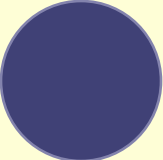

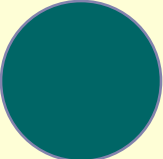
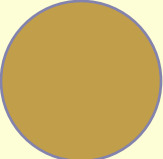


# Successful Integration of Small Scale Farmers into the Commodity Supply Chain

Henk Knipscheer

Fayetteville Sustainability Summit  
October 10, 2008

# Key Points

-  Using **Public-Private Partnerships** as strategic tool; what do they offer?
-  Harnessing the strength of **multiple sectors**: public, agribusiness, and NGOs
-  Smallholders, PPPs, and the **supply chain**: examples and approaches
-  A real-world example and **lessons learned**

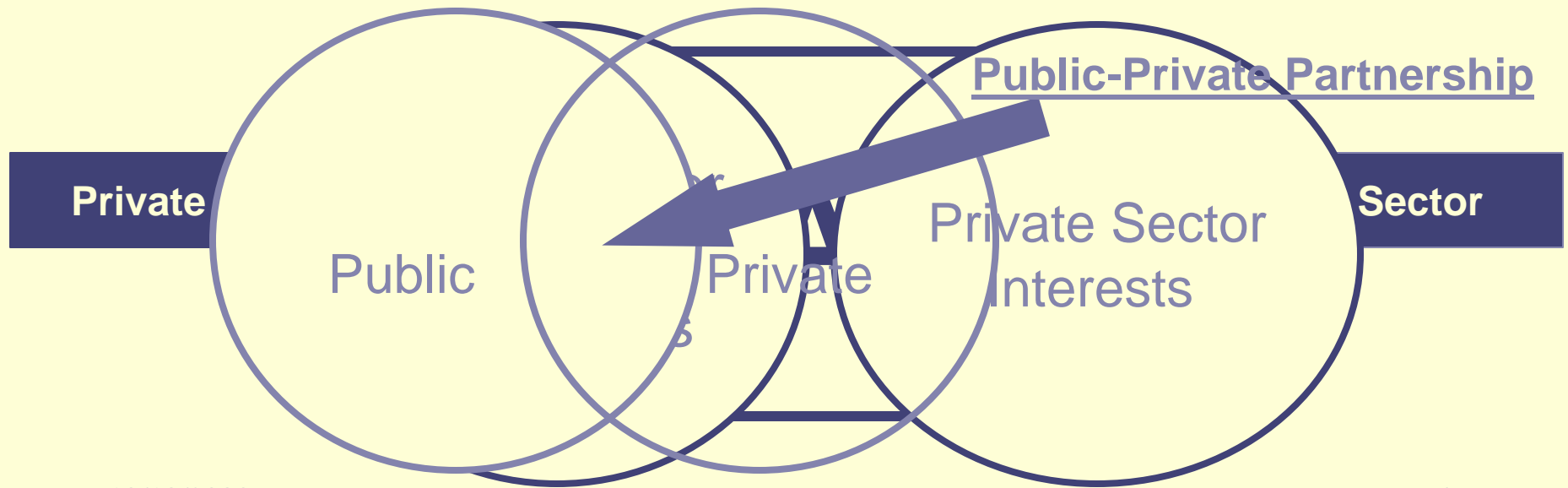


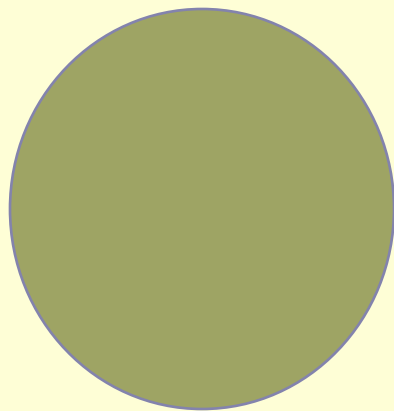
# What are PPPs and what do they offer?



