

# Linking Farmers to Markets

## PARTICIPATORY AGROENTERPRISE DEVELOPMENT

Participatory Agroenterprise Development is a stepwise process (consisting of methods, tools and learning approaches) that service providers can use to help farmer groups produce goods and services based on market demand using basic marketing and business principles. It supports collective action, diversification, and “added value” as viable pathways out of poverty.



### Facilitation Team

This group comprises development agencies, public and private service providers, traders, and entrepreneurs and/or smallholder farmers. It could also be a partnership between a research and a development agency. This team is charged with the overall design, implementation, and monitoring of the project. The lead organisation provides a market facilitator.

**Identify project site(s) and research and development (R&D) partner organisations.** Agree on methods, roles and responsibilities of each partner

**Participatory community diagnosis, visioning and planning:**

- Assess the community's resources—identify community livelihood assets (natural, social, human, physical and financial) and the assets of local institutions.
- Develop a shared vision of its future, explore development options and develop an action plan for change.

**Form research and market survey groups**



### Working Group (Market Survey Team)

Members of the working group include the lead organisation (service provider); other like-minded service providers; NGOs; and representatives from farmer groups and from specialist service providers (in areas such as research, finance, trade, etc.).

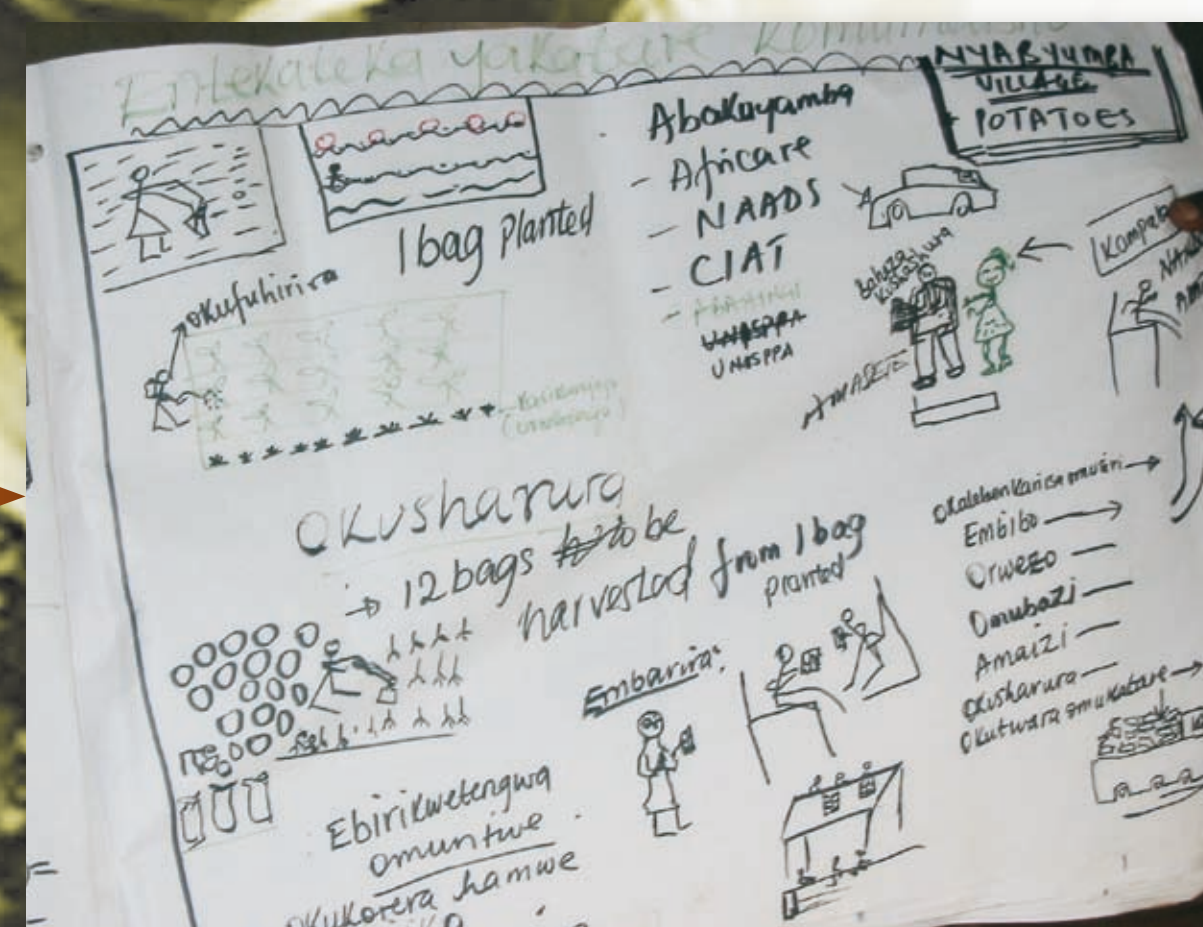
**Market analysis:**

- Train market survey team and plan market visits.
- Visit potential market outlets and give feedback to the community.
- Conduct a market chain analysis
- Assess market demands, size, competitors, level of competition, etc.
