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COLOPHON

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Agriterra has become a relevant player among the internationally active entities from the Netherlands. We do that with a unique profile on cooperative business development. After having seen successes and results of our approach, a growing number of governments call on us to help them to segment their cooperative landscape and help them build a cooperative development practice. We are exploring ways to respond to these expectations and bring our approaches to scale, maintaining our primary focus on cooperatives and farmer organisations.

Sustainable and efficient agriculture is our focus in 2020. Cooperatives have one tremendous - but far from exploited - potential to serve as a crucial interface between their farmers, upstream and technology suppliers, dealers and customers, downstream. Agriterra will advise to build economically sustainable member services, to give potential to that pivotal function. COVID-19 underlines the urgency of this effort and can accelerate the necessary IT innovations in the chain. In addition to our successful service to make cooperatives bankable, and the use of the FACT method to professionalise farmers’ lobbying and advocacy, Agriterra will invest in 2020 in this third pillar of Agriterra’s approach: making services sustainable.

“Cooperatives can serve their members in such a way that it becomes an integral part of their business model.”

That is why 2020 has been declared the Year of Sustainable Services. Cooperatives can serve their members in such a way that it becomes an integral part of their business model. But sustainability also refers to the technology promoted by the cooperative. Agriterra is building a network of agripoolers with access to a wide range of technological options, all of which have the potential to increase production and productivity, while putting sustainability first.

2020 marks important decisions in our future development. Our past performance and our future strategy are evaluated. One thing will not change: our confidence in cooperatives and farmers’ organisations as catalysts for rapid, redistributive and democratic development because of their impact on markets and societies, beyond the direct benefits for members.

On behalf of managers
Cees van Rij and Ronnie Hahné,

Kees Blokland
Managing director
After an absence of a number of years, Agriterra once again has a local presence in the West African countries of Ghana, Ivory Coast, Niger and Burkina Faso.

As part of the reorganisation in 2015, Agriterra opted to operate in fewer countries, but with a more prominent local presence. That choice led to the end of Agriterra’s presence in West Africa. But strong growth in recent years has enabled us to expand the number of countries. We visited various cooperatives, relevant networks and partners in different countries to explore the opportunities and options. This revealed a high demand for Agriterra’s services in Ghana, Ivory Coast, Niger and Burkina Faso.

Local presence
Business advisor Willem Paulus has been based in Ghana since the start of this year. He received assistance locally from Business advisor Habiba Nyarko Agyemang. “You provide far more added value by being based locally. You can easily visit a cooperative and follow-up on plans with them too. That is very important in the development of cooperatives. Many other organisations or companies operate from abroad”, Paulus says.

The cooperatives are relatively small in Ghana, but there is a great need for farmers to be well-organised. Not just according to trade and industry, but farmers themselves. “If they keep operating individually, there will be few growth opportunities”, Paulus continues.

The challenge is to ensure that cooperatives are critical of their members, so only farmers who really want to invest and contribute to the cooperative are accepted as members. “You primarily see a ‘top-down’ structure at present: cooperatives are established by the government or companies and are therefore very dependent. Agriterra would like to see them investing in their own cooperatives themselves rather than waiting for the government or an NGO to come along and help them.”

My.Coop training is often implemented first. This training is intended to bolster the management of agricultural cooperatives so they can offer their members high quality, efficient and effective services. Many cooperatives do have plans but need help in executing them. Agriterra helps with...
establishing a clear strategy, identifying financing needs and developing a business plan.

According to Paulus, huge strides can still be made in West Africa in terms of productivity. “The tomato yield in Nigeria was almost 6 tonnes per hectare in 2013. It was almost 500 tonnes in the Netherlands. That is a huge difference and something that can be changed. Many vegetables are imported into Ghana from the Netherlands, amongst others. That is unfortunate because Ghanaians generally eat relatively few vegetables due to the high prices. They could produce more themselves and even export if desired. So there is still plenty of room for improvement.”

Young people
At present, the cooperatives have many older people on the board and in management positions. Agriterra would like to involve young people in this. However, young people in Ghana are moving away from the agricultural sector on a massive scale. They try to find jobs in the large cities, but that is not easy. Many have few prospects for the future. In fact, there is a great deal of unemployment in rural areas.

Agriterra wants to work towards creating jobs in West Africa. If farmers organise themselves well, they are capable of adding value to a product. You need people for this. A cooperative can also offer its members paid services, such as how to grow or produce better products. This also creates opportunities for young farmers. Earning a good income from farming motivates young people to go into that field.

Along with her husband, business advisor Agyemang, previously a successful banker, established a poultry farm with 13,000 chickens. Their ambition is to have 60,000 chickens in four years. So there are opportunities for farming professionally, but these are often only open to people with money. Paulus: “It is difficult for young, ambitious farmers to access capital and land so they can earn a really good salary. Cooperatives can play a role in this by offering financing to young farmers. And by offering a higher price for the products supplied. But they do need to be well-organised to do that.”

“The introductory phase is now over”, says Paulus. “We know what the network looks like and what the opportunities and options are. Our goal is to double our client portfolio annually. We would also like to be known as a service provider to trade and industry here. Ghana is a stable and safe country. I regard it as a central point from which we can serve other countries in West Africa. Including countries in which we are not yet active.”
The Ivory Coast is the largest cocoa producer in the world, and the Netherlands is the largest importer of these beans at 1.1 million tonnes per year. Agriterra opened an office in the former capital city of Abidjan in 2019.
Agriterra is currently working with four cocoa cooperatives in Ivory Coast. One of those is ECAKOOG, with over 3500 members. This well-structured cooperative, situated in the highest cocoa-producing area in the country, is UTZ and Fairtrade-certified, and produced 6400 tonnes of cocoa last year.

The cooperative has an ambitious goal: it wants to be an export cooperative by 2021, with a focus on Fairtrade-certified cocoa. ECAKOOG entered into various partnership agreements to achieve this goal, including with Agriterra, amongst others. The partnership agreement with Agriterra was signed at the start of 2019. The cocoa market in Ivory Coast is dominated by a small number of wholesale dealers and the price is regulated by the government. This makes it difficult for a cooperative to be distinctive. In collaboration with Agriterra, ECAKOOG wants to focus on the production of premium cocoa, so they are less dependent on bulk buyers and can establish direct links with chocolatiers in Europe.

Activities

An action plan has been devised with participation in the famous ‘Salon du Chocolat’ trade fair in Paris at the end of October 2019, amongst others. This is an incredible opportunity for ECAKOOG, because that is where thousands of buyers and the who’s who of the cocoa sector congregate.

Agriterra organised a workshop on ‘the fine market marketing and post-harvest practices of cocoa farmers’ for all its clients in Ivory Coast, including ECAKOOG. Zoi Papalexandratou of ZOTO, a Belgian family-run business that specialises in cocoa-related consultancy projects and excellent flavours, hosted the workshop, which was aimed at the market for premium cocoa (specialist cocoa with an intense flavour).

With lower volumes and higher prices, this market offers opportunities for cooperatives. Before and after the workshop, various taste tests were conducted on cocoa samples according to a protocol developed by Papalexandratou. Initial results were positive and the samples were sent to ZOTO in Belgium for further analysis.

The cooperatives came to the conclusion that bulk export of Ivorian cocoa is important for the development of cooperatives, but that opportunities in the premium market should also be explored, particularly given the flavourful genetics of the cocoa beans from the producers’ plantations.

The development of a strategic plan for entering this market with ECAKOOG and any other Agriterra clients could be an opportunity for Ivory Coast to position itself as an authentic premium cocoa supplier in future.
Spikker hails from a farmer’s family. ‘My father was a pig farmer, but that was not a career path I wanted to take. After studying business administration I became a subsidy consultant, which meant I was still very involved in the agricultural sector.’ In 2013, Spikker and his wife decided to move to Rwanda. ‘We wanted to work internationally.’

