Background

Potato is the main staple food in the highlands of Bolivia and Peru. In addition to providing vital food security for the poor, it underpins the livelihoods of most rural families. One of the key constraints to raising potato-based incomes and profitability is a lack of business skills among farmer organizations and inadequate access to market information. The lack of opportunity for income-generating activities has forced many young people to migrate to the cities in search of work. This leaves rural villages highly vulnerable to food insecurity, particularly in the face of a changing climate.

This project builds on the ‘farmer business school’ approach of the International Potato Center (CIP). First developed in Asia, this model has achieved broad success in helping farmers raise their incomes and improve food security. It follows a participatory action learning process comprising group-based activities, which are conducted throughout the production and marketing cycle.

The approach focuses on building farmers’ entrepreneurial and managerial skills. This gives them the requisite knowledge to make the most of potential business opportunities. To build sustainability into the future, the methodology integrates a gender and climate change perspective.

Objectives

The overall objective is to develop farmer capacities to respond to existing and emerging market opportunities and enhance their income-generating activities within the agri-food system, specifically to improve the:

- capacity of local actors to participate in inclusive value chain development;
- capacity of smallholders to plan their agricultural production and marketing activities, develop business plans, use market information, and strengthen relations with other value chain actors (processors, buyers, etc.); and
- effectiveness of value chain development interventions by sharing knowledge and influencing policy.

Approach

Working through the farmer business school model and focusing on local potato varieties, the project provided training on how to manage production and create market links in response to value chain requirements. Groups of farmers were supported to work together to design business plans that would address value chain development needs, and identify and exploit local opportunities. The project also worked to build and strengthen relationships among stakeholders and identify commercial, productive, and institutional innovations that would benefit the producers and other value chain actors.

To build a better understanding of agri-food systems development needs and the associated opportunities for farmers, local partners and other value chain actors,
the team identified business opportunities that could potentially reduce vulnerability among smallholders. The analysis highlighted and prioritized farmers’ comparative advantages and pinpointed opportunities for value addition. To achieve wider impact, additional actors in the public and private sectors received training in using and implementing the farmer business school model, and business skills training was extended to additional key crops.

**Achievements**

In Peru, eight farmer business schools were established: four in the northern city of Cajamarca and four in the capital Lima, for 150 producers. In Bolivia, the project supported three farmer business schools in the central Bolivian municipality of Independencia, serving 55 farmers.

After participating in the farmer business school program, the target beneficiaries began producing and marketing potato value-added products. The farmers identified relevant market information and built relationships with local buyers and processors, leading to a proper long-term business plan. The plans were based largely on growing and selling the local variety ‘Kawsay’, which is popular in fast food restaurants, as well as dried potato and seed potato of preferred native varieties. Specially organized business launch events gave participants an opportunity to showcase their products to potential buyers.

**Outcomes**

<table>
<thead>
<tr>
<th>Outcomes</th>
<th>Achievements</th>
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</thead>
<tbody>
<tr>
<td>Farmer business schools established in Bolivia and Peru</td>
<td>10</td>
</tr>
<tr>
<td>Total number of farmers attending business schools</td>
<td>205</td>
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</tbody>
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**Duration**

January–December 2018

**Budget**

USD 150,000

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The team also worked with farmers, local government officers, research partners, development organizations and private sector stakeholders to identify and prioritize broader regional market and innovation opportunities, constraints, and viable innovations. Together with the business plans, they amassed a range of information that was deemed to be of use to a wider audience. The team, therefore, facilitated knowledge-sharing through a specific event in Bolivia and studies of ‘most significant changes’ in Bolivia and Peru. Local economic development authorities were also kept informed on all capacity-strengthening activities.

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