

## **Project Title: Increasing maize value chain efficiency in Rwanda**



**June to December 2020,  
Project Progress Report**

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## Introduction

Since July 2019, the consortium started the inception phase of the Sustainable Development Goals Partnership facility (SDGP) project called Increased maize value chain efficiency in Rwanda. This is a 4,5-year project with the objective of significantly reducing post-harvest losses, eradicating aflatoxin contamination from the maize value chain, improving market access for maize cooperatives and increasing the bankability of selected farmer cooperatives. The project supports farmer cooperatives involved in the maize value chain across the country. The project partners include Africa Improved Foods (AIF), Agriterra, Sight and Life and the Rwandan Ministry of Agriculture and Animal Resources.

This progress report will highlight the summary of activities done during period of June to December 2020. The following topics are related to the main activities which have been done during the above period. These topics will be explained further in the following chapters:

- New members mobilized in cooperatives
- Season B yield production for some cooperatives
- Area covered by maize in this 2021 agricultural season A, for SDGP maize project cooperatives
- Business advisory services to the cooperatives
- Linking cooperatives with financial institutions
- Managing your agricultural cooperative training (Mycoop training)
- Support cooperatives to work more professional (Providing the staffs)
- Some challenges faced during this project implementation

## I. Description of activities

### I.1 New members mobilized in cooperatives

Last year (2020), Agriterra encouraged the selected cooperatives to recruit new members to increase their economies of scale. In order to be convinced to join a cooperative, farmers need to have the impression that the cooperative is performing well and will serve its individual needs in an economically viable way. The following table highlights the new members mobilized:

**Table 1: New cooperative members mobilized**

No	Cooperatives	Total Number of New Members mobilized	Number of Male	Number of Female
1	KABOKU	2	2	0
2	KOHIIKA	3	2	1
3	KODUIBI	15	9	6
4	COAIGA	35	23	12
5	COVAMIS	20	14	6
6	CAPRORE-INTAMBWE	108	76	32
7	HIRWA - 35	45	16	29
8	ABAHUJINTEGO BUSOGWE	5	2	3
9	KOABAKA - KINAZI	1	1	0
10	COAMANYA - GISHUBI	0	0	0
11	CVMK	0	0	0
12	COVAMABA	341	161	181
13	COALFKA	7	4	2
14	ABISHYZEHAMWE URWONJYA	0	0	0
15	UBUMWE	0	0	0

In 2020, a total of 582 farmers have joined the selected cooperatives, including 310 males and 272 females as new members. Currently, the total cooperatives members are 12,979 members with 5,398 females (41.6%) and 7,581 males (58.4%). The cooperative membership indicates that the number of females joining and willing to actively participate in their cooperatives has been increasing progressively.

### I.2 Season B Yield Production of cooperatives

In Rwanda, there are 3 agricultural seasons, of which 2 are rainy seasons: season A that starts in mid-September to the end of January and season B that starts in mid-February to the end of June. The 3<sup>rd</sup> season is a dry season that starts in the end of June to early

September and is mostly for vegetables grown in marshlands. The season that covers the maize grown from September 2020 until January 2021, is called Agricultural season 2021 A. When we refer to season 2020 A, we refer to the maize that has been harvested in January or February 2020.

**Table 2:** Rwandan agriculture seasonal calendar

1	2	3	4	5	6	7	8	9	10	11	12
<b>A</b>	<b>Season B</b>					<b>Season C</b>		<b>Season A</b>			

Maize, is mainly grown in season A and 14 selected maize cooperatives have grown maize in this season A, aiming to supply their produce to the contracted buyer. There is one cooperative from Gisagara district called COAMANYA Gishubi which is growing maize in season B and C, but with no maize produced during season A due to floods that used to take away their maize plantation. In general, after having grown maize in one season, one needs to rotate with another crop to keep the soil healthy.

For this report, we have only considered the production for season B and the concerned cooperative is COAMANYA Gishubi. All other 14 cooperatives produce maize in season A and rotate them with some other leguminous crops in season B and as the agriculture seasonal calendar indicates, the maize of Season A is harvested in January/February, which was outside of the scope of this interim report.

COAMANYA Gishubi has sold 55,853 kgs of cobs maize produced in season B 2020 to the contracted buyer which is Africa Improved Food (AIF) on the price of 207 Rwf per kilogram. The same cooperative has also recently sold 34,479 kgs produced in season C to the same buyer on 252 Rwf per kilogram.