In Rwanda, Spikker started working for Spark, a Dutch NGO that focuses on higher education and entrepreneurship. After two satisfying years working there, Spikker saw the Agriterra vacancy for business consultant in 2015. ‘This was really appealing to me, especially because Agriterra had to be built from the ground up in Rwanda, and from Rwanda we would become a staging point for activities in three countries. The knowledge transfer via Agripool experts also had my name on it: great for the cooperatives, and an opportunity for me to keep learning from people in the sector.’

Spikker started on his own in Rwanda and is now part of a team of eight business consultants. ‘Our team is young, full of initiative and ambitious. Above all, everyone is very involved with the clients.’ That involvement is one of the reasons cooperatives come to Agriterra, says Spikker. ‘Agriterra stands by the cooperative. We work together for several years and get to know the weaknesses and ambitions. We offer knowledge based on their needs. That is unique.’

The focus of the Dutch development cooperation is currently shifting from ‘aid’ to ‘trade’, and, according to Spikker, Agriterra fits perfectly into this trend. ‘We initiate various public-private partnerships in which companies indicate what they want to invest in order to improve product supply. Agriterra connects cooperatives to such parties, so the farmers are assured a long-term market for their products. This could be corn, rice and potatoes, or export products to Europe such as coffee and cocoa.’

If the cooperatives are properly guided they can meet all demands for quality, quantity and supply guarantees. ‘Where possible, we also guide them to invest in factories themselves, in order to add more value and generate income. I believe the time for subsidies is over. Let the market do its job.’ The agricultural sector in Rwanda is very small-scale. Every hill is fully covered in crops. Spikker: ‘Rwanda is the most populous country in Africa. The average farmer has less than a hectare of land.’

Government
The most important development in the sector is the willingness to intensify: production needs to increase everywhere. ‘The government plays an important part in this process. Each cooperative

‘WE OFFER KNOWLEDGE BASED ON NEED’
is audited by the government and requires permits for a multitude of things. The government exerts a lot of pressure on the cooperative directors.’ Young people have difficulty getting land. One of Spikker’s colleagues, Marine Umukunzi, organises workshops especially for young people. Spikker: ‘It is important to pay attention to young people. There is a lot of talent in Rwanda, and the young generation is also multilingual. When they join a cooperative, enthusiasm and new ideas are brought in. They go for it, and that is motivational for themselves and other members.”

Potato cooperatives in Rwanda have about 100 members. The dairy sector has large cooperatives. Dairy cooperative IAKIB grew from 700 to as many as 4000 members in recent years. Spikker is proud of this. ‘This is a great result of the cooperation with Agriterra. The cooperative is now ready to invest. They are still waiting for government approval, but a large dairy factory will soon be built in northern Rwanda.’

Spikker considers the deployment of Agripool experts to be a formula for success. ‘We often bring potato farmers from the Netherlands, and you can see that instant connection. We have started dozens of demo fields for cooperatives with the help of Dutch farmers. The yield of these fields is significantly higher than normal yields. Rwandese cooperatives should invest in their own education, so members regularly receive support and the cooperative continues to profit from the knowledge of the Dutch potato sector in the long run.’

Business life

Rwanda has a good business climate. ‘You can register your company in a day. It is a rising market, with a growing middle class. DSM, Heineken and Unilever already opened locations in Rwanda, and even smaller Dutch entrepreneurs are active here. Cooperatives should be involved in this. The opportunities lie in the processing industry and the supply to the European market. These are products with high margins and small volumes, so they can be flown to Europe. Rwanda is not the place to go for bulk goods.’

About Rwanda

Capital: Kigali
Government: Presidential Republic
Surface: 26,338 km² (5.3% water)
Population: 11,901,484 (2017)

Two-thirds of the working Rwandese population works in agriculture. The highest-income crops are coffee and tea. Rwanda is also among the top five potato-producing countries in Africa. Lots of corn is cultivated in the country, and the north also grows rice.
Leendert Jan Onnes went to Rwanda to deliver a workshop to demonstrate the importance of allowing young people to participate and giving them a voice. By the end, all cooperatives had an action plan.

Onnes (32) and his father own a 120-hectare agricultural farm together in northeast Groningen. They cultivate wheat, beetroot and rapeseed, amongst others. In addition, Onnes is on the executive board of NAJK (Nederlands Agrarisch Jongeren Kontakt), where he holds the agriculture portfolio.

Onnes regularly saw Agriterra vacancies advertised and had heard enthusiastic stories about their consultancy assignments from fellow board members. “This time, it was a vacancy concerning the participation of young people in cooperatives in Rwanda. That really appealed to me. At NAJK, we do all we can to support young farmers in the Netherlands and of course, it is wonderful to support young farmers in other countries by sharing your expertise.”

Perspective
Five rice cooperatives were represented at the workshop. Two board members and three young farmers from every cooperative attended. Onnes: “That was a good combination, because you don’t get anywhere if you only invite farmers or board members. They engaged with one another and that worked well.”

In his first presentation, Onnes spoke about the development of his business. He explained what is different to the way his grandfather and father farmed, and what changes he is now implementing himself. “Many small farmers in Rwanda belong to a cooperative because it buys their rice. Those cooperatives have no young people on the board. There is little focus on young farmers, yet they are very important to the future of cooperatives. Young people have new ideas and need to be motivated to take over farms. By explaining in my presentation how things used to be in the Netherlands and where we are now, you give them some perspective. Great strides still need to be made, but developments have taken place rapidly in the Netherlands in recent years, so it can be done.”

“Young people need to be motivated to take over farms.”

Onnes also spoke about the NAJK: about the structure, everything they do and what the organisation’s goal is. “However, you cannot replicate the structure of a Dutch youth council there. Each cooperative’s needs and opportunities need to be discussed.”

In his second presentation, Onnes spoke about a challenge he is facing as a farmer. He used the decline of soil quality as an example. How do you tackle something like that? NAJK developed a project by means of which young people can gather more knowledge about soil in a fun way. Another example of a NAJK project is the corn challenge, which looks at which young farmer can
grow the best corn. You could do something like that on a smaller scale with rice in Rwanda.

**Outcome**
The objective was for each cooperative to have a plan by the end of the workshop and to elaborate on the actions themselves. “It is far more motivational when you accomplish something yourself rather than someone else doing it for you. For example, a cooperative wanted to grow more vegetables around the rice fields so they can harvest vegetables in the interim too”, Onnes explains. “Another cooperative conceived the idea of collecting and composting waste from rice. That compost could be used by other members and a share of it could be sold. That would generate extra income.”

What Onnes took away from it is that many wanted to do something about the poverty affecting young people. “My first thought would be: ensure they get jobs. But their view was: if we provide food that is more balanced, young people will be healthier and stronger and they can work harder and earn more. That provided me with the insight that: healthy food is not a given the way it is for us and that is why many of the projects they conceive are geared towards better food.”

Onnes also wants to give other NAJK members the opportunity to share their experiences. “A trip like this provides an insight into your own comings and goings. You are asked questions about why we do things the way we do, which gives you food for thought. Many things are not as straightforward for others.”

Above all, he tried to convey his enthusiasm about ‘being a farmer’ in Rwanda. “We do not always get the recognition we deserve in the Netherlands, but I have never felt inferior. In Rwanda, farmers really do have a lower social status. The workshop participants enjoyed the fact I was so positive about being a farmer. That gave them a boost and motivated them to get stuck in.”
THE NETHERLANDS AND VIETNAM COOPERATE MORE CLOSELY

Dutch Prime Minister Mark Rutte spoke to the Vietnamese Prime Minister Nguyen Xuan Phuc in Vietnam on 9 April and discussed the further strengthening of the relationship and the intensification of trade between the two countries.

Cooperation in areas such as water management, agriculture, food security and climate change was also discussed. The Netherlands is the second-largest European trade partner of Vietnam, after Germany. In the presence of both leaders, a number of treaties, contracts and agreements were signed aimed at closer economic cooperation.

Article 9 of the cooperation treaty specifically states that the cooperation will also apply to cooperatives. This relates to the role of Agriterra in Vietnam.

In March 2017, Agriterra signed a cooperation treaty with the national framework of cooperatives, the Vietnamese Cooperative Alliance, in order to kickstart the Cooperative Development Plan. The client portfolio of Agriterra has since grown to 40 cooperatives, through which over 100,000 farmers are reached.

