



SAMS
March 2017

Smallholder Agriculture Market & Value Chain Support (SAMS)

Quick Facts

P4P Activities

Areas of Intervention:
Koulikoro, Sikasso,
Segou, Mopti, Timbuktu,
Gao

Number of Farmers:
55,631

**Number of Farmers
Unions:** 29

**Number of Farmer
Organisations:** 404

Gender: 43% women
farmers

Main Commodities:
Millet, Sorghum, Rice &
Pulses

**Planned Purchases
(2017):** 9,000 mt (34%
of all local purchases for
Mali are sourced from
SHF)

**Purchase history
(2010-2016):** 56,688
mt (approx. 8,000 mt/
year)

**Amount of credit
provided to
participating farmers:**
USD 483,000

**Number of Farmers
trained:** 10,244

Enhancing WFP's local purchases from local smallholder farmers

Supporting smallholder farmers and local food value chains through WFP's demand, partnerships and learning & sharing

WFP began building the capacity of Malian smallholder farmers (SHF) to prepare them for structured local purchase with the global **Purchase for Progress (P4P)** initiative in 2009. The initiative involved smallholder farmers from 21 countries across 3 continents, with 5 in the West Africa region. The initiative was a result of joint reflection between WFP, the Howard G. Buffet and the Bill and Melinda Gates Foundations, and was built on three main pillars: WFP's demand, partnerships and learning & sharing.

WFP Mali joined this global initiative and used its extensive field experience, purchasing power and logistics expertise to link SHF to markets. As a result in Mali WFP purchases an average of 30% of all its commodity (sorghum, millet, pulses and rice) needs from smallholder farmer's organisations (FO's) all of whom have benefited from up to 7 years of capacity building, agricultural and group management training as well as financing for essential agricultural equipment and storage facilities. These local purchase activities not only reduce the need to maintain high food imports for WFP interventions in Mali, but use more appropriate local foods. WFP development activities with targeted SHF also align with Government of Mali's (GoM) rural and agricultural development agenda vis-a-vis the "Loi d'Orientation d'Agricole, Politique

de Développement Agricole and Plan National d'Investissement du Secteur Agricole" which aim to contribute to the development of a sustainable, modern and robust agricultural sector able to both provide dignified, profitable and stable livelihoods for Malian smallholder farmers and meet the food and nutritional needs of all Malians.



The modalities tested during the initiative were evaluated in 2014 and the demand driven supply side support approach has since been integrated into WFP regular programming as **Smallholder Agriculture Market/Value Chain Support (SAMS)**. Through rigorous training, capacity building, adapted procurement modalities and monitoring, local purchases from local smallholder farmers became possible. WFP and partners played a significant role in improving P4P farmer's storage, aggregation and commercial capacity in addition to group management, access to quality inputs and financing.

Types of training:

- ⇒ Capacity Building
- ⇒ Agricultural Technical Training
- ⇒ Equipment use & maintenance
- ⇒ Post-harvest handling
- ⇒ Storage & warehouse management
- ⇒ Group management, functional literacy & accounting
- ⇒ Developed and tested adapted procurement modalities tailored to the needs of SHF

Number of Warehouses constructed: 26 (3,500 mt of storage capacity)

Cumulative storage capacity provided to SHF by WFP and partners: 13,445 mt

From 2009-2013 P4P in Mali:

- Identified and disseminated information about best agricultural practices for supply of food crops to the WFP and other markets to give P4P farmers a competitive edge in the marketplace
- Strengthened the capacity of small-scale producers to engage in the marketplace and increase their revenue
- Identified and applied the best practices to increase income from WFP sales and other markets
- Transformed the WFP food-purchasing program by buying from local producers to combat food insecurity in their countries

Results & Lessons learned

During the P4P initiative WFP and partners trained more than 10,000 SHF in the following areas:

- Post-Harvest handling and storage
- Food safety and quality
- Warehouse management
- Group management/FO governance
- Women's leadership
- Improved agricultural techniques
- Equipment use and maintenance
- Group sales, marketing & agribusiness
- Cooperative management
- Functional Literacy & accounting
- Business readiness to access credit and finance.

In terms of aggregation capacity for group sales, there was a strong increase in FO capacity from the first agricultural campaign 2009/2010 (815 mt) in to 3 740 mt by the 2015/2016 and the trend continues.

