

EXPERIENCE OF GROUP MARKETING OF GINGER BY THE NORTH WEST FARMERS ORGANISATION (NOWEFOR)¹ In Cameroon

Country: Cameroon

Institution involved:

- **NOWEFOR** (North west farmers organisation in Cameroon): Federation of Unions of Common Initiative Groups in the North West Province of Cameroon (**farmers organisation**)
- **SAILD** (Service d'appui aux initiatives locales de développement) **international NGO** in Cameroon
- **SOS FAIM Luxembourg (NGO from Luxembourg).**

Brief summary:

NOWEFOR is a Federation of Unions of Common Initiative Groups in the North West Province of Cameroon. Ginger cultivation is an old practice in Bafut zone of NOWEFOR. It is a crop that was traditionally cultivated by women.

Ginger was identified (SAILD / farmer study) as an important economic crop. SAILD supported the production: Farmer organisation were formed (production sector), technical and supply control support were rendered. As a result, the production increased and the prices at the local market declined. Then, SAILD helped the farmers to improve their commercialisation, by building a new market system, including supply control at local market in order to keep good price. The local offer has been limited by the federation / farmers in order to maintain good local price. The excess production of ginger is sold on external market. NOWEFOR established contacts with new buyers for organising sales on group basis.

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

In this case, the services providers were:

- SAILD, NGO in Yaoundé and through its local branch in Bamenda helped the NOWEFOR farmers' organisation.
- NOWEFOR: before SAILD intervention, NOWEFOR was a services provider for its members (organising the purchase of inputs in bulk for the members, access to credit). Since few years, NOWEFOR provides direct market oriented services to its members through market organisations at local level and buyers' research / contracting.

SAILD intends to especially support farmers' dynamics in Cameroon. SAILD receives support from different partners, including SOS FAIM Luxembourg (NGO, that intends to support farmers' dynamics in southern countries). In this line, SAILD (Yaoundé), and its local branch in Bamenda, support NOWEFOR, with agricultural advisory services, for production, marketing and also other services such as credit. NOWEFOR is aiming at contributing to an improved livelihood through increasing, and diversifying incomes of its farming members.

¹ Extract from NOWEFOR/SAILD power-point presented at National Forum "Commercialisation des produits agricoles et accès au marché: partage d'expériences locales". - Yaoundé 2006- Minader/PARI, SAILD, Inter-réseaux/CTA.

See more :

- Self-managed livestock markets: the Beninese example (<http://www.sosfaim.org/pdf/en/dp/Dynam10.pdf>)
- Les marchés de bétail autogérés, un exemple béninois(http://www.sosfaim.org/pdf/fr/dp/Dynam10_FR_03.pdf)

The general constraints for farmers to connect to markets:

In 2001 the ginger sector was created with 120 members (men = 26, women = 94). The production sector received technical and financial assistance for increased production of the crop (SAILD). Technical assistance received led to a drastic reduction of the production cycle from 24 months to 12 months. At the same time the yield per hectare increased. The total production realised in 2001 was 150 tons. This increase in production led to an observed price drop in the local market: from 2,500 Franc CFA in 2001, to 500 Franc CFA /15 l bucket (The total income was ~ 400,000 CFA/ha while the cost of producing was 500,000 CFA/ha, this means that the farmers were experiencing a net loss of 100,000 CFA/ha with this increased production).

Farmers are used to sell individually their ginger to middle-men at local market (urban markets are too distant) and were “price-takers” in the market. Some of them did not find buyer and sold it to very low price or did not sell at all.

There was a need to reflect on how to organise the farmers to increase their bargaining power in front of middlemen and wholesalers for better prices and there was a need to organise the marketing of ginger in Bafut.

SAILD assisted the organisation in reflection process on marketing strategies, market studies and identification of clients.

Question 2: Who are the clients of MOAAS?

The clients are involved into market through SAILD. It supports many farmers’ organisations in all Cameroon.

The NOWEFOR federation includes 16 unions of common interest groups (GIC), based in the 4 provincial divisions of North-west de Bamenda (Mezam, Momo, Bui, and Donga-Mantung). Each union contains 5 to 16 GIC. Totally, it includes about 1,200 family farmers. Most of them grow coffee (men) and ginger (women).

In this specific case of ginger production, SAILD work with members growing ginger.

The NOWEFOR federation provides also services to its members (bulk inputs buying, credit, Information, grouped selling,).

Ginger was traditionally cultivated locally by women. With SAILD support, the production improved considerably. The quasi immediate consequence was a decrease in price. Some producers were not able to sell their product at such a low price due to the loss that would have been encountered.

The motivation of farmers using agricultural advisory services is to find a market for the product, with better prices.

Currently there is no other formal demand for specific services. NOWEFOR and SAILD met many times, first on production function, then, new problems, and research/test of solution together. They analysed together market functioning, including with real tests on the market (zero ginger” test).

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

Services delivered by the agricultural advisory services?

At production level: services to improve production regarding yields and cost production.

At local market level, services for:

- the creation and organisation of a local market control committee
- a local market control committee was created to sensitise all ginger producers on the need to organise the marketing of ginger in order to bargain higher prices.

The members of this production sector agreed to sell their produce in one location in the local market together with all other ginger producers in the area (to determine one unique place for selling ginger, farmers had to get agreement of local authority/local administration).

During a marketing session with all the produce in one location in the local market, it was observed that the prices were low because of excessive supply. The NOWEFOR farmers in the zone of Bafut reflected on strategies to reduce the supply of ginger in the local market.