- Identify possible enterprise(s).



**Farmers experiment on different agroenterprises and provide feedback to the community:**

- Plan and implement experiments on options for developing selected agroenterprises and improving food security.
- Give the community and R&D organisations feedback on results and identify preferred agroenterprise options.
- Provide a community capacity for adapting to changes in market.



### Enterprise Group

Enterprise groups are groups of smallholder farmers (or traders or processors) and their clients or business partners.

**Select agroenterprise(s):**

- Is the agroenterprise feasible? What are the results of the cost-benefit analysis?
- What agroenterprise is the best option given the results of the experimental evaluation?
- Is there market demand for the product?
- Re-planning of agroenterprise.

**Design and implement agroenterprise(s):**

- Agree on a detailed enterprise action plan (marketing, business planning, production and post-harvest).
- Revisit market to confirm demand for the product and sign contracts with potential buyers.
- Implement agroenterprise.

**Assess profitability:**

- Profitable.
- Non-profitable.

**Scale up:**

- Scale up ideas and opportunities with partners who also understand the process.

**Evaluate the process with respect to:**

- Performance.
- Impact (equity, wealth, or enterprise transitions for beneficiaries).
- Institutional change.

### Key Features of the Approach

#### Defined geographical area

Select a product or an intervention design based on the expected employment and income impact in an area.

#### Participatory

At the project level, establish a “working group” of stakeholders who share a common goal in improving business activities.

#### Growth market focus

Use a market led, not a production led approach. This helps entrepreneurs to identify and access opportunities for existing or new products in existing or new markets.