**Figure 1:** Season B Maize production at Gisagara district





## II. Maize Grown in 2021 Agricultural Season A

Agriterra has stimulated all 15 cooperatives to establish demo plots, in order to learn and share good agricultural practices among the farmers. All cooperatives have done so and they aim to increase the maize production and maximize the production potential. The farmers are invited at the time of demo plot establishment, maintain frequent follow up activities until the harvesting time and compare the production from demo plots with what they get from their own farms. After realizing that the demo plots performed better, the farmers go back to apply what have been learnt to their own farms. The activities also contribute to increased member commitment to the cooperative.

Agriterra implemented this activity in season A 2020 with the cooperatives, in parallel with other farming activities done by farmers who exploit their own farms. By aligning the timing with the agricultural season, the farmers were able to compare the difference in yield production at harvesting time in terms of quantity and quality between their own fields and the demo plots. This activity was very helpful due to the fact that it was meant to spread the good agricultural practices to the farmers and still expecting good results to the persistent farmers in the future. At every cooperative level, there are farmer facilitators involved in /training fellow farmers on good agricultural practices and these farmer facilitators have been trained by Rwanda Agricultural Board (RAB) and use to give them refresher courses to keep them on track. During the field training and demo plot establishment, sector agronomist or other expert joined the training for providing more technical knowledge (Figure 2). In general, each cooperative has established a demo plot of 0.5 hectares as demonstration and some other farmer field schools (FFS) have been established additionally in different zones and farmer groups were made according to the location of FFS demo sites. In this agricultural seasonal A, all cooperatives have grown maize on 4,809 hectares as highlighted on table 3 bellow. The total land includes the common land of the cooperatives, mostly in the wetlands leased from the government, and the individual farmer owned land.



**Figure 2:** Demo plots established in various area

**Table 3:** Total land size grown maize in this 2020-2021 season A

No	Cooperatives	Land size/ha
1	KABOKU	800
2	KOHIIKA	150
3	KODUIBI	180
4	COAIGA	1543
5	COVAMIS	362
6	CAPRORE-INTAMBWE	180
7	HIRWA - 35	812
8	ABAHUJINTEGO BUSOGWE	62
9	KOABAKA - KINAZI	60
10	COAMANYA - GISHUBI	70
11	CVMK	55
12	COVAMABA	247
13	COALFKA	64
14	ABISHYZEHAMWE URWONJYA	108
15	UBUMWE	116

### III. Business Advisory Services to the Cooperatives

Agriterra's team of cooperative business advisors has been providing its business advisory services on an ongoing basis to the selected cooperatives, with regular visits for the first months of the year just before COVID-19. After the start of the pandemic, travel restrictions were introduced which forced the team to continue supporting the cooperatives remotely for some time. As soon as measures allowed, the Agriterra business advisors started to conduct a limited number of visits to the cooperatives. With the support of the business advisors, many cooperatives have managed to make some good steps towards their development. This can be in the field of current business operations, new business activities, investment planning, governance and financial management.

A good example is KODUIBI cooperative from Mugesera sector, Ngoma district, which has managed to improve its business management since they started working with Agriterra. KODUIBI cooperative was able to recruit a cooperative manager in July 2020 and since that time they have managed to invest in a building with a shop upfront and storage facilities in the back. The manager developed the business plan and with it the cooperative was able to mobilize the required financial means to invest. The building will help the cooperative to store the maize in a proper way, while also generating complementary revenue streams. The shop will be used for a new business activity, as the cooperative has become an agro-dealer, selling inputs to its members and other farmers in the community. As of now, the business is doing well and there is a remarkable progress that the cooperative has made during the last seven months of 2020.

Another success story of the advisory services provided to our maize clients' cooperatives is from COAMANYA Gishubi which has recruited an accountant in July 2020 and before that time the cooperative had no staff at all. Since the arrival of the accountant, in combination with the advisory services of Agriterra, the cooperative has decided to buy a computer which has helped them to improve their record keeping including financial records. Now they the cooperative keeps track of all the expenses in writing, as well as on the computer, just to have the backup for all their records and they have a plan of adopting accounting software in the coming few months. All these are to professionalize the cooperative and the cooperative itself is happy for the progress as many things are changing towards their development. Cooperatives emerge or fall with the confidence of their members and good book keeping is an important pillar for success. Taking this as a starting point, Agriterra expects that COAMANYA will be able to grow even further in the years to come.

