Promoting collective marketing to ensure smallholder farmer access to domestic and international grain market

Tamiru Amanu, Endalkachew Wolde-meskel and Birhan Abdulkadir
International Livestock Research Institute, Addis Ababa, Ethiopia

Introduction

- Pulses dietary protein, cash income, soil fertility improvement and livestock feed. But, compared to cereals, low focus given and the legume sub-sector suffers from
  - Low productivity and
  - Poor value chain development
- N2Africa, a large scale, science-based ‘R4D’ project, partners with legume value chain actors, promoting
  - Improved legume technologies and
  - Integration to input and market access to improve smallholder farmers benefit

Smallholder farmer business environment

- The smallholder farmer organizational structures, business orientations and capabilities a challenge in input-output market integration making
  - Coordination of product bulking and delivery
  - Farmers’ bargaining power and profit margin sharing
  - Marketing decisions and
  - Networks with private buyers, more difficult and unviable

Collective marketing: The farmer cooperative union model

- In a landscaping study with potential legume value chain actors
  - Alema Koudjïs Feed Plc (AKF) was identified with annual demand of 250 tons (soybean) and 1000 tons (maize)
  - AKF was interested to source quality grains from farmers’ organizations
  - Farmers Cooperative Unions (FCU) like Mama and Anzina were desperately looking for markets
- N2Africa/Pawe agricultural research centre facilitated contractual agreement between Mama FCU and AKF, hence
  - Smallholder farmers’ in Pawe cluster linked to a large animal feed processing company (AKF) through FCU (their organization) for supplying soya grains
  - The partnership has also helped smallholders to come on board and negotiate for price with the buyer,
  - Improved grain assembling from individual member farmers and delivery of 1,500 tonnes of soybean grains in 2015

Challenges

- Quality of the supplied raw material; foreign matter, moisture, etc.
- Business capacity of the unions (personnel, finance)
- Failure in fulfilling the commitment with the buyers in terms of quality, quantity and timeframe
- Market demand estimation facilities

Opportunities

- Growing domestic and international market demand (processing and exporting companies)
- Increasing focus for pulses by public and private actors
- Growing awareness from farmers about the untapped legume potential

Acknowledgements

- Cluster partners including: ILRI, AKF, MBI, EIAR-PARC, Mama and Anzina Unions, Zonal and Woreda BoA and ACOS-Ethiopia
- BMGF, WUR and IITA

This poster is copyrighted by the International Livestock Research Institute (ILRI). It is licensed for use under the Creative Commons Attribution 4.0 International Licence. March 2016