

Smart partnerships enable growth for African farmers



Smallholder farmers in many African countries require a combination of business and agricultural skills to succeed in a market system. This includes agro dealers and other agricultural value-chain actors.

Few medium to large enterprises have an interest in investing in rural agro-enterprises. The agri-business sector therefore suffers from low skills and education, low productivity, low capital investments, low levels of technology, low farm mechanisation and the inability to access markets. Farmers in Zambia face the same challenges.

It was against this reality that, in 2014, the African Management Services Company (AMSCO), a pan-African development advisory group that provides integrated human capital development solutions, partnered with Seed Co Limited, the leading producer and marketer of certified crop seeds in Zambia, and Musika, a Zambian non-profit company that works to stimulate private-sector investment in the smallholder markets.

Through a pilot project, the partnership specifically focused on addressing the business skills deficit in a selected number of agro dealers with potential to grow their businesses into farmer-centric areas and increase their supply of hybrid seeds. This was intended to reduce the recycled seed in those areas, increase farm productivity and ultimately increase farmer incomes. Attaining full potential in agro-inputs distribution was a priority.

Musika, through Seed Co, provided a number of pilot containers to agro dealers in highly productive rural markets with no brick and mortar facilities for seed sales. The initiative

was aimed at reaching rural areas, where farmers struggle to travel long distances to buy seed and other agro-inputs.

AMSCO facilitated a structured business improvement training programme for 40 selected Seed Co agro dealers. AMSCO, Seed Co and Musika also co-financed a programme aimed at building the entrepreneurial acumen of the agro dealers and catalysing the development of last-mile agro dealer outlets in order to increase sales.

After a year, the participating agro dealers reported increased stocks, increased sales and opportunities for wage employment, which confirmed that rural areas are viable agro-input markets.

Impact recorded for agro dealers was as follows:

- 66% of the target stockists increased their monthly sales by over 30%;
- 30% increased their sales by between 10% and 30%;
- 38% increased their sales by between 31% and 50%;
- 29% expanded their sales by over 50%.

The volume of hybrid seeds for Seed Co's 2013/14 season grew to 84% of the forecast for one region – a sign that Seed Co's sales growth is likely to double.

If the lead firm, Seed Co, can derive immediate and long-term sustainable and quantifiable benefits from such a partnership, then the future development of such initiatives is guaranteed, as the lead firm will commercially invest in local farmers after the intervention support comes to an end.

By leveraging existing local commercial, public and civil systems for farm-to-market service delivery, food security is achievable. In this case, not only did the agro dealers form part of the engine for sustainable economic growth, they played a significant part in poverty eradication.

This contributed towards Sustainable Development Goals 1 (end poverty in all its forms), 2 (end hunger), 8 (decent work and economic growth), 9 (industry, innovation and infrastructure) and 17 (partnerships for the goals). ■

For more information, visit: www.amsco.org

AMSCO works with the private sector, governments and development agencies to assist businesses to be globally competitive and sustainable.