Access to credit

Many Banks and Micro Finance institutions are still risk averse to investing in the agricultural sector, those ready to engage maintain the requisite information to find credible/hardworking and reliable FO's. Additionally agricultural insurance for cereal producers in Mali, particularly

adapted to the SHF is virtually inexistent. Given the proximity and experience with the SHF, these challenges present an opportunity for WFP and partners to provide information through our MEAL expertise to fill this information void.

FO group management, primarily for the mixed (female/male) groups

In mixed groups (gender parity) and power sharing coupled with low/limited literacy remain a barriers for FO's to fully access credit, manage their group sales and maximise the agricultural training they receive. WFPs expertise training SHF provides sufficient evidence that with consistent accompaniment FO's can gain the skills and competencies required to effectively manage their agricultural enterprises.

Limited access to extension services such as agricultural insurance, inputs

Limited extension workers and agricultural information in the field or indeed limited access to those that exist. Through the extensive partner network WFP is able to reach the most vulnerable SHF at the bottom of the pyramid providing them with training and access to essential equipment to better prepare them for market involvement.

Access to market beyond WFP

WFP demand is shrinking as our operations shift more towards cash based transfers, likewise there is a shift in services offered to SHF. The objective now is to connect targeted SHF to agribusinesses/agricultural SME to respond the evolving needs of the Malian consumer. WFP seeks to maintain its role as a frontline service provider to SHF by focusing on food safety and quality to prepare the farmer to supply to private sector for the production of local specialised nutritious food, flour, beverages and other consumables. WFP also wants to connect SHF to government driven structured demand; hospitals, prisons, military, schools etc.

Spotlight

Sabati Women's Association, Zantiébougou (Sikasso)

When the Sabati Women's Association joined P4P in 2011 were classified as a weak farmer's organisation based on their group management, aggregation capacity, literacy level, and storage and equipment capacity. Sabati was not yet an official association, or registered officially with the Ministries of Agriculture and Commerce. Benefitting from consistent capacity building from WFP and CAEB, all of Sabati's management are now fully literate in Bambara, and are able to handle the groups accounting. Additionally through a specific USAID grant WFP was able to purchase essential on farm and post-harvest equipment for Sabati. As a result of the capacity building and agricultural training they received through P4P Sabati have significantly improved their production and commercial capacity and provide all the food to run their local school canteen. They are ready to expand their operations towards value addition. It is precisely this sort of progress that is inspiring the transition to **Smallholder Agriculture Market/ Value Chain Support**. Sabati's first contract with WFP was for 40 mt of sorghum they were only able to deliver 11.8 mt however by the last agricultural campaign they delivered 90 mt of sorghum and 483.35 mt of niébé significantly exceeding the initial contracted tonnage. Their progress is demonstrative of the type of commercial growth FO's can experience with WFP capacity building and training.

Perspectives

Strengthening connections between FO and other WFP activities

WFP's comparative advantage in this space is not only the extensive field presence in Mali but also the partnership network to reach the



more inaccessible regions of the country. Additionally with 7 years of experience supporting the Government of Mali with its agricultural development agenda WFP has become an authority in this space. Over the last 2 years WFP has been able to expand its SHF support activities to the Northern regions of the country to contribute to the GoM post-conflict recovery agenda. Even in these difficult to access regions (Gao and Timbuktu) these types of SHF development activities (rice and niébé value chains) encourage resettlement, contribute to peace building, stability and community cohesion. Using the lessons learned, and best practices from 5+ years of P4P WFP is transitioning into to the next phase of its value chain and market access support for FO's by connecting FO's to other WFP activities.

This next phase will focus on the following:

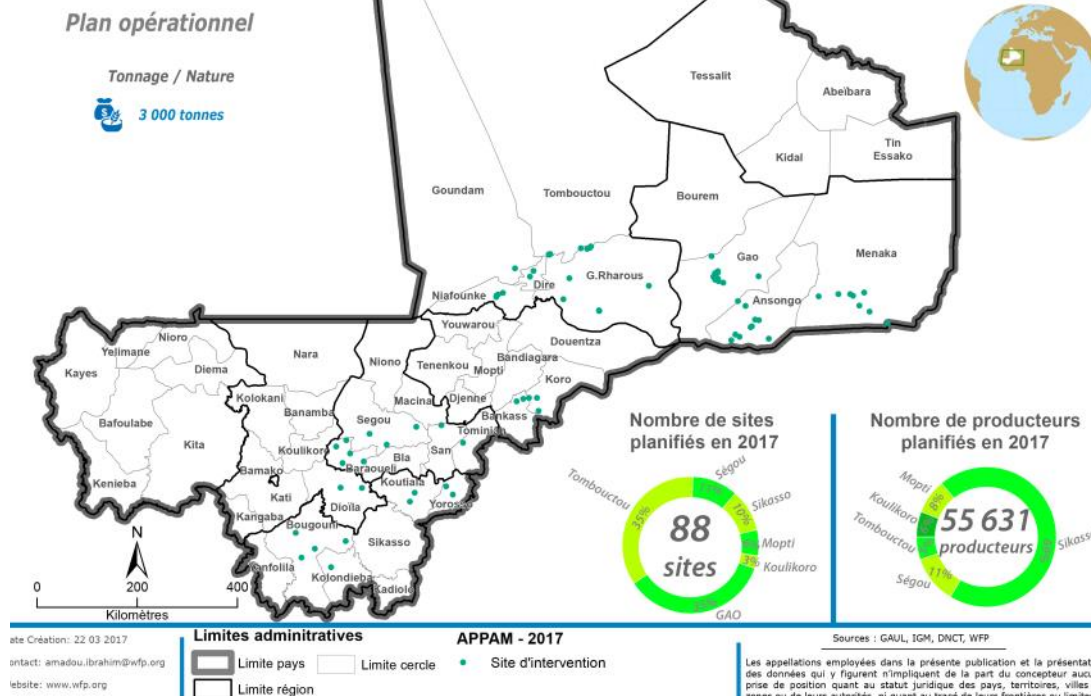
- Scale up the Sabati Women's FO HGSP model to other regions of Mali, transforming this women's group into trainers to transfer the knowledge gained from working with WFP.
- To further increase the number of value chains involving

women, Security explore the connecting small dairy processing units (adaptation of P4P group management model) to school canteens, to address nutrition and to further diversify the food basket, this is in line with the National Policy for Food and Nutrition.

- Linking farmers to agribusinesses and financial institutions for access to credit, equipment and inputs, and other buyers of quality grain WFP could help create a platform for private-sector engagement with smallholder farmers.
- WFP could explore strategic linkages with large (regular) food suppliers to buy food from smallholder farmers under adapted procurement modalities such as soft tenders.
- Connect smallholders to agribusiness and private-sector particularly for the formulation of specialised nutritious foods in line with strategic objective 1 of the National Policy for Agricultural Development (assure food and nutritional security).
- Connect smallholder farmers to

SAMS Activities :

- ⇒ Direct Contracts
- ⇒ Soft Tendering
- ⇒ Post-Harvest Loss Reduction
- ⇒ Rehabilitation of Farmland
- ⇒ Climate-Smart Agriculture
- ⇒ Improved Market Access
- ⇒ Value Addition -Food Processing and Fortification
- ⇒ Access to Finance
- ⇒ Home-grown School Feeding
- ⇒ Capacity Building – Food Safety & Quality Control



national institutional buyers beyond schools; universities, military, hospitals, orphanages and prisons.

- Other development partners can provide complementary capacity support to FOs previously targeted by WFP. Proactive linking of groups to new partners, particularly for value addition.
- Procurement modalities such as forward contracts could be used stimulate production and marketing of drought tolerant crops. This has been included in the draft procurement plans.
- Develop an investment case to demonstrate how WFP's pro-smallholder procurement can contribute to market capacity development for smallholder farmers and to the food safety and quality agenda.
- Explore methods to connect smallholder farmers to agricultural insurance products, and advocate for adapted insurance products to meet farmer's needs.
- Work with research institutions and other partners to begin training smallholders in climate smart agricultural practices, water management, and use of improved drought resistant seeds, organic fertiliser, and pilot the use of affordable post-harvest loss reduction equipment.

Partnership

WFP worked with a variety of partners during the P4P pilot and maintains a stable partner network to date. These partners include the government of Mali represented by the Ministry of Agriculture, the National Office for Agricultural Products (OPAM), the Agricultural Markets



Observatory (OMA) and Early Warning Systems. International organisations present in the field including Sasakawa Africa Association, Catholic Relief Service, USAID, USAID-Cereal Value Chains, Feere Diyara (SOCODEVI), AMASSA-Afrique Verte, and. Local NGO partners including; Conseil et Appui à l'Education à la Base (CAEB) and Siginyogonje. WFP also works with UN Agencies; UN Women through their AgriFED project, UNDP and FAO. Research Institutions such as Alliance for a Green Revolution in Africa (AGRA), ICRISAT and Institute of Rural Economy (IER).