. Samuel Massola, owner of Samacha Lda, a company commercializing agricultural inputs in Nhamatanda, Ms. Emília Abibo Savaio and Ms. Elizabete Sikoya both dealers and Smallholder Farmers of agricultural inputs operating in Sussundenga and Catandica, respectively. These interviews were conducted with the purpose of understanding more about the company's real ability to successfully engage in the Project.



Samuel Massola

Here is the interview granted by Mr. Samuel Massola, owner of Samacha Lda.

### What is the Samacha Lda's vocation?

Samacha Lda sells seeds, agricultural equipments, fertilizer, chemicals, manure and medicines in farming.

### What are the Samacha Lda's strategies to respond to the demands brought by the Project?

My company is ready to respond to current and future demands brought by the Project. One of the strategies of the Project will be to provide some retailers with agricultural inputs on credit. Then, these retailers will pay off immediately after the sale to Smallholder Farmers.

Other strategy we have is to establish distribution centers in locations close to associations in order to shorten distances travelled by Smallholder Farmers for the purchase of agricultural inputs.

We operate with an agricultural input distribution network.

We have credibility in the market, so we buy products on credit and pay off the debt within 30 days or in case of difficulties we have up to 35 days to pay it off.

### Can Smallholder Farmers bear costs of agricultural inputs?

For this next stage, prices charged by us will be promotional, because we work in line with the Project. For example, Smallholder Farmers and suppliers of inputs are subsidized by the Project.

We have bought the seeds for 15.00 MT/Kg and we will deliver them to retailers in order that they sell for 25.00 MT. In this sense, we will receive the value of the product bought plus 5.00 MT/kg of profit. Retailers will have a profit of 5.00 MT/kg.

## “Project will rehabilitate our warehouse (...) which will contribute to improving commercialization of agricultural inputs ...”

### Testimony of Emília Abibo Savaio, agricultural inputs dealer



In Sussundenga, this newsletter editor spoke with Ms. Emília Abibo Savaio. She made some comments relating to the ability of her company/shop to respond to the demand for agricultural inputs generated by the Project. Here is her testimony:

“My company sells seeds and fertilizers and it is also a seed Smallholder Farmers. Our seeds are treated and analysed in the provincial laboratory, in line with what is defined by the national seeds production system. We also have license for sale.”

“I buy agricultural inputs from Smallholder Farmers of inputs such as Dengo Comercial and Mozseeds.”

“We are able to supply the market, coupled with the fact that we can get inputs on credit. Thanks to the Project.”

“Project will rehabilitate our warehouse, in terms of roofing, walls, floor, windows, door and pallets. This rehabilitation will contribute to improving commercialization of agricultural inputs, as there will be more storage capacity and better conservation. Our clients (Smallholder Farmers) and we shall both win. This Project is perfect.”

“The consortium/Project is very good (...) many resellers will know where to get seeds profitably and Smallholder Farmers will benefit from it...”

**Conviction of the Administrative and Financial Director of Nzara Yapera, Elizabeth Sikoya**



In September 24, the newsletter editor together with the Project coordinator, Arlindo Muambole, travelled to the City of Catandica to visit the company Sementes Nzara Yapera (famine ended), mission of which is to produce and commercialize agricultural inputs. This company is one of the members of the Project consortium. At Sementes Nzara Yapera, the respondent, who was the founder of the company and the Administrative and Financial Director, Ms. Elizabeth Sikoya, spoke about the potentialities of her company to respond to the demands of the Project. Please read the interview transcription below:

**Under the Project, does your company have the capacity to provide agricultural inputs on a large scale?**

Clearly, we do have the required capacity, because we own a warehouse ready with great storage capacity, and another one that is going to be rehabilitated to improve our ability to respond to the demand generated by the Project. In parallel, we produce seeds on the basis of the demand, because we have skills and equipment; for example, we have a tractor allowing us to work in the seed sectors with no problems at all.

**Do you think that Smallholder Farmers will be able to pay for seeds at the prices fixed by your company?**

We have received a fund from the donor (AGRA), through the Project, to produce quality subsidized seeds and provide them to Smallholder Farmers at affordable prices, through agro-dealers.

**How much is one kg of seeds for the Smallholder Farmers?**

We will sell the seed to Smallholder Farmers for 15.00 MT/kg in any of the districts in which the consortium is operating and we are left with a profit margin of 3.00 MT after processing.

We want to cooperate in poverty alleviation by producing and distributing quality seeds.

We are going to work with resellers of agricultural products on the basis of contracts. Such contracts should provide for provision of products on credit to resellers of agricultural inputs to be paid off within a period of 30 days. We have got a seed distribution plan. Seed resellers will sell inputs to agricultural Smallholder Farmers.