Agriterra’s representative in Vietnam, Harm Haverkort, was present for Rutte’s official visit: ‘It was a successful day for Agriterra. “Agriterra is involved in all the agricultural deals that were signed”

Agriterra is involved in all the agricultural deals that were signed, and was prominently referred to in the speeches of both prime ministers. The agreement received the spotlight when it was signed on national television with the two prime ministers as witnesses. It was clearly stated that this is a deal of land consolidation and cooperative development. Now it’s time to get to work!’
The Task Force foresees an equal relationship between Africa and Europe, shaped by partnerships between governments, companies and social organisations. The committee was an initiative by Phil Hogan, who also involved his colleague of the African Union, Josefa Sacko, and the European Commissioner for International Cooperation and Development, Neven Mimica.

Kees Blokland, director of Agriterra, was one of the five European members of the task force. “It is an extensive and solid report, which means –being critical– that the innovative elements are somewhat lost. And there are plenty of those, after all”, says Blokland. “The report shifts the responsibility for the development of Africa and each separate country to the local governments, business communities and civil societies, and they do claim this responsibility. A lot is happening. Many African countries are rapidly developing. The challenges are substantial: in the next 30 years, 800 million young people will enter the African job market. This growing population needs to be fed while complying with environmental and climate as well as nutritional demands. The technology choice should guarantee maximum growth using the available investment capital in a mix that creates the maximum number of jobs. This can be done. There are definite advantages for African countries that aim for development”, Blokland continues. “There is a multitude of technological solutions to be used, abundantly available capital and, above all, many people, companies and institutions on other continents are ready to offer their support, like the agripoolers for cooperatives.”

Cooperation
The task force envisions this as a comprehensive partnership that no longer merely concerns cooperation between governments, but also between civil society organisations and between companies. The emphasis is on the countryside, villages and small cities. The development needs to take shape from there. Investments, transfer of technology, infrastructural works in roads, electricity and the internet need to turn the countryside into a pleasant place to live and work. Agriculture will have to intensify rapidly, through existing and future technology that will become even more productive and efficient than that of the Netherlands. Africa will become a playground for agricultural innovation. Employment opportunities will arise primarily outside of the agricultural sector, initially in processing of agricultural products and in agricultural services, but also in reforestation and road construction. In its report the Task Force addresses four large areas leading to six concrete programmes, and summarises its agricultural agenda as cooperation of people to people, business to business next to government to government.
Business advisors Richard van der Maden, Nguyen Thi To Uyen and Agripool expert Jos van Campen shared their experiences with cooperative development in Vietnam.

Jos van Campen is a crop farmer in the Netherlands’ Noordoostpolder region and a seasoned veteran when it comes to facilitating cooperative partnerships. He was president of the Board of Governors of Coöperatie Royal Cosun as well as president of the Nationale Coöperatieve Raad (Dutch Council for Cooperatives, ‘NCR’) in the Netherlands.

‘In Vietnam we shared our experiences about Dutch cooperatives and the role and responsibility of the NCR therein’, he reflects. Vietnam has approximately 23,300 cooperatives, of which 65% are agricultural co-ops. The Vietnam Cooperative Alliance (VCA) is the apex organisation of all cooperatives in Vietnam.

In 2017, the VCA signed a partnership agreement with Agriterra concerning a National Master Plan for cooperative reinforcement. Vietnam’s cooperatives must make a transition from traditional, politically-led organisations to modern businesses where the farmers make decisions and pay for and profit from their cooperatives.

Earlier this year, the Vietnamese government commissioned the VCA to propose a new strategy for cooperative development, for which the VCA asked Agriterra for advice. Van Campen: ‘After consulting with the VCA and the Ministry of Agriculture and Rural Development and the Ministry of Planning and Investment, we established that there were a great many differences between cooperatives in the Netherlands and in Vietnam.’

Van der Maden, Nguyen Thi To and Van Campen also included recommendations in their report for improving the cooperative landscape in Vietnam in five distinct areas: legal framework, awareness, governance, training & education and benchmarking.

“We need cooperatives in order to bolster our capacity”

‘In the governance category, for example, we recommended having an independent supervisory board, which is in contrast to the current situation, where they are under employment by the cooperative’, explains Van der Maden. ‘Other examples: ensure that you are adding value within your cooperative instead of merely supplying resources to the next link in the chain. Also: stimulate partnership or even mergers between cooperatives in order to develop an as-big-as-possible group, with all of its accompanying benefits.’

VCA’s president was very happy with the report presented in September, agreeing to implement the recommendations. ‘We need cooperatives in order to bolster our capacity and ensure that no-one gets left behind.’
Farmers’ cooperative Chauru wishes to trade the rice produced by members as a collective. This will mean they need no longer compete against one another, that larger volumes can be sold, and that better prices can be charged.

Bakker-Smit soon identified a good basis for collaboration. With a group of 900 farmers, she believes the cooperative is organised and engaged. Although the cooperative was inactive for a long time, it has become more active in recent years. Last year, funds were raised to repair a broken water pump and irrigation is now back on track. A general meeting was held for all members in August, where they voted to trade the rice collectively. The farmers demonstrated their trust by each contributing two hundred-kilo bags of rice as starting capital for the marketing.

Not straightforward
This trust cannot be taken for granted. People are not accustomed to good governance, there is mistrust and fear of corruption. “You need to get past that”, Bakker-Smit says. “Collective interests must be priority number 1.”

To get a good idea of Chauru’s options, Bakker-Smit spoke to as many people involved in rice production as possible: with farmers and the board of the cooperative, as well as rice dealers, potential buyers and seed suppliers. An action plan was then formulated and presented to the farmers. According to Bakker-Smit, key necessities for the success of Chauru are good governance and staff members, clear monitoring of operational management, and effective communication with members. “A good farmer is not necessarily a good seller. It will benefit trade if the cooperative appoints someone to manage sales.” Production also needs to be monitored effectively so the board is always abreast of the state of affairs. Supply and demand need to be very well coordinated. Better collaboration will ensure better results for members of the cooperative. This will lead to better living conditions for the farmers and opportunities to invest in their businesses again.

“A good farmer is not necessarily a good seller.”

With the right guidance, farmers can progress from one to two harvests a year. Bakker-Smit sees benefits on a larger scale. Tanzania is experiencing high population growth. Expansion of rice production will ensure greater food security for the growing population. The professionalisation of Chauru can therefore contribute to the future of its farmers, as well as the rest of this beautiful African country.
What is the connection between Yvon Jaspers, the well-known presenter of ‘Boer zoekt vrouw’ and Agriterra? And why was she in Rwanda in February? This has to do with the Nuffield Farming Scholarship, a scholarship for agricultural high-potentials, which she received in 2018.

The Nuffield Farming Scholarship is a global award given to farmers who possess qualities to become frontrunners in their sector. Even though she has a definite connection to agricultural life, Jaspers is not a farmer herself. “Nuffield has existed in the Netherlands for 7 years. I am the first non-farmer ever to receive the award. That is rather exceptional. I wanted to travel the world looking for people who, like me, try to communicate the agricultural story to the masses. We do so via ‘Boer zoekt vrouw’, but that programme isn’t about the farmer life. That’s why we developed the programme ‘Onze boerderij’ to accompany it,” Jaspers explains. “I’ve noticed a divide between farmers and civilians. Many people try to address the issue of how we can involve the average citizen in what is happening in the farming world. I thought: who in the world has successfully done this? That was the topic of my study.”

The scholarship opened many doors to her. “There is a worldwide network of thousands of farmers who had that ‘scholarship’ at some point in time, and that’s fantastic. The scholarship enriches your world. You learn from each other, people meet and sometimes this leads to friendships for life.” Jaspers travelled to, among others, America, Africa, England and China. She was a guest at BBC and on Chinese television and visited agricultural theme parks and fairs in America.