# What are PPPs and what do they offer?

- A Development Assistance Model
- Deepening program impact
- Alliances – where **interests intersect**





# Harnessing the Strength of Multiple Sectors: Public, Agribusiness, NGOs

# Strengths of Public Sector

- ✓ Ability to provide supportive regulatory environment
- ✓ Ability to mobilize resources for improved infrastructure
- ✓ Ability to maintain law and order
- ✓ Ability to promote information and knowledge sharing
- ✓ Ability to “upscale” successful pilot projects

# Strengths of Agribusiness Sector

- ✓ Technical and managerial expertise
- ✓ Access to private financial resources
- ✓ Eagerness to provide new services and products
- ✓ Penchant for technical innovation
- ✓ Long-term interest in region/market
- ✓ Financial sustainability

# Strengths of NGO Sector

- ✓ Ability to reach marginal groups/ consumers/ suppliers
- ✓ Commitment to food security, human rights
- ✓ Ability to mobilize support from public and private charitable sources
- ✓ Ability to organize communities/reducing transaction costs
- ✓ Ability to broker P-P Partnerships

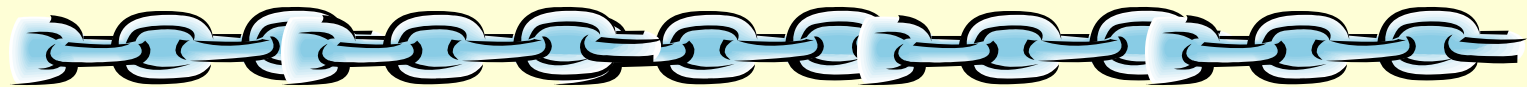


# Smallholders, PPPs and the Agricultural Supply Chain: Examples and Approaches

10/10/2008

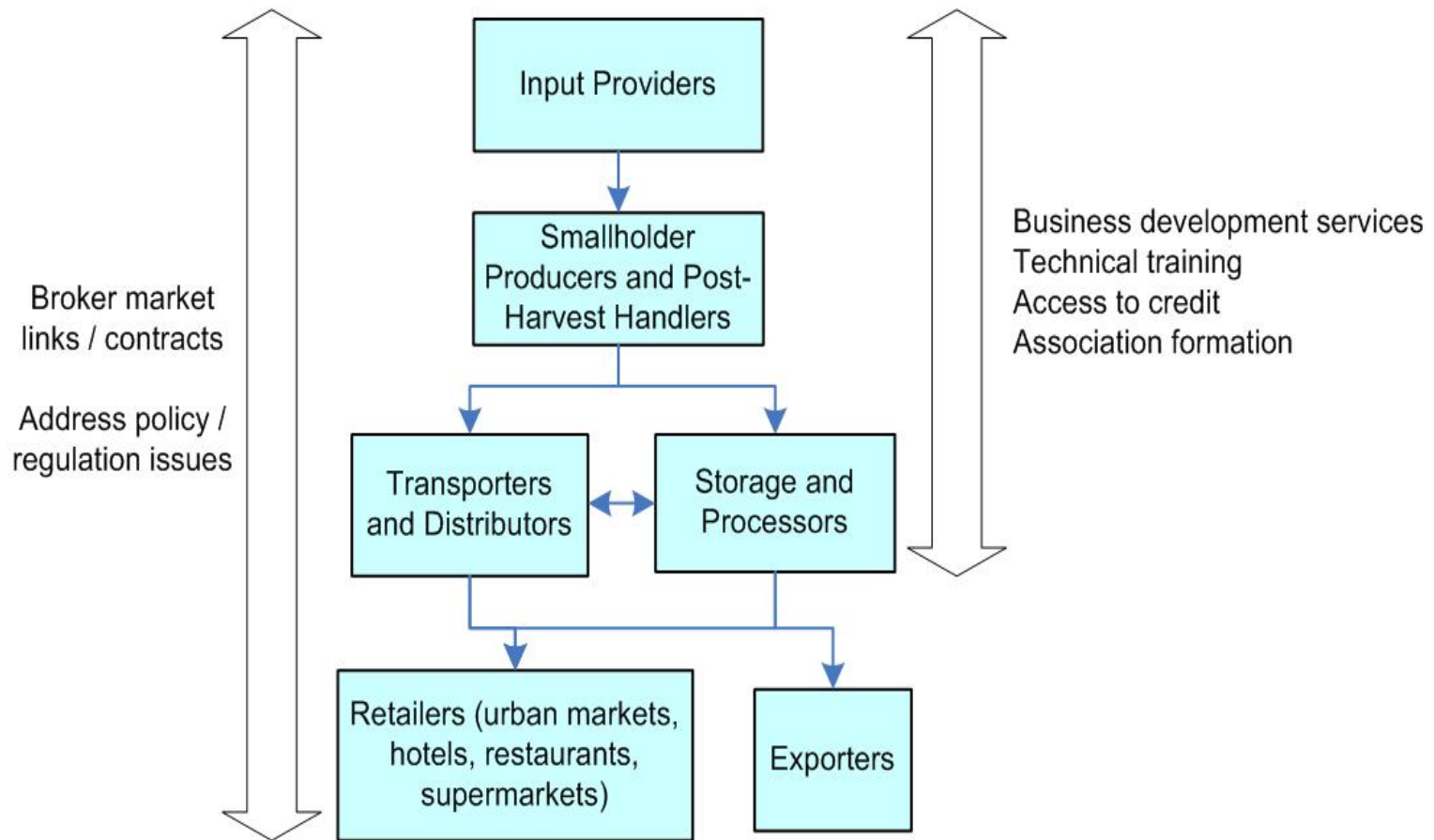


# Agricultural Supply Chains



Supply chains encompass the **full range** of **activities and services** required to bring a commodity from its **production** to its intermediate (**processing**) use  
*(from crop to shop)*

## Winrock Interventions Linking Smallholders to Value Chains

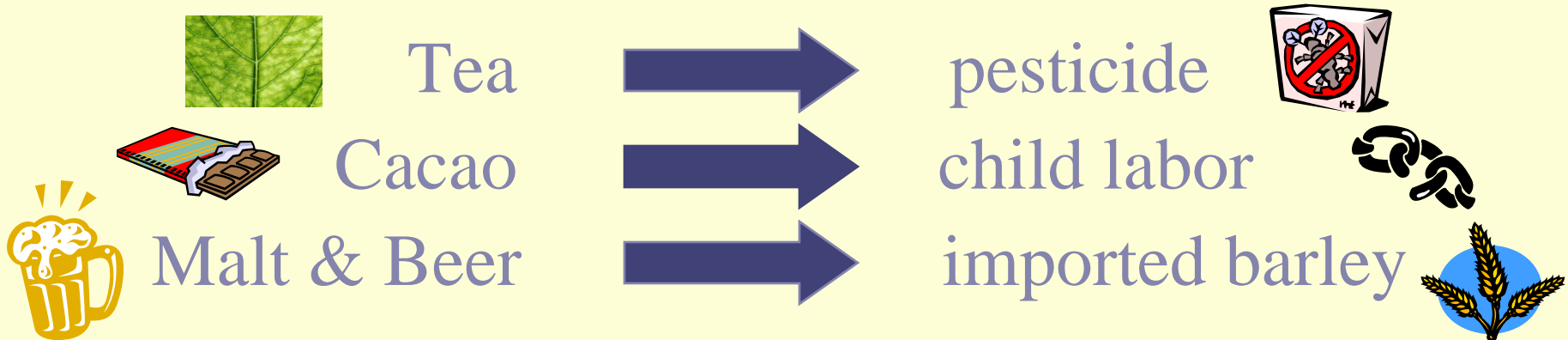


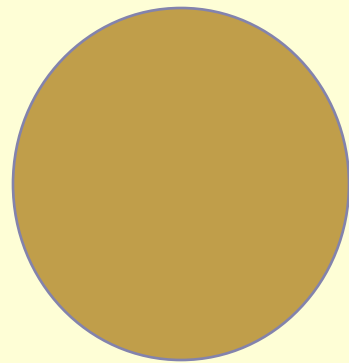


# Examples:

## Tea, Chocolate, Malt & Beer

Large agro-processing companies are concerned about the **quality** and **quantity** of their raw materials





