Real experiences of Market Oriented Agricultural Advisory Services

Advisory services with a business focus can make a difference for African farmers

Agricultural Support Programme in Zambia

This paper presents the most important lessons regarding the benefits and outcomes of an innovative extension methodology and delivery system at grass root level.

The lessons were collected during a study carried out for ASP Zambia from February to April 2008. The present paper provides evidence of the impacts that the intensive and market oriented extension system has had on the farmers' livelihoods, by summarising the main results of the Cost Benefit Analysis from 2007 and Gender Analysis from 2008. The used extension approaches, methods and delivery systems are described and their effectiveness in contributing to commercialisation of small scale farmers in Zambia is analysed.

ASP is a five year programme under Ministry of Agriculture and Cooperatives (MACO) in Zambia funded by Sida and managed by a consortium led by Ramböll Natura AB.

The most important lessons learned

- Intensive and demand driven practises are expensive, but they can provide impact that makes the investment worthwhile, if they are well designed and managed!
- A clear focus on business and entrepreneurship training spearheads orientation of both farmers and their advisers towards the markets
- Institutional development at grass root level is important in order to coordinate both the demand formulation and the delivery of services and this has potential to empower farmers towards the markets and service providers. For this last potential to be effective, there is a need for vertical and formalised linkages from the institutions at grass-root level to institutions at district and higher levels, where the voice of the farmers can be heard
- Sustainability of the extension system requires an institutional platform that can plan and fund in a decentralised and demand oriented manner. This platform should have a commercial network to facilitate the linkages to the market and private sector service providers

Introduction

The growth in the global food production is extremely un-even. During the last 40 years, the global production per person has increased by 25%, while Africa has produced 7% less food per person[1].

Africa has, however, a great potential for agricultural production, 75% of the population lives in the rural area and many have adequate land available for production. But unfortunately, the productivity of many small farmers in Africa is extremely low – most of them do not even produce adequate food for their own consumption – on average small scale farmers in Africa purchase 40% of the food for the family. Many small African farmers would like to use the opportunities that the increased prices offer to increase their production and get access to markets with favourable prices. There are, however, substantial constraints of which level of education and access to knowledge and technologies are of tremendous importance.

It is therefore unfortunate that agricultural training, extension and advisory services are under prioritised in most of the African countries. This goes for both public and private investment.

[1] IFPRI data

On average only 10 to 13 %[2] of African farmers have some kind of access to information and training! This is far below what is required for agricultural production to be boosted. From both public and private investors as well as donor agencies, it is often argued that there is no evidence that investment in training and advice pays off and it is also argued that there is not enough knowledge available regarding what delivery mechanisms and methods work and what do not.

It is the aim of the present paper to inform the international community of rural development policies and practise about the difference that effective and business oriented agricultural extension can make among small scale farmers in Africa.

Based on a case of a pilot project in Zambia, this paper describes the impact that effective and intensive training and extension can have in terms of increasing African small scale farmers' production and income, when it focuses on assisting farmers in getting access to markets. The paper focuses on the most important lessons regarding the benefits and outcomes of the rather innovative extension methodology and delivery system at grass root level.

The project described is the Agricultural Support Programme (ASP), a five year programme under the Ministry of Agriculture and Cooperatives (MACO) in Zambia, funded by Sida and managed by a consortium led by Ramböll Natura AB. The paper summarises the main results of a study of the extension system carried out for ASP Zambia from February to April 2008[3], the Cost Benefit Analysis from 2007[4] and Gender Analysis from 2008[5]. The used extension approaches, methods and delivery systems are described and their effectiveness in contributing to commercialisation of small scale farmers in Zambia is analysed.

The evidence of impact

It is generally difficult to track connections between knowledge, extension and training and hardcore impacts on farm income and productivity simply because it is difficult to attribute change only to extension and training, while there are so many other factors affecting farmers' choices and farm profitability. In this particular project, which had extension as the major activity, the impacts were closely monitored both for participating farmers and for a control group of non-participating farmers.

In a 6 year period, the project reached 44,000 rural households with intensive training and extension. A cost benefit analysis showed that the households in this period increased their income by 35% more than non-participating households and that 62% of these households after participation produced more maize than they consumed, compared to 49% of the non-participating households. The capital return in terms of benefits (to farmers as well as to the public extension system) to costs was calculated to be 34%[6].