She is very happy with the chances she has been given. “I get to go everywhere. Every day, I can follow my curiosity. I have spoken to radio and television broadcasters, journalists, but also farmers all over the world to see how they tell the agricultural story. That showed me that the road we are on is a special and important road. I sometimes say: let’s turn the Nederlandse Publieke Omroep (Dutch Foundation for Public Broadcasting) into the Agrarische Publieke Omroep (Agricultural Foundation for Public Broadcasting). That’s a joke, of course, but I’m happy that public broadcasting has room for these great farmer’s stories, because this is important to all of us.”

On the road with Agriterra
Jaspers encountered the work of Agriterra in Rwanda. “I went to Rwanda because my husband had to be there for a project in the Virunga National Park. I absolutely love Africa, and I thought it would be great to combine my journey with my assignment. Someone tipped me about Agriterra and I contacted them. I asked if I could join the team in Rwanda for a day. In the end, a day became three days. I could ask them anything and could accompany them everywhere. That was amazing!” Jaspers visited, among others, a corn cooperative, a horticulture cooperative, a potato farmer cooperative and a Dutch crisps manufacturer.
“I think the work Agriterra does is amazing!” she says, full of enthusiasm. “It’s very noble that the farmers of the Netherlands unite to help farmers elsewhere. And not just by transferring money, but by actually offering knowledge. In addition, a lot of knowledge comes back the other way. I think a journey like this is enriching for any farmer. It’s always a good idea to look beyond your own borders. Looking at your own company with a helicopter view can be incredibly illuminating, inspiring and can put things into perspective. An exchange like this is a great benefit for both parties.” Jaspers thought the farmers in Rwanda were energetic, enthusiastic and very eager for new information. She noted that there were only a few young farmers, and this worries her.

“Farmers are only getting older, and it’s the same over there. At a cooperative with 700 members, the average age was above 65. That is concerning. The younger generation moves to the city, since it’s easier to make money there. But a farmer must be patient. You cannot reap the profits tomorrow if you plant your corn today. The same goes for the Netherlands. We need to cherish and help our young farmers.”

**Similarities**

Jaspers discovered more similarities between the Netherlands and Rwanda, such as the issues surrounding pesticides. What should you use? What is good for the earth? Moreover, the relationship between farmer and nature here is often turbulent, and there is a divide between people in the city who don’t know where their food comes from, and the farmers.

“Rwanda is a very small and highly populous country. The city is only an hour’s drive away from the countryside. But the people in the city are far richer and more cosmopolitan than those living in the countryside. That difference is far greater than it is for us, but questions like ‘where does your food come from?’ and ‘how do we produce less waste?’ are issues there, too.”

Jaspers is thinking about a new television format. “I’d love to do something with the idea of Nuffield and Agriterra, connecting farmers all over the globe.” For that to become a reality, the farmers in the Netherlands should first unite, and that is why Jaspers calls upon them. “It sometimes seems like farmers are each other’s competitors. Each farmer runs their business in their own way. That is great, of course. It is very healthy to look beyond the limits of your own grounds, but make sure to do what suits you and unite with others. Don’t become each other’s enemy. Don’t let the farmer’s collective split up, and don’t take opposite sides. The organic sector should not oppose the conventional sector, nor should the pig farmer oppose the goat farmer. We cannot afford this in this time of change, so: stand together!”
Agriterra cooperates with other organisations, such as Cordaid, Spark, Wageningen University & Research and SNV, in some countries on various programmes. In these pages, you can read about four different projects for which consortia were formed. These projects are based in Uganda, Rwanda, South Sudan and Sub-Saharan Africa.

Progress in Ugandan dairy sector

The TIDE programme is aimed at the development of the dairy farming sector in Southwest Uganda. The objective of this five-year programme is to increase the income of 20,000 dairy farmers.

In October 2015, SNV Uganda and the Dutch embassy in Uganda concluded a cooperation agreement for a sector development programme for dairy farming in Southwest Uganda. It was called The Inclusive Dairy Enterprise (TIDE). Agriterra’s role in the TIDE programme is advising and training local dairy cooperatives.

Currently, five business consultants are engaged in the programme to assist dairy cooperatives with advice regarding good operational management and financial management. In 2016, the programme started with 23 cooperatives. By now, this number has increased to 75 dairy cooperatives. The objective of this year is to reach 100.

The current 75 cooperatives have a combined number of 6278 members and 258 employees. Together, they ensure that 400,000 litres of milk are transported to the (private) dairy factories in the region in 117 milk coolers on a daily basis.

In the coming year, there will be a heavy focus on the collective marketing of the milk. Currently, there are only a handful of purchasers of raw milk, the largest by far having a processing capacity of 800,000 litres per day. If the cooperatives in this programme work together to collectively bring their milk to the market, they will have a better negotiating position towards the purchasers.

In addition to marketing, the quality of the milk is becoming increasingly important. Currently, the farmers are paid per kilo of supplied milk. To encourage them to focus more on the protein and fat content, SNV is performing an experiment with payment based on the quality of the dairy.

“Cooperatives have become more and more important in the TIDE programme.”

The outcomes of this first test are promising, and the expectation is that more farmers will be paid this way in future. This provides them with a clear stimulus to invest in good genetics, high-quality feed and adequate field management. Furthermore, digitisation play an important role in paying the farmers and providing insight into their performance, so they know where to make adjustments.

These investments by both the cooperatives and the farmers provide a significant boost to the local economy. This results in more jobs for the many unemployed young people in the Ugandan countryside.
Agriterra supports 75 cooperatives

47% have periodical financial reports
34% cooperatives have a computer
34% distribute agricultural inputs
65% offer credit to their members
68% cooperatives have outstanding loans with local banks

Creating links
The current TIDE programme runs until 2020 and will, most likely, have a follow-up. The focus of SNV on the entire dairy chain makes it easy to create a link between the various service providers, cooperatives and dairy factories. Business consultant Maik Voets: “This approach ensures that Agriterra is connected to a large network within the dairy sector. As a result, we are getting a very good image of the way things work in Uganda and which large changes are taking place in the sector, so we will be able to provide even better practical advice.” Cooperatives have become more and more important in the TIDE programme. They now contribute significantly to the progress within the Ugandan dairy sector. This contribution will only grow in the future.

The focus is not just on marketing milk, but also on increasing its quality.
Rapid economic growth and a decrease in poverty and malnutrition. That is the key objective of the Rwandan national horticulture policy. The project Investing in Horticultural Development (HortInvest) seamlessly fits with this objective.

HortInvest, which was started last year, will run until 2021 and is financed by the Dutch embassy in the East-African country. The project is focussed on six districts in northwest Rwanda: Muhanga, Karongi, Rutsiro, Rubayu, Nyabihu and Ngororero.

The general objective is to increase the income of horticulturists, to increase the contribution of the horticulture sector to the Rwandan economy and to improve the food security of families. The market-led project is primarily aimed at the value chains for fruits and vegetables for the regional, national and international markets. The main target groups of HortInvest are agricultural small and medium-sized enterprises (SMEs) and cooperatives.

The ambition of this project is to help 40,000 small horticulturists to increase their income, to increase the turnover of 30 SMEs and to improve the horticulture cooperatives. Training courses in new cultivation techniques and disease control, storage and product processing after harvest, added value and market demand are provided in the region.

HortInvest is directed by development organisation SNV and is implemented by IDH, Wageningen University & Research, Agriterra and Holland Greentech. Agriterra is responsible for the selection and coaching of the horticulture cooperatives. This includes the refining of investment plans, business strategies, production optimisation, product processing and marketing activities.

In addition, Agriterra supports the cooperatives by providing practical training to farmers and instructors and, for example, by providing administration courses for employees. They are also linked to Dutch, regional and international agricultural experts via Agripool expert assignments.

During the first year of the project, the participating horticulture cooperatives gained as many as 2165 new entrepreneurs. This increases the capital and acreage of the cooperatives, providing them access to larger markets.

HortInvest has an investment and innovation fund of 5 million euros to support business
cases and innovation projects by companies and cooperatives. The fund works together with the National Agricultural Export Development Board to support the Rwanda Horticulture Working, a national dialogue platform for public and private partners in the horticulture sector. The platform improves the exchange of information and is meant to ensure a shared approach towards sector problems.

