

**RICE MARKET ORGANISATION BY THE MOGTEDO COOPERATIVE
In BURKINA FASO¹**

Country: Burkina Faso

Institutions involved: MOGTEDO Cooperative: local farmers' organisation

Brief summary:

The Cooperative Mogtedo, local farmers' organisation of rice producers in Burkina Faso, changed the market system (rice supply and price control), as a result of the services delivered to its members. With this new market system, the Cooperative contributed to the increase in added value at local level as well as the income of rice producers and also other stakeholders.

Question 1: What are the general settings and arrangements for MOAAS?

The objectives of the Mogtedo Cooperative are as follows:

- To enable its members to sell their rice (producers find a buyer);
- To ensure better prices of rice for its members: producers getting a price that cover cost and give additional income.

The Cooperative has been created in the 60's and at that time it was managed by state services. In the 80's, after the liberalisation of markets and cooperatives, the Cooperative and its producers tried several solutions aiming at selling the rice by themselves (no more state control). At the end of the 90's, after several failures, the producers embarked on reorganising the organisation and developing services for selling their rice. The new organisation and its services have been chosen by the producers themselves through a process of animated debates among themselves. This process was also supported by the local authorities.

The rice market in Burkina Faso was not properly organised and as a result of this situation:

- many buyers came to buy the rice at many different places: in the field, at farmer's home, at several places in and near the local market etc.
- the producers were numerous and isolated. They sold individually the rice at harvest time (low price). The producers had little information on supply, demand, and the rice prices at local market.

Locally produced rice had to compete with imported rice.

From the 70's to the 80s', the Cooperative received technical support from public services and technical as well as financial support from NGOs. At the end of the 90's, the organisation has been reorganised and the appropriate services have been developed and chosen by the farmers themselves.

The insights learned from the framework conditions are as follows:

- Full controlled marketing system by state didn't work
- Full liberalised system without any control didn't work either

¹ See specific notes and film (13') (in French): http://www.inter-reseaux.org/article.php3?id_article=1079

- Farmers have created a market system whereby they assume a minimum regulation of the market.

Question 2: Who are the clients of MOAAS?

All the rice producers (350 farmers) are bound to the Cooperative's market system.

The farmers sell their rice directly to local women (who are often their own wives). The women process the paddy rice into white rice (parboiled). It is important to note here, that as a matter of policy of the Cooperative no paddy rice can be sold outside the village (the objective is to increase added value at local level).

The prices for paddy rice are negotiated at the Cooperative level (taking into account the national price variations). Hence, the rice is weighted with farmers' control.

After the rice processing, all the local women sell the processed rice on the local market at one locality (the objective is to gather all suppliers, for more transparency on the market).

The cooperative does not buy rice from the farmers: the Cooperative only gets the rice from the farmers in return for several services (farmers reimburse inputs, services, pay tax for irrigated system, pay for weight control). The Cooperative uses this rice to control rice supply on the market.

As a result of this system, the farmers can sell all their rice, at a good price, and in addition, the women get a job and income from it.

The demand of farmers for services is formulated through internal discussions and meetings among the members of the Cooperative.

The 350 clients (producers) are organised in the Cooperative, in order to get inputs delivery, technical advices for irrigation system management, and rice production.

The insight emerged that the rice production in a limited area (irrigated perimeter) helped to reinforce farmers' position and their organisation.

Question 3: What approaches and methods are used for agricultural advisory services?

The method and approaches used for the agricultural advisory services are as follows:

- Information and negotiation on prices
- technical advices (on seeds, inputs, etc.)
- weighting operation control
- supply regulation: the Cooperative delivers rice to the market when supply is low.
- negotiation with the authorities in order to get a single place to sell the rice on the market.
- store rice and sell it to local women for processing when there is a lack of supply on local market

All the services are self financed by the producers (reimbursement of inputs, added value on rice selling).

During the former system some cooperative members have been trained with external/state support, and through the participation in programmes on exchange visits. With the current system, farmers are trained within the cooperative (self financed).

The innovations of the MOGTEDO Cooperative are being up-scaled through the capitalisation and diffusion of its experience to other rice production zones (east of Burkina Faso) and other farmers' organisations.

The lessons learned from the approach of the MOGTEDO Cooperative are as follows:

- Strong obligation obtained after negotiation within the farmers.
- Strong cohesion between farmers.
- The market organisation has been discussed and accepted by the authorities.
- Interest of producers, interest of buyers: win-win strategy.

Question 4: What are the outcomes and impacts of agricultural advisory services?

Through the services and support of the MOGTEDO Cooperative, farmers are able to:

- Produce good quality (good seeds and rice processing permit a competitive quality rice/ imported rice)
- Ensure continuous and constant supply (buyers are sure to find sufficient rice on local market with the Cooperative supply control)
- Realise realistic price in regard to the price evolution at the national market, and at all levels (processed rice with added value).

The outcome/impact of the MOGTEDO Cooperative's services is as following:

- a better commercialisation of rice: transparency on market, faster transactions.
- increase in income for rice producers
- increase in income for women (rice processing)
- the buyers satisfaction (good quality of rice, regular supply, information on price), less time wasted for buying the rice (one place, on one market).

As a side effect / unexpected outcome of the services, jobs have been created and in addition, more added value remained within the localities.

It is important to note that the Cooperative does not buy rice for sale: the Cooperative only organises and controls the market and works with the other private stakeholders (processors, farmers).

Question 5: What is the role of development cooperation and other key stakeholders?

The initial dam for the irrigated perimeter was built with external funds. The dam needs to be renovated in the future. In addition, in the 60's and 70's the external NGOs organised also many general trainings on organisational development issues for cooperatives.

The national government initiated and permitted the cooperatives reform (84), and gave the responsibility of operating and managing the cooperatives to the farmers.

At local level, local authorities supported the Cooperatives and its farmers in developing and fixing the rules and functions of the market. Furthermore, they helped also to supervise/control whether producers abide by the rules and regulations of the local market, i.e. nobody sells or buys outside the local market.

The farmers' organisation does not only negotiate among the farmers but also with other stakeholders.

Strong involvement and interactions of all stakeholders (producers, women, local authorities, buyers), make the market to function in a smooth manner (win-win situation).

Question 6: What linkages exist between agricultural advisory services and other types of services?

Strong and very important linkages exist between agricultural advisory services and other types of services i.e. supply of improved seeds (brought by research) and the availability of credit facilities.

Question 7: What are the general lessons learnt in terms of e.g., good practices, obstacles, pitfalls?

The farmers can become services providers for themselves through their organisation.

The farmers can initiate improvements of market functions:

- price and supply regulation;
- more value created by and for local stakeholder: added value remains within the localities and facilitates local development.

On this aspect, a strong local organisation and support from authorities is necessary for a good functioning market. Farmers' organisations must be recognized by the authorities (authorities can help/support farmers' innovations/initiatives).