#### IV. Linking Cooperatives with Financial Institutions

One objective of the SDGP maize project is to facilitate cooperatives to access finance by linking them with financial institutions in order to boost the business development while making cooperatives more bankable. From June to December 2020, 5 cooperatives (HIRWA-35, COALFKA, COVAMIS, ABAHUJINTEGO BUSOGWE and KOHIIKA) have been linked with different financial institutions. The following table indicates the amount of loan which have been taken by each cooperative and the purpose of that loan.

**Table 4:** Loan taken by cooperative to be used for different purpose

No	Cooperatives	Total amount of loan /Rwf	Financial institution provided a loan	Purpose of that loan
1	KOHIIKA	25,000,000	Bank of Kigali	Buying inputs (seed and fertilizers) and collecting maize production from members and non-members by paying the production in advance.
2	COVAMIS	10,500,000	Bank of Kigali	Buying inputs (seed and fertilizers) and collecting maize production from members and non-members by paying the production in advance.
3	HIRWA - 35	15,000,000	Axon Tunga Microfinance (10,000,000 RWF) and URWEGO opportunity bank (5,000,000 RWF)	Buying inputs (seed and fertilizers) and collecting maize production from both members and non-members by paying the production in advance.
4	ABAHUJINTEGO BUSOGWE	1,500,000	Sacco Mukingo	Buying a plot which will be used to construct a drying facilities.
5	COALFKA	1,000,000	CPF INEZA	Increasing quantity of inputs sold by cooperative.

Among the 15 cooperatives, 5 have secured loans to be used for different activities as highlighted on table 4 above. In general, in this period, 53,000,000 Rwf have been mobilized by cooperatives to be invested on income generating activities. Agriterra is supporting the cooperatives in the proper management of the loans and expects an even higher amount of mobilized loans in 2021.

## **V. Managing your Agricultural Cooperative Training (Mycoop Training)**

A group of farmers' representatives was trained on cooperative management and improved farmer services", using Agriterra's "Managing Your agricultural Cooperative" (My.Coop) modules 1 and 2. Five maize cooperatives were represented in the training in the Southern province, i.e. COAMANYA GISHUBI and CVMK from Gisagara district, ABAHUJINTEGO BUSOGWE from Nyanza district, KOABAKA KINAZI from Ruhango district and COALFIKA from Kamonyi district.

The total number of trained members was 25 where each cooperative was represented by 5 members from governing bodies (board committee, and supervisory committee and management team made by some key personnel like managers, accountants or agronomists.

The training was participatory, and the participants appreciated the training methodology. In addition, the cooperatives expressed their eagerness to learn and improve on their governance, management and services offered to their members. At the beginning of the training, the participants shared their expectations where the majority expected to learn the basics about cooperative governance and management, the members' contributions to the cooperative development, the collaboration between different committees, quality of the services offered to the members and some other few participants mentioned about increasing maize production and post-harvest handling practices to maintain maize quality.

The main points of discussion of the two first modules of My Coop include Module 1 which is about basic notions about cooperatives (definition of the cooperative, cooperative principles and challenges in their application, governance and attached challenges, value chain analysis, formation of capital, finance etc..) while Module 2 focuses on cooperative service provision, where the cooperative has to identify member needs, make prioritization of needs and attached service. There was discussion of the relevancy over a certain service compared to cooperative vision and mission, and the cooperatives have to identify their preparedness to offer the service or to procure it from external service providers.

At the end of the training, the participants appreciated the training and have shown that their expectations about governance and management were met and have promised to train other members and transfer the knowledge to their fellow members. The trained members will train other cooperative members. In this 2021, this training module 1&2 will be provided to the remaining 10 cooperatives while those 5 cooperatives which have been trained before will be trained on another package of My Coop module 3&4 which are about the services of inputs supply and marketing.



**Figure 3:** Mycoop training for 5 SDGP maize cooperatives of Southern province

## VI. Job creation support/ Strengthening the performance of cooperatives

Once Agriterra started to collaborate with the selected 15 cooperatives, only four (4) cooperatives (COVAMABA, COALFKA, ABISHYZEHAMWE URWONJYA and UBUMWE) had permanent staff. Currently 11 cooperatives were able to contract different key staffs which were needed to ensure that the cooperatives have the required skills for their business to run efficiently. The following table number 5 highlights the cooperative and their currently hired staffs.