Sugarsnap farmer Damien Ngwabije from horticulture cooperative Koabibika explains that HortInvest changes the mindsets and approaches within the cooperatives drastically. “The project helped us improve our cultivation techniques, from seed choice to harvest. We learned how to improve our cooperative management practices, as well as the services we offer to our members. Moreover, we now also know how to set up other services for horticulturists.”

Support for 10,000 farmers

The South Sudan Agribusiness Development Program phase 2, the SSADP2 in short, aims for a better income for 10,000 farmer families distributed over three provinces in South Sudan. The programme has a special focus on supporting young people and women in starting their own company. The programme is being implemented by the consortium Cordaid, Agriterra and Spark. Agriterra is focussed on the cooperative development in the area covered by this programme.

South Sudan is in a fragile state. There has been civil war in the country since December 2013. After a war for independence of about 80 years, South Sudan became an independent nation in 2011. The warriors were divided internally, but formed the government of this young nation together. This internal division, however, resulted in a new armed conflict in 2013. Of the population of 12 million, about half depends on humanitarian aid, and over 4 million have been displaced. The southern areas are relatively peaceful, and it is here that Agriterra started supporting the farmer organisation SSAPU in 2013. The organisation grew from 500 members in 2014 to 14,000 participating farmers. This enormous growth is a result of the support from Agriterra through financing and advice about organisational development and service improvement. This service mostly entails training farmers to increase their production, introducing income-generating crops such as onions and the collective purchase and sale of products.

The minister of Agriculture and Food Security in South Sudan kicked off the project in Juba

The first programme was implemented by consultancy firm MottMacDonald and ended in 2017. For the second phase, Cordaid, Spark and Agriterra joined forces and formulated the winning programme proposition. The implementation began in February. The project will run until 2023. The activities are aimed at reinforcing cooperatives (Agriterra), agricultural instruction, input provision and marketing (Cordaid), developing small-scale enterprises (Spark) and providing funding to enterprising farmers, cooperatives and enterprises (Cordaid).

One consortium

“We started with three organisations that will each perform their own activities. Together, we strive for a single consortium, a single product without stamps of this organisation or that organisation,” says Henk Pot, business consultant at Agriterra. “I consider it a great challenge to turn different groups into a single, productive unit,” he continues. “Agriterra has also recently deployed a local business consultant. Our ambition is to reinforce local markets and to make them more inclusive and accessible to agribusiness. Especially in a place like South Sudan, well-organised farmers are essential to the development of the countryside.”
Family businesses in Sub-Saharan Africa are dependent on sufficient rain, have very limited possibilities and barely use any climate-smart agricultural technologies. The result is low production and, in turn, low income. This makes it very difficult for family businesses to survive. Climate Smart Agriculture (CSA-EA) is a programme intended to find solutions for the problems related to climate change. The key objective is promoting the climate-smart food production in East Africa.

New type of farmers
Meanwhile, a development is taking place in Africa that is resulting in a new type of farmers. They are entrepreneurs, and invest in new applications such as water collection, irrigation methods, drought-resistant cultivation methods and farming insurance schemes. This transformation from conventional to modern agriculture is taking place at various levels. Dairy farming and horticulture are amongst the frontrunners, while food crops such as wheat and corn still often lag behind. The productivity of food crops per hectare is decreasing due to, among other things, unpredictable precipitation patterns. That takes a heavy toll on the food security of the growing population of the region. Grains, potatoes and pulses are the most heavily-impacted crops in East Africa. Despite their low economic value, these crops play an important role in the food supply.

Solutions
CSA-EA is aimed at enterprising farmers, farmer groups and cooperatives, small and medium-sized enterprises, service providers and local governments in order to develop interventions with the goal of increasing the adaptation of improved agricultural techniques. The objective is to investigate the entire value chain, including soil preparation, input supply, harvest, processing and marketing of the agricultural products.

This requires a wide spectrum of expertise. For this reason, a consortium was formed by SNV, Wageningen University, the Climate Change and Food Security program (CCAFS) by CGIAR, Agriterra and Rabobank. Each partner has a specific role in the project, and SNV acts as project leader. Agriterra contributes knowledge and expertise in the field of cooperatives and farmer’s organisations. In the selected agricultural value chains, the majority of the cooperatives have experienced relatively limited development. Since cooperatives like enterprises are closest to the farmers, it is essential to deploy Agripool experts to support these cooperatives.

This will help the cooperatives improve their service when it comes to cultivation techniques, input quality, mechanisation and access to funding and markets. These aspects comprise the largest added-value factors within the CSA programme, and can only be brought about on a large scale if the enterprising cooperatives take a prominent role.

The transformation of conventional to modern agriculture takes place at various levels
SURVIVING IN THE CHAIN
AS A COFFEE FARMER

Agriterra is active in eight coffee-producing countries in Africa and has developed an approach that allows coffee cooperatives to free themselves from regular coffee market regulations. If the cooperatives manage to do business with Europe directly, the expectation is that they will be able to ask higher prices.

In Africa, Asia and South America coffee is produced by millions of small-scale farmers. They depend on a handful of multinationals that sell their coffee primarily in Europe and the United States. In order to do business efficiently with such large parties, the coffee farmers often organise themselves in cooperatives.

Coffee grows on bushes as berries, and the seed – the coffee bean – is exported as green coffee. Large multinationals often mix these green beans with coffee beans from other countries to ensure consistent flavour. This makes it very difficult for coffee cooperatives to distinguish themselves through their particular coffee. Price negotiations are practically impossible, and as a result only 10 percent of the money that flows into the coffee trade goes to the producing countries.

Traceable coffee
Nowadays consumers in Europe and the United States are willing to pay more for a cup of coffee if they know where it came from and how it was produced and processed, and if they can directly support the farmers with their purchase. This market is still small, but it doubles in size virtually every year and the prices that are paid are sometimes up to three times higher. All in all, this is a great opportunity for the farmers’ organisations in the Agriterra portfolio. But how do you come into contact with these coffee roasters? And how exactly do you fulfil their demands?

“Consumers are happy to pay more for coffee if they know its origins”

To answer these questions, Agriterra organised a workshop for cooperatives from Congo, Burundi, Rwanda, Ethiopia, Kenya and Uganda. In Kigali, representatives of these cooperatives learned from each other’s experiences in fields that include production, fertilisation, prevention, farmer training, international trade and negotiating skills. Agriterra business consultants supervised the workshop, which was also attended by importers, agronomists and certification experts. At the end of the training all participants were able to give an elevator pitch: an attempt to sell your specific coffee to a potential buyer in one minute. The cooperative directors could immediately show off their new competencies at the AFCA, the chief coffee trade fair in Africa, invited by Agriterra. Traders, roasters and importers from all over the world gathered in Rwanda.

Total effects
The total effects of the workshop and the trade fair presentations will only become visible in several months, but the first contracts have already been signed. Congolese coffee was especially popular: organic Arabica coffee produced in mountainous areas on volcanic soil.
Members of seven Indonesian cooperatives visited Thailand to learn from their Thai colleagues. The objective of this study trip was to experience how successful cooperatives and farmers’ organisations can add value to the products of their members.

A cooperative processes bananas into banana powder for nutritious smoothies.
The Indonesian rice cooperatives KUD Pringgodani, KUD Bayan and KSU Citra Kinaraya are on the verge of major organisational changes. Rice is currently only purchased and sold, but the cooperatives are considering processing as well, in order to create more value for their members. For many Indonesian cooperatives this is uncharted territory. Agriterra advises and stimulates cooperatives in Indonesia to add more value to the production of their members by processing the products themselves. This will eventually result in a higher margin and higher prices paid to the farmers.

Cooperatives in Thailand are generally more experienced in setting up and managing processing plants. With this study trip the Indonesian cooperatives wanted to gain more insight into the process, the developments and the challenges for cooperatives and farmers’ organisations who add value to their products. Several farmers’ organisations and cooperatives were visited. This included the opportunity to observe the processing of bananas into smoothies and tomatoes into dried tomato snacks, as well as stops at a dairy cooperative that produces milk, yoghurt, desserts and other dairy products and a horticulture cooperative that produces ingredients for herb mixes sold in the Netherlands under the Fairtrade label.