The access to the extension had a greater impact on female headed households than on male headed households both in terms of increases in income and key assets in the households. As

[2] AFAAS, FARA, RFOs and NI Consultation 2008, country reports

[3] ASP, 2008; Chipeta et al.; Extension as a tool for farming as a business, Learning from 5 years of project Experience, Final report

[4] ASP 2007; Final Report of Short Term Consultancy on Cost Benefit Analysis of the Agricultural Support Programme

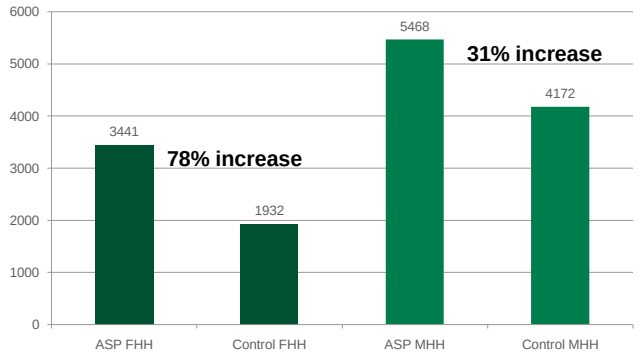
[5] ASP 2008; Bishop-Sambrook, C. and Wonani, C.; The Household Approach as an Effective Tool for Gender Empowerment: A review of the Policy, Process and Impact of Gender Mainstreaming in the Agricultural Support Programme in Zambia

[6] ASP 2007

seen in figure 1, the average increase of income for female headed households was 78%, whereas it was 31% for male headed households.

Figure 1. Greater impact on women than men….

Average income levels by household type and gender, ZMK



It should be noted that the average incomes of both participating and non-participating households are very low – from 376 USD to 1064 USD, meaning that the target group, whether they participated in ASP or not, are still far below the poverty line on average.

The most remarkable achievements of the extension programme have been the business and entrepreneur attitude that the extension system has activated, which is seen in the many new initiatives taken by the farmers themselves in order to orient their agricultural production towards the market. Examples of such are:

- Establishment of savings and credit cooperatives
- Bulking of produce and negotiations with buyers as groups
- Small scale out grower managers establishing themselves and providing extension to the farmers in their schemes

Box 1 describes the example of a farmer who was inspired, from the training, to develop her own business.

Box 1. Story of a small scale out grower manager

Mrs Chaimakana joined ASP in 2005 and received training as a lead farmer. The most inspiring training for her was the opportunity identification, after which she developed a number of business ideas. But she had not enough capital to get started. So she sold 2 bags of millet and bought 50 chickens and parent seed for maize. 20 chickens were given to other farmers for outgrowing together with vaccine against Newcastle Disease and 30 were sold to buy fertiliser. Moreover she invested in 10 billy goats, which she leased out to farmers in return for goats. The capital that she accumulated from these businesses was invested in maize seed for out-growing. She is now expecting to receive 250 x 50 kg of maize from the outgrowing scheme and will try to collect 1000 bags in all also from other sources so that she can sell to a private miller in Ndola at a good price. She has bought a bicycle in order to be able to provide advice and training to the farmers in her scheme and she arranges field days together with MACO

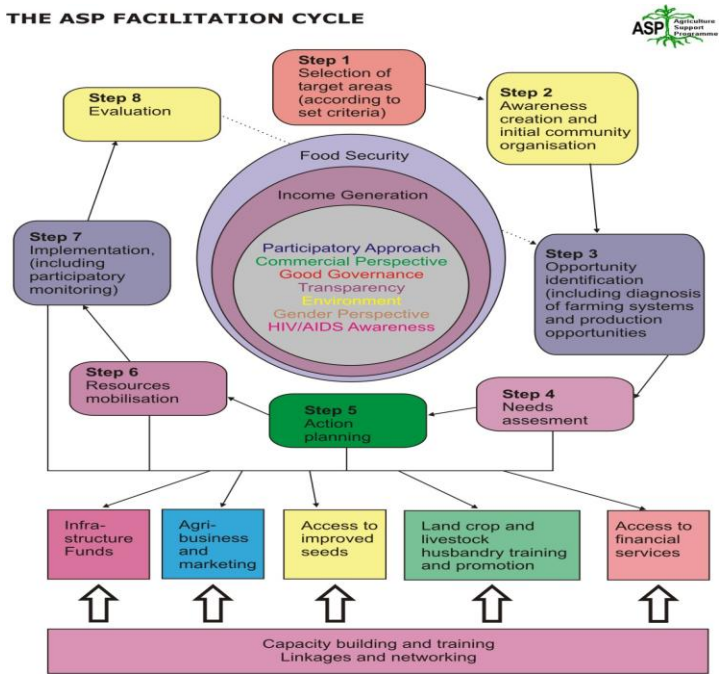
Methods used

The project first of all used a business approach to the whole extension process. All the training and advice were focussed on developing the entrepreneurial skills of the farmers and thereby building the family farms as small commercial enterprises. It also used a household approach, which meant that the advice and training targeted all the members of the household as one entity.