**What is the importance of the Project (Consortium) for Sementes Nzara Yapera?**

Consortium/Project is very good for us because we become more known. Many resellers will know where to get seeds profitably. Smallholder Farmers will benefit from it, because quality seeds will cause production to be substantially higher.

**What is the contribution of Sementes Nzara Yapera to the Consortium/Project, taking into account that you will now have a wider market for the placement of your products?**

Consortium/Project opened up our eyes to the need to also collaborate in the support to develop Smallholder Farmers. Therefore, in addition to supplying seeds under conditions agreed with the consortium, we also want to give basic seeds to the needy. In this context, we will not forget the most disadvantaged Smallholder Farmers.

The company SEMENTES NZARA YAPERA has a soil fertility demonstration farm to help those Smallholder Farmers who do not have sufficient manure. In this context, we produce a mixture of crops (maize and legumes). For instance, legumes have the ability to fix nitrogen into the soil. This is an experience. The idea is to support those Smallholder Farmers who do not have manure or cannot use fertilizers due to financial restrictions. So they will be able to make crop rotation without major costs.

This means that for somebody to have a farm, having inputs is not imperative. You can grow crops that fix nitrogen. By so doing, Smallholder Farmers will be able to rotate crops. This will result in a gain for the consortium. This is our contribution to this Project so changing the lives of the Smallholder Farmers.

**Infrastructure available for storage of production in Nhamatanda, Susundenga and Catandica**



Warehouse in Nhamatanda

**In Nhamatanda**

In Nhamatanda, there is a warehouse belonging to the UDAC - District Coalition of Farming Associations and Cooperatives of Nhamatanda, with capacity of approximately 600 tons.

According to the explanation of the Capacity Building Coordinator of Concern Universal, Américo Tresebio, district associations do pay quotas to UDAC, so they can store their maize. However, associations do not yet have the ability to produce enough to store because they do not use modern technologies.

Under this Project, the scenario will change and the warehouse will receive and store surpluses of associations for the purpose of sale.



**In Sussendenga**

In the district of Sussendenga, there are two (2) warehouses: a large and in very good condition and another one lacking rehabilitation. Rehabilitation will take place with the support of the Project.

**Em Catandica**

In the municipality of Catandica, Sementes Nzara Yapera owns a large capacity warehouse in good condition and another one lacking rehabilitation. Rehabilitation will take place with the support of the Project.



Warehouse to be rehabilitated in Sussundenga

**INPUT MARKETS**

“When the Project is over, Smallholder Farmers will be able to successfully face the market.”

Anésio Walter, from Kixiquila, Coordinator of Marketing Component



Anésio, monitoring the group work

The last respondent was the coordinator of the Marketing Component from KIXIQUILA (leader of the team of the market component, which also includes OCODEMA and IDEAA), Anésio Walter, who explained to us the market component. He also described the contours of the training administered and its relevance for the Project. Please read the following interview:

**Can you explain what markets are?**

Markets are one of the components of the consortium, in addition to production and capacity building.  
The goal of the consortium is to increase the production capacity of Smallholder Farmers and increase income by lowering production costs.  
The market component complements the Project production cycle, because it connects associations to major buyers.

**What is the role of the market component?**

This component is the link between Smallholder Farmers and major buyers, rehabilitation of warehouses, creation of product bundling centers,

providing warehouses with essential tools, training on collective marketing and market negotiation, and post-harvest management, where the trend is to reduce production losses (24% to 10%) and quality control, tracking and record keeping.  
Market component shows how agricultural products should be stored, handled (storage and conservation). In parallel, the area of financial management is brought to the attention of the Smallholder Farmers and they have to know how to make accounting records, as they learn how to organize their basic accounting.

**In your opinion, what is the impact of the consortium/Project?**

Consortium will provide increased production and increased revenues for Smallholder Farmers and well-being for communities.

**Can you speak about the training of trainers under the market component?**

The market component is offering training sessions to trainers, to equip and empower representatives of Associations of Smallholder Farmers and agricultururs with knowledge and skills in various sectors so they can meet the needs of the consumer market. In addition to that, they will be able to train other members of their organizations in the future. The goal at the end of the Project is that Smallholder Farmers will have the ability to face the market in an independent and autonomous manner.

**What content is taught in the training under the market component?**

Contents taught are as follows: marketing; concept and importance of collective marketing; market concept; collective marketing structure; negotiation stages, market negotiation; effective market negotiation steps; behaviour rules over the act of negotiation; sales negotiation; process of harvesting products in the sector (farm); responsibilities of a store keeper; handling of cereals and dried legumes; storage; treatment of warehouses or granaries; sacks and fumigation, pest control, building granaries; notions of costs; types of costs in farming, among others.

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