**Their own future**

The Indonesian farmers were impressed by the stories they heard and the things they saw. This gave them a clearer vision of their own future, motivating the board, the management and the farmers of the selected cooperatives to continue their efforts despite possible setbacks. Hery Sugiantono, president of the rice cooperative KUD Citra Kinaraya, tells us: ‘The rice cooperative we visited only harvests once a year and is therefore highly dependent on this one harvest. In Indonesia we harvest twice a year, and yet this Thai cooperative is further along in its development. I was impressed by that.’

Ketut Wiadnyana, president of the cocoa cooperative KSSK, noted that the Thai farmers were willing to invest in a processing plant themselves. In Indonesia it is uncommon for members to invest in their cooperative.

Another significant difference between Indonesia and Thailand is that all organisations visited in Thailand were supported by various ministries and universities. The Department of Agricultural Extension (DOAE) is especially active in supporting farmers’ organisations.

Aun Gunawan, president of the dairy cooperative KPBS, summarises what he learned on the study trip: ‘In order to add value to a product, farmers have to work together as a group. Involvement and investment by members is also very important. Plus, it is important to have government support for the plans of the cooperatives.’

The study trip will help the Indonesian cooperatives translate their ideas into concrete business plans. Agriterra will assist them with advice and support.
MORE EFFICIENT USE OF LAND IN CHINA

Good plans are made together, according to Agripool expert John Caubergh. He departed for China in June to assist the young Linshui Plantation Cooperative (hereafter: ‘COOP’) in formulating a strategic plan.

Cauberghs’ background with agricultural consultancy Arvalis and his role as Director of the Coöperatie Limburgse Zorgboeren cooperative came in handy. “The challenge was to get all staff members to offer input as to what should be included in the plan. That is not straightforward with the hierarchical relationships in China.” As such, Caubergh is particularly proud of the way the group of 15 employees went from quiet and anticipatory to active and enthusiastic within a few days. Thanks to the excellent collaboration with Management Consultant Aijun Yawwn, they succeeded in involving everyone. “If you want a strategic plan to be well anchored, then everyone must have been given the opportunity to offer input in respect of what needs to be done when and by whom.”
Fragmentation of farmland
COOP consists of young Chinese who returned from the city to make farming profitable again by means of up-scaling. That is a challenge, because China's policy of land ownership is causing fragmentation of farmland.

“If you want a strategic plan to be well anchored, then everyone must have been given the opportunity to offer input.”

“Every family gets half a hectare, but much land lies fallow because most young people leave for the city and do not take over the land”, Caubergh explains. “By utilising this land belonging to old families in exchange for compensation, COOP has a large surface area at its disposal, so cultivation can be more efficient.” Rice is COOP’s most important product, of which not just the production could be more efficient, but the processing and distribution could also be more optimal. In addition, there are opportunities for COOP to become a National Cooperative, which will mean greater support from the government.

“The government believes it is important for the agricultural sector to keep developing because the ageing population in rural areas is putting food production under pressure”, Caubergh explains. It is important to reduce the prosperity gap to counteract the exodus. “When you travel from the city to the countryside, you go back in time 75 years.”

Cauberg has confidence in the future of COOP and its employees. “People absorbed all the information like sponges and there was an incredible amount of energy and ambition to get ahead.”
ANAPQUI, the Bolivian national association of quinoa growers, is investing hundreds of thousands of Euro in a product strategy with an added value for the local market. The growers’ association wants to shed its dependency on the highly competitive international market.

ANAPQUI is bringing organic quinoa from over 2,000 small-scale farmers in the Bolivian Andes onto the market. Quinoa is a pseudo-grain, rich in proteins, fibre, vitamins and minerals. The crop is traditionally grown on the high plateaus of the Andes mountain range.

“The product strategy was based on quinoa’s gluten-free nature”

For thousands of years, quinoa fed the farmers and peoples of the Bolivian and Peruvian Andes. It was seen as food for the poor until the beginning of the 21st century, when its image got a positive boost, even being touted as a super food. International organisations like the Food and Agriculture Organisation (FAO) have hailed quinoa as a strong ally in the fight against hunger and food insecurity. Expectations for growers’ associations like ANAPQUI were high. While prices for quinoa were low, the explosively growing consumer demand in North America and Europe had international distributors offering up to 6 times more.

During this boom, farmers from ANAPQUI steadily started producing higher volumes, from 1 hectare to over 3 hectares. This would result in significant financial profits, allowing them to purchase new machinery, send their children to university and renovate their homes. Unfortunately, however, the association’s vision of taking over the international market with Bolivian quinoa would ultimately fall through. The heyday for small-time Andean farmers and ANAPQUI came to an end in 2014. Many other countries started growing quinoa, causing global production to rise quickly. The speculative bubble would then burst, with prices freefalling just as hard as they had risen.

Quinoa is a pseudo-grain, rich in proteins, fibre, vitamins and minerals.
Agriterra lends a helping hand

In the middle of the crisis in 2015, Agriterra stepped up to the challenge and joins the fray. The organisation helped restore ANAPQUI’s financial management by providing training and installing a new accounting system. In addition, Agriterra supported a feasibility study that ultimately led to an investment of US $150,000, financed by a local bank. The money allowed for the purchase of machinery for the factory in Challapata, where the quinoa grains are washed and selected for export. This improved production capacity significantly. It is unfortunate for the quinoa growers that the Bolivian government is trying to industrialise the country through special state-owned companies. These companies are given priority for government-mandated initiatives, leaving a company like ANAPQUI on the sidelines, excluding them from many public procurements.

This post-crisis scenario called for a new strategy. Following a company evaluation in 2018, it was decided to focus the product strategy on the gluten-free nature of quinoa, thereby adding novel value to the product. The emphasis was put on the local market, with a non-operational ANAPQUI factory in the Bolivian city of El Alto being used for this. This new approach required an investment of US $198,000. The procurement of machinery – including a new product line for energy bars, salted snacks and cookies – would cost another US $800,000. ANAPQUI is now in position and ready to bring its gluten-free products onto the national market. This is great news to the Bolivians as well as Agriterra’s advisors. And also the consumers are satisfied!

ANAPQUI has made significant investments in machinery and a new factory in El Alto.

A quinoa producer walking through his crop.
Agriterra’s goal is to turn cooperatives into fully-fledged professional, farmer businesses. These professional cooperatives and farmers’ organisations are crucial for sustainable economic development and job opportunities in the countryside. They are the catalyst for progress and contribute to a stable and prosperous agricultural sector and the economy as a whole. We work with around 300 cooperatives in Asia, Africa and Latin America. Below are a few examples of cooperatives of which we are proud.

Kamdhenu’s Growth

Kamdhenu Dairy Development Cooperative (KDDC) is a cooperative that is established for and by the small farmers in eastern Nepal. They produce a wide range of high-quality milk products like pasteurised milk (3%, 4% and 5% fat), cheese, yoghurt and paneer, a kind of soft cheese used for making Indian type dishes.

KDDC gives the farmers a sustainable earning after their delivery. They work together with 6 primary dairy cooperatives in the East of Nepal. The former chairman, Tika Ojha, who was influenced by the cooperative business during his visit in Denmark, initiated to establish a cooperative by bringing the farmers together, who used to supply milk to him. He was at that time a milk trader.

Now after the 20 years of establishment of KDDC, the cooperative became one of the biggest dairy players in eastern Nepal owned by the farmer members. With the support of government grant (20%), bank loan (40%) and members capital (40%) of the total 2 million euros investment, they are building a factory capacity of 50,000 litres/day, more than three times the current capacity of 15,000 litres/day.