It was an important principle that there were no grants or credits attached to the extension, so the training and extension was placed in a context, where the motivation and focus were not distorted by other interest.

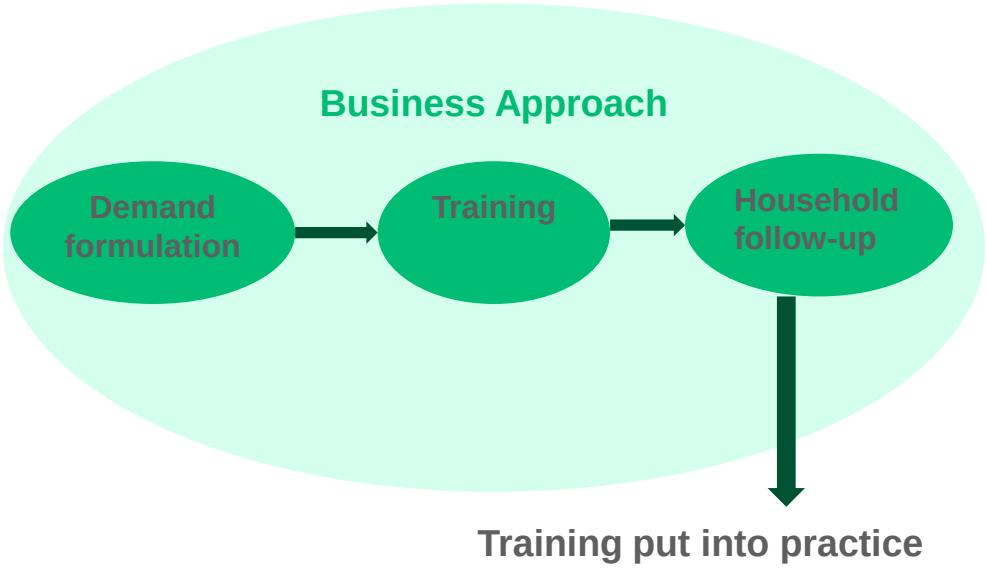
The extension was designed and carried out as processes within the so-called Facilitation Cycle (see figure 2). This included processes of opportunity identification, action planning, needs assessment, resource mobilisation, implementation and evaluation. The Facilitation Cycle was used first in farmer groups, and then repeated through individual advice in each household.

Figure 2



The household approach refers to involvement of the whole family including women and youth in the training and extension. It moreover refers to the double emphasis on training and planning in groups combined with individual follow up visits in the households, where the same processes of the Facilitation Cycle are repeated. This ensured that the training was actually put into practise on the small farms (see figure 3).

Figure 3. Impact assurance through household follow up



Delivery systems

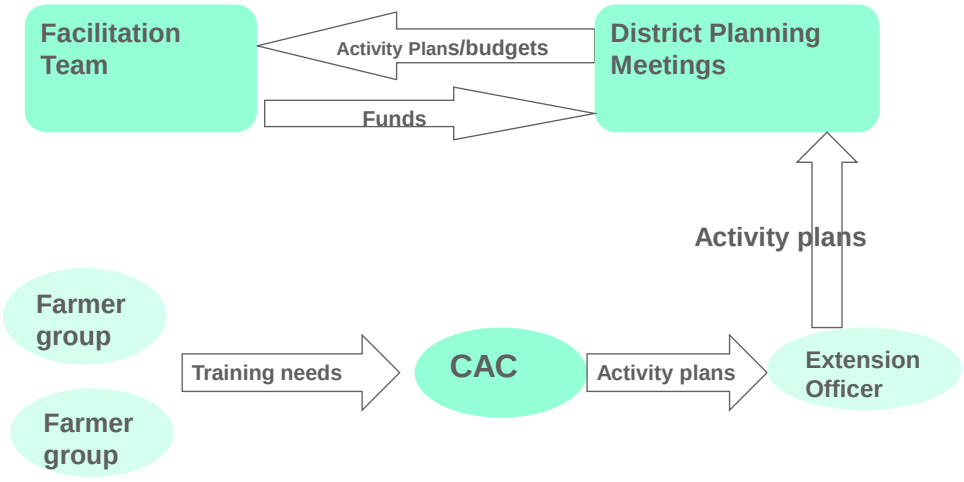
The extension was delivered to 200 farming households per camp included in the programme – 100 households per phase in two phases. The farmers were organised in Farmer Groups, where the training started and the Farmer Groups elected a Camp Agricultural Committee (CAC) to coordinate the activities from the farmers' side at camp level.