# A Real-World Example and Lessons Learned





# West Africa Sorghum Value Chain Development Project Private Sector's Role

Venture Capital Trust Fund/SINAPI Aba Trust, Rabobank  
Foundation, Guinness Ghana Breweries Group, Sierra Leone  
Breweries Ltd/Heineken, Dizengoff Ghana

- ✓ Provide credit
- ✓ Provide fertilizers
- ✓ Provide seeds and other inputs
- ✓ Organize long distance transport
- ✓ Pay cash upon purchase of commodities





West Africa Sorghum Value Chain Development  
Project

Public Sector's Role  
Ministry of Agriculture

- ✓ Assist with organizing smallholder farmers
- ✓ Facilitate access to selected services  
(e.g. tractor services; crop insurance; improved seed)
- ✓ Facilitate communication between NGO partners and farmers/farmer groups



West Africa Sorghum Value Chain Development Project



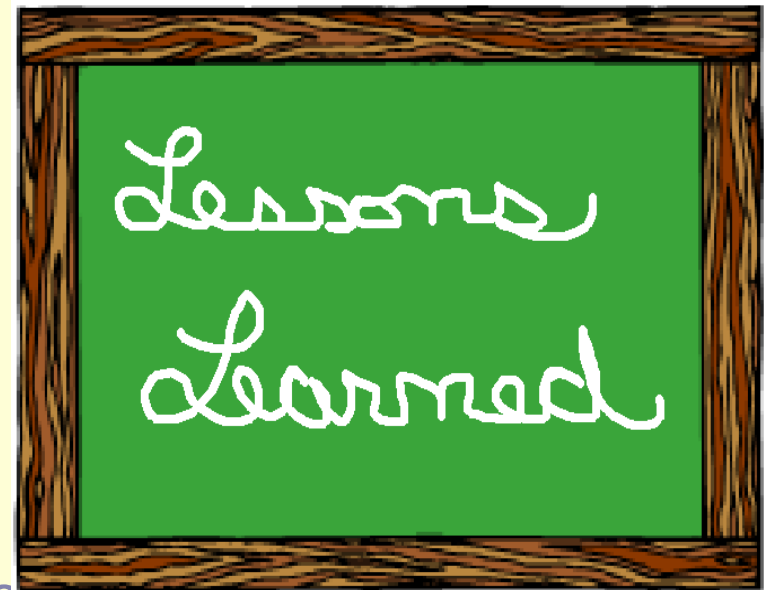
## NGOs' Role

EUCORD, TechnoServe, CBAN, Winrock

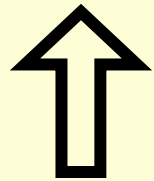
- ✓ Sorghum sector assessment studies
- ✓ Screening crop improvement packages
- ✓ Facilitate access to seasonal credit
- ✓ Introduction post-harvest technologies
- ✓ Facilitation access to private sector  
(seed companies, bank, agro-processors)
- ✓ Training of farmers and extension staff
- ✓ Training of local input dealers

# Lessons Learned From the Sorghum PPPs

- Co-funding by donor and private sector partners (1:1)
- Active participation by agricultural extension services
- Successful for “inputs” (seeds, fertilizers)
- Access to credit is critical
- Successful in yield / revenues
- Mixed results in “cooperative sales”
- Time consuming planning process



# Summary: Key PPP successes



access of smallholder farmers  
to yield-enhancing inputs:

seeds



fertilizer



credit



opening of new market linkages between  
smallholder groups and sorghum buyers



training of farmers in better cultivation and  
post-harvest technology methods

# Final Observation

NGOs as “honest brokers”



problem solving, pricing discussions  
seeking alternative suppliers/buyers