KDDC is building a factory, with the capacity of 50,000 litres/day
Micro credit for Andean women

La Chuspa is a credit cooperative in Cusco, Peru. La Chuspa was founded as an NGO in 2000 to provide microcredit to Andean women. But the NGO decided to become a cooperative in 2015, initially with 38 female members from the Cusco region. This change was implemented to be able to offer more financial services to members, such as savings or higher credit lending.

Meanwhile, membership has grown and now consists of 80 per cent women. The savings and credit cooperative also offers savings options for members’ children because they want to focus on the whole family. La Chuspa hopes the cooperative will support development of the whole family.
Dairy production triples

Kenyan dairy cooperative Tulaga Dairy has made some drastic changes. Since Agriterra joined forces with the cooperative in 2017, it has increased milk production from 6,000 to 18,000 litres of milk per day. Tulaga has 14 hectares of land and a milk processing and feed factory, amongst others. The average age of employees of the business is 32 years. That makes it one of the ‘youngest dairy companies’ in Kenya.

In 2017, Agriterra calculated that 8,000 litres of milk would need to be pasteurised daily to break even. A business case was formulated and 25 million Kenyan shillings (almost 220,000 Euros) was invested in a dairy processing business. Tulaga and Agriterra required a loan of 23 million Kenyan shillings (over 202,000 Euros) from the cooperative bank to cover investment costs. Tulaga acquired a continuous pasteuriser with a capacity of 40,000 litres per day.

Tulaga Dairies currently pasteurises 12,000 of the 18,000 litres of milk produced daily. Small steps are already being taken towards eventually being able to process all the milk themselves. But for the time being, the focus still lies primarily on ensuring a guaranteed market outlet. In addition, they are cautiously experimenting with small-scale yoghurt production.

Animal feed

Tulaga also produces animal feed for its members and the external market. The dairy cooperative has set up the use of machinery for this production far more efficiently. Potential production currently stands at 4.5 tonnes of feed a day. Use of machines in the animal feed factory has risen by 24 per cent.
Cecafe in Peru was founded in 2006 with 80 members. The core activity is the production of green coffee beans. Cecafe currently exports these coffee beans to Switzerland, Germany, the United Kingdom, the United States and Canada.

Cecafe has owned pilot farm La Esperanza (Hope), consisting of 8 hectares of land, since 2017. The objective is to develop new technology here to improve the quality of coffee beans further and to diversify production with tilapia farms. The ambition for the future is to achieve sustainable growth.

Since 2017 Cecafe has owned pilot farm La Esperanza

New technology
The Assosa Union in Ethiopia sells only 3-5% of its members’ mangos, mainly due to a shortage of capital and adequately trained personnel, but also major problems with storage and transport as well as poorly organised marketing. Agriterra was asked to analyse the value chain.

A large part of Niels Mureau’s working visit in Ethiopia took place in the field.
The Assosa Union (Assosa Fruits & Vegetables Cooperative Union (AFVCU)) headquarters are located about 700 kilometres from Addis Ababa, the capital of Ethiopia. The union was founded in 2016 and has 16 registered primary cooperatives with a total of 2,600 individual members. Besides mangos, the union’s farmers also produce various other fruits and vegetables.

Niels Mureau from ZLTO left for Ethiopia as an Agripool expert, where he, together with local business advisors Addis Yohannes and Marco Streng, implemented the Value Creator Analysis (VCA) developed by Agriterra in 2017. The VCA is the ultimate toolbox for analysing the value chain from the perspective of the cooperative. The VCA also provided a lot of insight for the Assosa Union in terms of which interventions and changes are necessary in the mango product chain.

Mureau: ‘You try facilitating changes in the chain by conducting activities differently, thereby creating greater value. All parties in the chain can benefit from this added value: we’re striving for $1 + 1 = 3$.’ During the two days of analysis, the dependency between chain parties and potential interchangeability was addressed. An example: a proposition to purchase a lorry turned out to not be a good idea, as it was not feasible due to the high purchase cost and associated interest. It was also revealed that during the harvesting season, at least five lorries would in fact be needed.

Programme and objectives

Of the eight parts of the chain analysis, says Mureau, the Validation Workshop and setting up interventions are the most challenging. ‘Agriterra’s business advisors were initially looked to as the ‘experts’ who could say how to proceed further. In time, however, the realisation set in that what’s most important is what the farmers think. This would ultimately lead to the development of their own action plan.’ A large portion of the working visit took place in the field. The union’s manager and experienced staff were very actively involved, feeling more and more that this was ‘their project’. The visit is part of a 3-year project. The action plan’s steps offer quick results in the short term as well as results in the longer term. Mureau: ‘Practical support and monitoring by both business advisors in Ethiopia is crucial, however. The plan will fail, otherwise.’

Negotiating for a better price especially comes down to reliability and the traceability of the mangos. Reliability, in particular, is a critical factor. ‘We heard from consumers that they would be happy to buy more mangos and at a better price if there was enough certainty about the supply’, says Mureau. ‘Assosa Union has facilities at its disposal for processing mangos. While this is more relevant in the long term, harvesting and transport are the top priority for now.’ Immediate payment after harvesting is an example of quick results, which could lead to a huge rise in profits.

Assosa cooperatives often don’t pay until after six weeks, while traders pay immediately upon receipt of the goods. Working capital can be acquired through a bank or a SACCO loan. Training and education are also important, although it takes longer for the effect of that to be noticeable. It is important now that the Agriterra business advisors in Ethiopia monitor all planned interventions closely. The first results are expected to be tangible in the harvest season from February to March 2020.
In late January, Agriterra signed a cooperation treaty with the Landbank Countryside Development Foundation Inc. (LCDFI). ‘This will finally give farmer members in the Philippines the opportunity to increase their income’, says Cees van Rij of Agriterra.

Landbank is the development bank for the agricultural and fishing sector in the Philippines, and LCDFI is its training unit. Agriterra and LCDFI will be offering advice and training to existing clients of Landbank in the areas of management, financial management and business development.

The objective of the cooperation is to introduce participating cooperative companies to new technologies in order to improve productivity and to link cooperatives to potential local or international buyers.

100 agricultural cooperatives
The expectation is that over 100 agricultural cooperatives that have a loan with the Landbank will end up benefiting from the cooperation between Landbank and Agriterra. LCDFI director Roy C. Oscillada is optimistic: ‘The agreement means that established agricultural cooperatives can keep raising their development to a higher level and become leaders of the agribusiness in this country.’

Manager on agricultural advice Cees van Rij, who was present for the signing in Manila on behalf of Agriterra, is also happy with the partnership. ‘Agricultural cooperatives in the Philippines can now gain access to knowledge and expertise from the very best of the Dutch agricultural and food sector.’

Van Rij: ‘This will contribute to a significant growth of agricultural cooperatives, leading to higher performance, better yields and improved incomes for their members’. The cooperation with the Landbank fits seamlessly with the work of Agriterra with current clients in the Philippines like FPSDC and SIDC.

FPSDC is a federation of 150 cooperatives that acts as a trading firm for the sale and distribution of the products of all affiliated cooperatives. SIDC is the largest primary agricultural cooperative in the Philippines. Both organisations visited the Netherlands in September 2018 for a study tour.

Rico Geron, general director of SIDC, was one of the participants: ‘I am here because I really want to learn from Dutch expertise.’ He hopes Agripool experts will come to the Philippines so they can share their knowledge. Both cooperatives have a good administrative and financial management. The companies do want to continue growing and want to gain inspiration and knowledge in countries where cooperatives have a more advanced entrepreneurial level.

During the study tour they gained insight into the way Dutch companies work. As a follow-up to this, various Agripool experts have visited the Philippines to advise both organisations.
SIGNIFICANT STEPS FOR BOLIVIAN BEEF EXPORT

The export of certified Bolivian meat is undergoing significant developments. #BolivianNaturalBeef is the national brand with which new international markets for Bolivian beef are to be opened.

In cooperation with the key federations of beef farmers, Agriterra has been working on the development of the beef farming sector in Bolivia for several years. Significant progress has been made in the export of certified Bolivian beef. Agripool experts are working together with local experts and involved parties to further develop ‘la Ruta de la Carne Boliviana’, the Bolivian beef chain. This approach seems to have borne fruit. After a long export ban instated by the Bolivian government, the sector finally managed to have the export ban for meat lifted in 2016. Trade agreements have already been signed to export beef to Vietnam, China and Russia.

