

FARMER-OWNED AGRIBUSINESS BRIEF



DEC. 2018 | ISSUE NUMBER 4

MARKET SYSTEM WORKSHOP IN AMERICAS- A STARTING POINT FOR INNOVATIVE INITIATIVES



Americas Market System Workshop participants - Guatemala City, GT.

Heifer Americas will further advance the consolidation of the market system approach by implementing a new project proposal in the Honduras cocoa sector titled Chocolate 4 All, which represents a unique opportunity to validate the approach, as well as include innovative elements to make the market system more resilient and transparent with the adoption of blockchain by small cocoa farmers. The proposal is financed by the Interamerican Development Bank (IDB) in alliance with a global cocoa company (Chocolates HALBA), the local and national cocoa commissions, and the International Tropical Agricultural Research & Higher Education Center (CATIE), among others.

To learn more, contact Jennifer.Zapata@heifer.org

By Jennifer Zapata

Heifer is committed to the development of competitive and inclusive economies to help small holder farmers gain economic growth and reach a living income. This requires systems for the exchange of goods, services and commodities that operate efficiently for everyone, especially the poor as producers, consumers and employees.

On September 10-14, 2018, the Americas area program held a Market System training in Guatemala. Facilitated by CGIAR- CIAT, the training's goal was to develop a common understanding of inclusive market systems for Heifer's projects in the Americas, develop the key principles for this approach and a process to apply these principles. The training participants consisted of the Americas management team, Americas country directors, country office program managers, enterprise development managers and a special delegation of the Mission Effectiveness team.

As next steps, the Heifer Americas team has built an implementation plan to advance the appropriation of the market system approach. The Americas team has adopted a public and private partnership approach and recognizes that appropriate incentives and capacities are central to efficient, more inclusive systems.



Gladis Morena Gómez and Yolanda Strachan from MIF (Multilateral Investment Fund), an IDB innovation lab - Olancho, Honduras.

CONTENTS

PAGE 1

Market System Workshop in Americas

PAGE 2

Financial Training for Emerging FOABs in India

Public Private Partnership (PPP) Empowering Smallholder Goat Farmers in Zambia

PAGE 3

Financial Services for Economic Empowerment of Women in Nepal

Enterprise Facilitation Pilot Celebrates First Client Business Launching in Mexico

PAGE 4

Women's Coop in Bangladesh Building Resilience through their Multi-Sectoral Investments

FINANCIAL TRAINING FOR EMERGING FOABs IN INDIA

By Siddhartha Kumar

An assessment of the Heifer supported farmer owned agribusinesses (FOABs) performed utilizing the Capacity Assessment Tool (CAT) revealed that board members of the FOABs have made significant improvements in awareness, leadership, sales skills, negotiation, and price fixation, however, their understanding of basic financial



Training participants represented six farmer owned agri-businesses from Bihar and Odisha, India.

terms and financial statements remained a challenge. This limitation can pose a threat to the overall organizational development of the FOABs and affects the confidence and spirit of self-reliance of the FOAB members.

To tackle these challenges, a two-day training was conducted with an action oriented and participatory approach. The training took place on September 3 and 4 in Purnea, Bihar. 45 members belonging to six FOABs from Bihar and three from Odisha participated in the training. Among the participants were FOAB board members, FOAB accountants, cooperative coordinators, NGO partners, and Heifer India staff. The training was conducted by Mr. Ajit Kanitkar, Senior Advisor of Vikas Anvesh Foundation (VAF), an initiative of Tata Trust, one of India's oldest philanthropic organisations, which also

provides pro-bono support to the FOABs.

Starting with an introduction of basic financial terminology, the training later moved to real-life problems. Simple profit and loss questions were illustrated and explained. At every step, additional conditions were added to the existing problems to enhance analytical skills and problem comprehension from a practical perspective. The training helped the FOAB members understand

basic financial mechanisms, compliance matters and financial terms and calculations, in addition to the day-to-day procedures for maintenance of accounts.

The FOAB members expressed that the training will empower them to make better business decisions. They requested to continue financial literacy trainings to help them efficiently manage their FOABs. Heifer India understands that financial training programs for cooperative board members and coordinators must be conducted in all project areas for the empowerment and advancement of the FOABs and to enhance accountability.

To learn more, contact Siddhartha.Kumar@heifer.org

PUBLIC PRIVATE PARTNERSHIP (PPP) EMPOWERING SMALLHOLDER GOAT FARMERS IN ZAMBIA

By Dennis Lembani

Heifer Zambia, through the Enhanced Livestock Trade and Enterprise (ELITE II) Extension Project, entered into partnership with Sheni Agricultural Supplies Limited, a provider of veterinary drugs and other extension services to goat smallholder farmers in Chipata, Katete and Chadiza Districts of Eastern Province of Zambia.

This partnership supports farmers' access to veterinary drugs and services at subsidized prices through a Veterinary Assistant (VA) that Sheni has contracted. Heifer Zambia has provided a motor bike to Sheni so that the VA is mobile and able to reach all the farmers in their respective communities. This saves time and transport costs for farmers travelling into town to access livestock drugs and services.

With the support of the Government of the Republic of Zambia under the Ministry of Fisheries and Livestock, Sheni's contracted VA performs preventive and treatment services of livestock in collaboration with Heifer Zambia's Community Agro-Veterinary Entrepreneurs (CAVEs).