Most of the training and extension was delivered by the public extension system - Camp Extension Officers, who were backstopped by the District Subject Matter specialists. However, important parts of the training were delivered with private sector specialists. In this way - all the business training was provided by private ILO certified business trainers and financial advice by trainers of the Micro Bankers Trust. Moreover the project trained Lead Farmers and small scale Out Grower Managers, who delivered farmer to farmer based extension and training as well.

The delivery of services was managed effectively by the project's own facilitation teams, which included coordinators to all the involved districts.

The delivery was moreover strongly facilitated by a decentralised budgeting system that ensured that funds could flow easily and extension therefore could respond rapidly to the needs formulated in the camps (see figure 4).

Figure 4. Decentralised budgeting



The programme allocated funds based on the facilitation process, which ensured that funds were spent where needed. The budget process was decentralised to the team level. Operational budgets and allocation at camp and district level were based on training needs and work plans formulated by the farmers' groups and compiled by the CAC. The work plans were brought to the district planning and review meetings, where monthly allocations were decided upon responding to expressed farmer needs.

The most important success factors

According to the stakeholders, the most important factors for the success of the extension were the following three points:

- That it was driven by demand
- The business focus
- The very intensive follow-ups in the households

The methodology, as well as the delivery system was set up to respond to demand from the farmers. The demand orientation was a major key factor to the success of the extension because it ensured relevance of the services provided and created notable local ownership among the participating farmers. The demand driven set-up was further strengthened by the flexible funding system which responded well to the decentralised planning and budgeting at grass root and district level.

Moreover, the business training of the farmers had a remarkable impact on farmers' understanding of their farming system and the relations to the market. During the assessment several of the innovative farmers said that the turning point for them was the opportunity identification step in the facilitation cycle. At this point they started to think creatively about their business opportunities and how to solve their problems. This confirms the experience from other processes that "talking about opportunities creates solutions, whereas talking about problems creates limitations".

The fact that the business training was really basic – what the farmers learned was more or less concentrated on cost calculation, underlines the lesson that there is a tremendous

potential for development in increasing the business approach of agricultural extension in general.

The importance of the intensive Household Approach was a major concern, particularly from the public sector stakeholders because of the high costs associated with this, However, the analysis of the system could not neglect the fact that the intensive follow up at household level had a decisive influence on the outcome, because it ensured that the training and information to a great extent was practically applied at farm level and also that the whole family was involved, which had the important side effect that families started cooperating in a more organised way around developing their farming enterprises than had been the case earlier.

The most important limitations

The context of agricultural markets in Zambia is generally a hostile environment for commercialisation of small scale farmers. This combined with the fact that facilitation of market linkages is a new skill to almost all actors in agricultural training and extension, has led to the realisation that full market orientation is a long term issue. It is therefore not surprising that the concepts and methods still need development and refinement to reach their full potential.

The ASP extension particularly supported the farmers' entrepreneurial skills and knowledge about the market and initiated market linkages, for example, through facilitating the creation of small scale out grower schemes in the agricultural camp areas. These linkages and out grower schemes are, however, still fragile but worthwhile building on and taking forward for further development support.

The extension has built capacity in institutional structures at grass-root level, which has proved to be promising for anchoring and sustaining the demand drive of extension at that level also in the future. But also these structures require further development, particularly in terms of more legalised structures and formal vertical linkages with higher levels of markets and service providers.

Effective management such as timely release of fund, bottom-up budgeting, backstopping and monitoring is pointed out by almost all stakeholders above farmer level as an important ingredient to the success of the ASP extension. It is unfortunate therefore that the programme has lacked a sustainable institutional platform at higher level for continuation of the extension approach.