More steps were taken this year too. A Russian delegation visited Bolivia in February to negotiate and to discuss regulatory and health aspects. If the departments El Beni and Santa Cruz start exporting to Russia, Agriterra expects this to result in a value of US$ 165 million in the first year.

One of the biggest challenges is to meet the quality standards so the sector can respond to international trends. With the support of Agriterra, the federation of beef farmers of Santa Cruz set up consulting processes in 2017 and 2018 in which the former ministers of agriculture of Paraguay and Uruguay took part. They were key figures in the success of the exports in their own countries, and have shared their knowledge with Bolivian beef farmers in the area of policy development and lobbying. Thanks to these consulting processes it became clear that exports development requires strong foundations in the form of an authority for the supervision and coordination of chain activities: a product board of sorts. This role was assumed by the Instituto Boliviano de la Carne (IBC). The IBC is tasked with realising the Bolivian export objectives. To this end, tasks of the institute will include holding discussions with government bodies, supporting the chain development, and analysing internal and external markets.

Investment plan
This year also saw the start of the development of a 2020-2025 investment plan by the Inter-American Development Bank to stimulate the livestock sector in Bolivia. Without the work accomplished in the past years, the bank claims it wouldn’t have been possible to set up a public investment programme. The Agriterra consulting process will run parallel to the investment plan set up by the Inter-American Development Bank. #BolivianNaturalBeef needs to become a household name, but Agriterra indicates this will be a long process. It is important for all parties involved – beef farmers, associations, federations of beef farmers, the processing industry and government – to make efforts in this respect. Agriterra is currently in consultation with Wageningen University & Research in order to establish a cooperation treaty to strengthen the concept of #BolivianNaturalBeef.
THE DISTINGUISHING CAPACITY OF THE NEPALESE POTATO

Bajrabarahi Small Farmer Agricultural Cooperative Ltd (BSFACL) in Nepal wants to increase potato sales from 100 tonnes in 2018 to 1000 tonnes in 2021. Ria Tinga and Drees Peter van den Bosch travelled to Nepal to offer advice to improve the positioning of potatoes in the market and to better align supply and demand.

Ria Tinga is marketing manager at Avebe, a Dutch cooperative with about 2500 members that produces potato starch for use in food, animal fodder and industrial applications such as paper and construction materials. Drees Peter Van den Bosch is founder and owner of Willem & Drees, a Dutch cooperative of organic farmers and citizens that delivers fresh, seasonal, local and organic meals to customers in the Netherlands every week.

BSFACL has 1360 members, mostly women, who primarily produce potatoes in addition to various vegetables, rice and corn. Tinga and Van den Bosch spent their first two days in Nepal brainstorming with board members, staff, farmers and members of the cooperative union in this district. The group turned out to have access to abundant knowledge and experience that was not or insufficiently used for the marketing of their potatoes. According to Tinga and Van den Bosch, the problem is primarily in the execution. Moreover, the supply chain does not appear to be in order, and there is no good balance between supply and demand.

The decision was made to focus on 2019 first. The possibilities for 2021 could be analysed later. After this decision, the assignment was defined: setting up a detailed plan of action that combines marketing, sales and supply chain in order to achieve the objective of 300 tonnes of potatoes as a basis for further growth.

Expected results
In addition to a detailed marketing and sales plan for 2019, specific selling points also needed to be developed: ‘What makes our cooperative unique?’ Branding is also important: ‘What do we stand for, what are our unique points, and which are the most important?’ After all, we’re talking about a special potato with a unique flavour profile, cultivated by small-scale farmers at an altitude of 1600 metres, and sorted and packaged.

The group enthusiastically formulated a preliminary mission, which was immediately turned into a flyer, a precursor of the plan of action. Tinga and Van den Bosch then gave various examples for the improvement of marketing and sales. ‘We know from experience that farmers do not consider their origins as very distinctive, because they have been a part of it for years. Market parties, however, increasingly want to know more about the background of their food, and most definitely see a distinguishing potential. The same applies here: tasty potatoes, sustainably
grown by small-scale farmers in a beautiful area relatively close to Kathmandu. That is a solid story’, says Tinga.

“Market parties increasingly want to know more about the background of their food.”

Something the Dutch had to get used to was the cold at an altitude of 1600 metres. There was no indoor heating, and people usually sat on the floor. For Tinga and Van den Bosch, who were both visiting Nepal for the first time, it was an exceptional experience. The translation process from English to Nepali and the usual delay and/or confusion caused by it was compensated by the enthusiasm of the participants to position their own, special potato on the market. At the end of the visit three recommendations were formulated: focus on a successful operational execution of the sales plan in 2019, give marketing a more central role in the personnel policy of the cooperative, and emphasise the practical implementation of better sales and adjustment of current packaging techniques in 2019.

16 action points
The third day resulted in a list of as many as 16 action points to improve sales in 2019. It is the job of the local Agriterra consultants to monitor this closely. An important action point is the organisation of a workshop in October on the strategy for 2020 and beyond. Based on the results of 2019 the follow-up assignment will be determined, possibly with the support of Agripool experts.
THE UTILITY OF A GOOD LOBBY

Until recently in Rwanda, rice farmers in Rwanda were forced to pay high and unequal taxes for land use. The tax rate was determined by the district councils and varied per district. UCORIBU, a union of rice cooperatives and a client of Agriterra, was concerned about this inconsistent and sometimes astronomical tax in the three districts where the union operates.

In May 2019, UCORIBU was trained by Agriterra in the FACT methodology. FACT (Farmers Advocacy and Consultation Tool) is a method for defining and systematising the interests of farmers and translating them into concrete policy propositions to be presented to and negotiated with policymakers; for example, in the areas of pricing, tax legislation and land management.

The tax for the land use by the rice farmers in the three districts where UCORIBU is active ranged from about 40 Euro in one district to about 120 Euro in another. By conducting a survey amongst its members, UCORIBU was able to quickly define the problem and put the theory of FACT to use in the practical setting.

Initially, the union lobbied especially for its own 13,000 members that produced rice on a total of 3,000 hectares. However, the land tax issue would turn out to actually be a nation-wide concern for all farmers that produced rice on government land (an estimated 14,000 hectares).
National federation
UCORIBU presented the tax issue to the district officials at the head office in Gisagara, but it turned out to be outside of the scope of the district. UCORIBU then approached the national rice farmers’ federation in Rwanda, who agreed to help them bring the issue to a higher level. The federation discussed the point with all ministries concerned with the rice sector, including the Ministry of Agriculture and the Ministry of Trade and Industry – unfortunately, to no avail. The issue was then raised during the ‘National Government Retreat’ interdepartmental meeting. The president of Rwanda, who also chaired the meeting, asked the prime minister to bring together all concerned parties to expediently resolve the problem.

The average annual land tax rate went down from 60 to 4 Euro per hectare

Same tax rate everywhere
A few days later, the prime minister delegated a special team to study the laws and government regulations relating to the land tax. They would discover that a presidential order actually existed that stated that such a tax may not be higher than 4 Euro. It was then subsequently decided to adopt that amount on a nation-wide level, with that rate applying to all districts. Where the average annual tax rate used to be 60 Euro per hectare, it is now only 4 Euro. UCORIBU’s members, representing 3,000 hectares in total, are saving approximately 168,000 Euro this year thanks to the decision to restore the original tax rate. Assessing the impact at the national level: the restored tax rate will save Rwandan rice farmers about 784,000 Euro per year. This demonstrates the power and impact of a good lobby!

#FACTpower!
Agriterra is an international specialist in farmer-led cooperative development. Agriterra makes cooperatives bankable, optimizes service-provision to farmers, and strengthens farmer-government dialogues. Agriterra is founded by Dutch experts in agribusiness and builds on their know-how and experience. Agriterra operates globally and has representative offices in 13 African countries, 6 Asian countries and 4 Latin-American countries with over 160 staff.