**Table 5: Cooperatives with respective staffs**

No	Province	District	Cooperative	STAFF
1	East	NYAGATARE	KABOKU	MANAGER
2	East	NYAGATARE	KOHIIKA	MANAGER
3	East	NGOMA	KODUIBI	MANAGER
4	East	KIREHE	COAIGA	MANAGER
5	East	KIREHE	COVAMIS	AGRONOMIST
6	East	GATSIBO	CAPRORE-INTAMBWE	MANAGER and ACCOUNTANT
7	East	RWAMAGANA	HIRWA - 35	AGRONOMIST
8	South	NYANZA	ABAHUJINTEGO BUSOGWE	ACCOUNTANT
9	South	RUHANGO	KOABAKA - KINAZI	AGRONOMIST
10	South	GISAGARA	COAMANYA - GISHUBI	ACCOUNTANT
11	South	GISAGARA	CVMK	ACCOUNTANT

Up to now, 12 staffs on different position have been hired by the above cooperatives. Among 12 staffs, 5 are managers, 4 accountants and 3 agronomists. Through a complementary project, Agriterra has managed to support these cooperatives by contributing 50 percent of the salaries, plus communication and transport facilitation, while the cooperatives pay 50 percent of the salary.

Agriterra aims to see the cooperatives becoming able to maintain staffs after the project, without support, being the reason why cooperatives have to fix a realistic salary which is manageable at their level.



*Figure 4: cooperative chairman and staff after contract signing*

According to cooperative testimonies, the recruited staff have helped the cooperatives in different ways. The following are examples of the impact the new staff had to the cooperatives:

- Linking cooperative with insurance companies (exp: Radiant, Sonarwa and Prime insurance) to secure crop insurance for maize.
- Linking farmers to financial institutions
- The production has been increased through application of good agriculture practices
- Updating cooperative books and establish regular financial and narrative monthly report
- Facilitate cooperative to start new income generating activities (Exp: KODUIBI cooperative have been started the shop of inputs)
- Business plan development

*Figure 5: KODUIBI cooperative's input shop established by the idea of cooperative Manager*



## VI. Challenges faced

In the implementation of Agriterra's activities there are some challenges we have faced, which will be presented here:

1. **Cob model:** the selected cooperatives and their members are satisfied with the model since it reduces the post-harvest activities on their side and the model helps them to keep the quality needed on the market, but the cooperatives have also been raising their concerns about the 23 percent deduction of price paid on each 100kgs bag saying that it is too much and this needs more clarifications and trials to convince the farmers.  
Other farmers were claiming the maize residues they used to use in cooking have not been valorized in terms of money instead of taking them as unpaid residues.

Agriterra suggests AIF to organize more demonstrations of the weighing procedure of the cob model in the field, to provide the farmers with the visible evidence of the calculation behind the 23 percent deduction of volume to be paid.

2. **Covid-19 effect:** since March 2020 when the first case of covid-19 occurred in Rwanda, the government of Rwanda has introduced travel restrictions and many other prevention measures which affected highly our work about reaching to farmers, also cooperative general assemblies were put on hold and that has affected some decision making processes while for other cases where committees were coming to an end of mandate, it was fair to wait for new cooperatives leaders to be elected and provide trainings to the team with chance to stay a bit longer in the governing bodies. Even though agricultural activities were operational but reaching the farmers on their respective places wasn't easy. The pandemic has affected all the sectors of life including the farmers either their income or the cooperative income



since some of their businesses were not operational normally.

3. **Approval from Nyaruguru district:** one of the project intervention district governments has been reluctant to offer a required collaboration letter to Agriterra. Fortunately, the issue has now been settled with the support of Africa Improved Foods. The concerned cooperative in the district is called Abishyizehamwe Urwonjya cooperative, which was not able to participate in all activities as planned because of the delay of authorization by the district, but Agriterra expects this to be recovered in 2021.

## CONCLUSION

The project "Increasing maize value chain efficiency in Rwanda", started with the inception phase that led to the selection of 15 cooperatives from different districts by Agriterra. Together, Agriterra and the cooperatives have developed one-year action plans which will be implemented during the project. Agriterra and its project partners have started playing their roles and have already achieved a lot in supporting the cooperatives. The introduction of the cob model has been rather successful, as many cooperatives appear to be motivated to keep using the model in the coming years. Additionally, the rejection rates at the factory have been very low because of the low aflatoxin contents in the maize.

During the COVID-19 lock down, the SDGP maize team managed to provide advisory services through telecommunication channels, even though more could have been achieved if the COVID-19 pandemic would not have broken out. The support in recruiting key staffs for the cooperatives has made a great contribution in terms of professional way of working and better services to the farmers especially on the production level. For the year 2021, priority activities will include to continue working on good agricultural practices, providing trainings to improve management and services to the members and last but not least the inclusiveness activities.