#### “Thinking outside the farm”

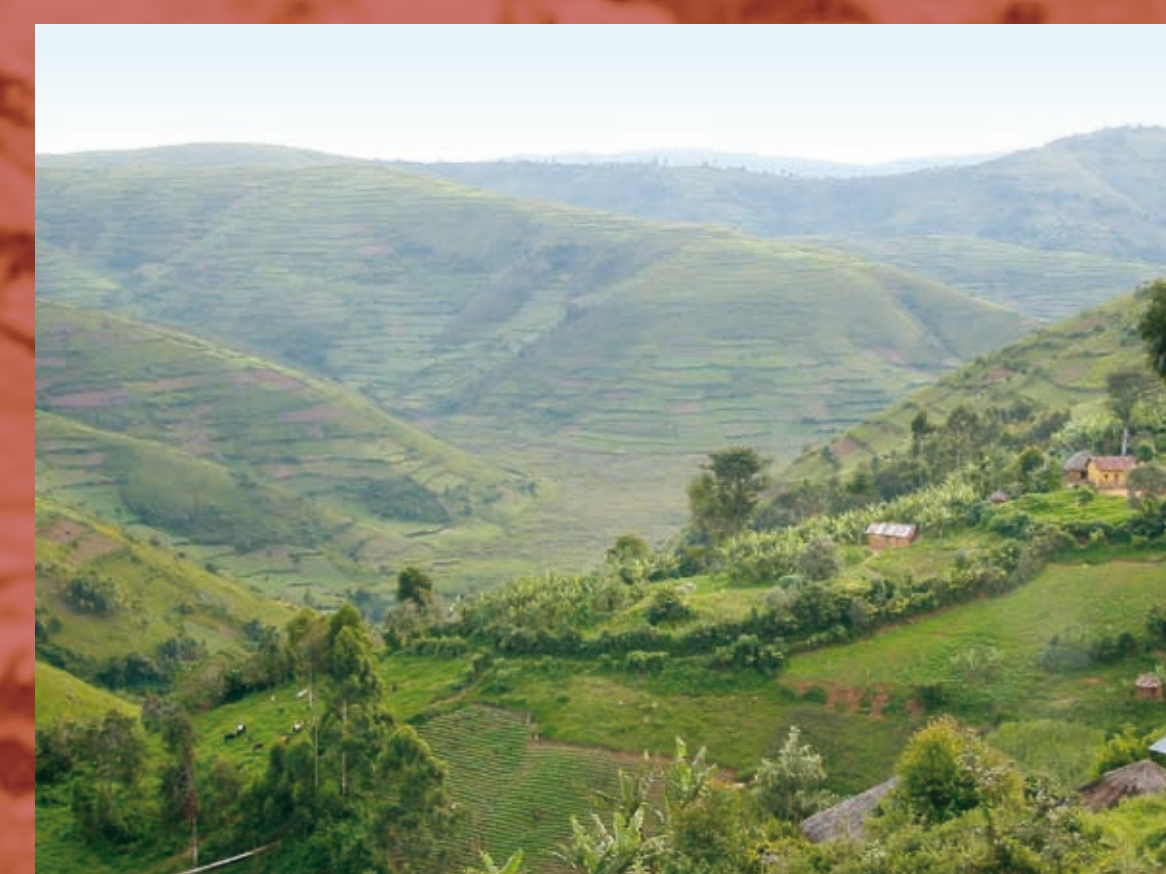
Encourage partners and stakeholders to “think outside the farm,” or focus on the existing market chain in their area. For example, the group could consider supporting interventions that address constraints at different points along the market chain.

#### Establishing business links

Consider establishing links with large-scale farmers as market linkages may be improved by working in partnership with them.

#### A step-wise approach

The agroenterprise method comprises several steps: (1) developing project site partnerships and resource assessment; (2) market analysis; and (3) intervention design, implementation, and scaling up.



The project's area of operation can be defined by a local political area, a diocese or a cluster of villages. Sometimes, a project may operate over a larger physical domain such as a watershed or an agro-ecozone.

#### Planning for scaling up

As it is easier to scale up from a larger starting point (such as many farmers groups) than from a small pool of beneficiaries, interventions should ideally be of a type that can reach larger numbers of beneficiaries at the outset.

#### Encouraging continuous innovation

This approach can enable local stakeholders to respond to new challenges and opportunities in the marketplace. Building capacity of local development agencies to use this approach can help entrepreneurs in the long term, once project work has been phased out.



Resource mapping is a useful participatory tool. Farmers are asked to draw a map of their community beginning with boundaries, and adding houses, roads, and crops. This process allows the group to think of what they have and build up a picture of their assets.

#### Building skills and empowering communities

Building capacity in traders, farmers' groups and community-based organisations ensures that the community benefits from being involved in the approach in the long term.

#### Accommodating minority issues

This approach can be adapted to support the specific needs of women's groups and address the needs of vulnerable groups such as the youth, the old, and people living with HIV/AIDS.

#### Working towards flexibility with rigor

Agroenterprise activities are complicated social activities that must be facilitated by skilled staff with motivated partners. Adapt methods and institutional arrangements to local conditions. Planning and investment should be client led.

#### A long-term framework

Our partners in Ethiopia, Malawi, Tanzania and Uganda have several years experience with this approach. Successfully integrating all components of an agroenterprise development process may take 8-12 years.

Potato farmers in Kabale, Uganda