Strategies to reduce ginger supply in the local market:

- The first strategy was to group producers into four zones with each zone having a specific day to supply in the local market.
- Administrative and traditional authorities were involved in order to reinforce the zoning agreed upon.

It was also deemed necessary to look for other market outlets out of the production zone (Yaoundé, Douala). Then, several actions were organised in order to:

- determine demand on local market and adjust supply
- organise production/sales committees
- supervise local market functions
- organise the selling of ginger in groups
- transport ginger to urban buyers, bargain, contracting, money reallocation

By now, some buyers are interested in coming to the area to fetch the ginger.

NOWEFOR is looking for “buying-up” funds in order to be able to withhold the ginger to be sold to the best buyer at the best moment. They develop credit system for that.

At the beginning, the services were financed through the support from SAILD. Later on, the lesser financial support NOWEFOR received, the services rendered to farmers were charged in order to become sustainable.

The farmers are linked to SAILD through the association. The relationship is characterised by long term relations, mutual respect, and confidence. The close relations is due to joint previous activities, step by step accompany, different kinds of activities/services adapted/offered.

Through the networking activities innovations in agricultural services are being up-scaled.

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

The agricultural advisory services are helpful for farmers to deal with market constraints through:

- Better understanding about demand /supply/market price definition on local market
- Better information on demand on local market
- Better master on production supply
- Better information on quality
- Better information on external buyer
- Increased market power on local market and with external buyers

The outcomes/impacts of agricultural advisory services are as follows:

- Production of ginger (better yields, lower cost of production), sold production (volume, price, quality) and farmers' income both increased.

Some preliminary impact

- The zoning led to reduced supply and the price of ginger rose to 1,000 Franc CFA / 15 l bucket
- Ginger was also supplied to buyers (in Yaoundé: 2 trips of 5 tons each, at 1,400 Franc CFA / 15 l bucket; and Douala: 5 tons at 2,100 Franc CFA).
- This led to an increase in the price at the local market to 1,000 Franc CFA.

Need to rethink the strategy

- Supply to Yaoundé was suspended because the client manipulated the farmers by reducing the accepted prices when the produce had been transported to Yaoundé since there was no written agreement.
- The client in Douala took produce for credit and was not regular in repayment.
- The system was not also very attractive to farmers who had to supply their produce to the market control committee and only received payment when the produce had been sold.
- The organisation resolved to adopt an approach where produce was bought in cash at the level of the village.

New market arrangements

- Clients interested in bulk buying of ginger at the level of the village were identified.
- The local market control committee borrows money from the Credit House and buys the produce from the farmers.
- This produce is then later sold to the client ensuring that at least the buying cost is recovered.
- In case the negotiations enable the committee to make profit, part of it is used to motivate the members of the local market control committee while the rest is ploughed into the ginger production sector funds.

Presently an agreement exists with 1 buyer to regularly supply 5 tons of ginger bi-monthly.

- This demand is hardly met by the members of the organisation who have to buy from other producers to supplement.
- Thus, the quantity supplied in the local market has greatly reduced.

This has led to a price increase to 1,700 Franc CFA/15 l bucket. This price is very stable and the trend is that it can occasionally increase.

- Consumers highly appreciate the quality of the ginger from this locality which is very organic.

Profitability

With the present price 1,700 Franc CFA/15 l bucket, the farmers generated a net profit of 1 million Franc CFA/ha.

It is hoped that if more bulk buyers are identified the farmers will be able to bargain and further increase the price.

Challenges

- Not all farmers currently respect the zoning of the village for supply of the local market.
- Some farmers sell to middlemen before they arrive at the market.
- The organisation buys from members in buckets while the client buys in kg. Sometimes there is a big disparity with the different measurements.
- Perspectives uncertain
- The vision is to attain the price of 2,500 Franc CFA/15 l buckets which the farmers are used to receive in the zone.
- Small scale processing of ginger into various forms (powder, drinks etc) exists.
- This processing could be promoted to increase the value of ginger thereby increasing income from the crop.
- Collection centres for ginger have been created in some far of zones to ease produce mobilisation and this has to be extended in other zones.
- Interest has been received from other bulk buyers like Leader Price because of the good quality.
- However, we have not started supplying because the price offered is not very satisfactory.

Side-effects or unexpected outcomes of agricultural advisory services

- Better organisation of the organisation, improve farmers interest/motivation toward federation (farmers see interest because gain profit/better income, thanks to federation organisation)... which is good also for other products (not only ginger).
- Access to other services (credit).
- Reinforcing leading role of leaders.

- Farmers more confident in themselves, increase identity of farmers in the group.
- Better reconnaissance from buyers, middle-men, local authority (traditional and administration).

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

The roles and functions of the government (local and national)

Local authority where very important to support/agree with the new organisation/functioning of the market and production zones:

- The Bafut Municipal council assist in reinforcing the agreed location for ginger in the local market with fines inflicted on defaulters. They also exempt our clients from paying taxes on ginger.
- The Bafut Traditional Council supports the process by reinforcing the zoning of the producers and the agreed timetable for supply in the local market.
- research centre produced several varieties of ginger.

Insights and lessons can be learnt from the arrangement of roles, e.g., good practices, obstacles, pitfalls

It is important to involve all types of local actors / stakeholders in order to reinforce the established marketing system.

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

The linkages between the agricultural advisory services and other types of services are on financial basis.