This PPP has been helpful in the implementation of Heifer Zambia's ELITE II Extension goat value chain project for it has harnessed expertise, efficiencies and resources that each value chain actor brings into the project. Since 2017, Sheni has managed to reach more than 2,300 Heifer Zambia smallholder livestock farmers with veterinary drugs and other extension related services.

To learn more, contact Dennis.Lembani@heifer.org



Patel (Sheni M.D.) and Dennis, Heifer ZM Program Manager, view agricultural equipment offered at Sheni Agricultural Supplies Limited. - Zambia

FINANCIAL SERVICES FOR ECONOMIC EMPOWERMENT OF WOMEN IN NEPAL



Members of Karmath Social Entrepreneur Women's Cooperative- Nepal

By Prakash Katwal

In November 2017, Heifer Nepal, in partnership with Machhapuchchhre Bank Limited (MBL) and Sakchyam, an access to finance program funded by UK Aid, started piloting an initiative with four Heifer supported Social Entrepreneur Women's Cooperatives (SEWCs) in the western district of Dang.

Instead of providing wholesale loans to the cooperatives, MBL provided loans directly to the cooperative members leveraged through the

cooperatives, without any collateral from the borrowers. Sakchyam provided a grant and a guarantee fund. Heifer contributed with the identification of viable cooperatives and continued on-field support by providing technical trainings to improve the cooperatives' enterprise operation and profitability.

Devi Maya, Chairwoman of Karmath SEWC, is happy that they are the first cooperative to introduce banking in their region. Her cooperative has facilitated MBL to loan a total of NPR 5 million (approx. \$49,500 USD) to 22 of its members. Heifer supports cooperatives to improve in the areas of governance and financial management, so they become viable financial intermediaries. MBL has already disbursed a total of NPR 15.9 million (approx. \$157K USD) benefiting 67 women and their farm enterprises.

This pilot is being scaled up with the target of reaching 4,300 women farmers from 51 SEWCs in 14 districts of Nepal and disbursing a total

"I have seen many cooperatives fail to recover loans, but we do not have this problem in our cooperative. It is primarily because of the strong social capital built among our members, and the Participatory Self Review and Planning (PSRP) process in the women's groups that allow them to be accountable to pay the loan in time"

-Devi Maya, Chairwoman of Karmath Social Entrepreneur Women's Cooperative

of NPR 515 million (\$4.6 million USD) in loans. Additional financial products will also be designed and offered to the women farmers to meet their funding needs to start, grow and expand their businesses. One of these additional financial products is the Kishan credit card, which will be introduced for the first time in Nepal. The Kishan credit card system is prevalent in India and is designed to ease farmers' access to short term credit and reduce their dependence in informal banking.

To learn more, contact Prakash.Katwal@heifer.org

ENTERPRISE FACILITATION PILOT CELEBRATES FIRST CLIENT BUSINESS LAUNCHING IN MEXICO

By Erick Sanchez

Heifer Mexico celebrated the first client business launching from its Enterprise Facilitation pilot project with the Sirolli Institute. The objective of Enterprise Facilitation is to spur entrepreneurship by capturing the passion, energy and imagination of all the entrepreneurs in the community. Community entrepreneurs are helped and coached to start or expand businesses through the Enterprise Facilitation methodology. Heifer is implementing this pilot in Uganda, Tanzania, Nepal, Bangladesh, Honduras, Guatemala and Mexico from July 2017-2019.

La Verbena is a woman-owned business, dedicated to the creation of preserves and dairy products, specializing in gourmet cheeses: smoked, panela and artisanal pressed cheese; made with grasshoppers, seeds, habanero pepper and fine herbs. La Verbena is in a small community on the coast of Oaxaca, 20 minutes away from Puerto Escondido, Mexico.

When La Verbena's owner, Minerva Buron, received her first enterprise facilitation training in July 2018, she was desperate. At that time

the situation of her company was irregular: she had lost important clients, there were delivery problems with a supplier, she couldn't find the right person for her production team and the business administration was deficient. She also had no reliable knowledge of financial data.

Since the enterprise facilitation training was held and the entrepreneur was linked with key resources, the business is growing and getting more established, with some management improvements in general. La Verbena has now begun generating financial reports, has retained and created new jobs, has opened new commercialization channels and has positioned products in food fairs in other states of Mexico, with an increase in sales of 30%.

To learn more, contact Erick.Sanchez@heifer.org



WOMEN'S COOPERATIVE BUILDING RESILIENCE THROUGH ITS MULTI-SECTORAL INVESTMENT PORTFOLIO



Members of Shimulkandi Prottasha Women's Cooperative Limited during a general assembly- Bangladesh

the rest are reserves and profit.

The cooperative is working to strengthen the beef and dairy value chains with the key focus on improving production and productivity. Its total investment was directed to improving production by providing financial services, inputs, and insurance to the producers and to building itself as a functional business hub which will act as a one-stop service center for its members.

Prottasha Women Cooperative Limited is an example of success for other cooperatives and is currently planning to develop its own brand with members' products in FY 2019.



Members of Shimulkandi Prottasha Women's Cooperative Limited showcase the electronic products they have for sale.

By Farhad Hossain

Shimulkandi Prottasha Women's Cooperative Limited, based in the Kishorgonj district of Bangladesh, started its operation in 2014. The cooperative is currently being supported by Heifer's Economic Enhancement through Strengthening Beef and Goat Market System Project.

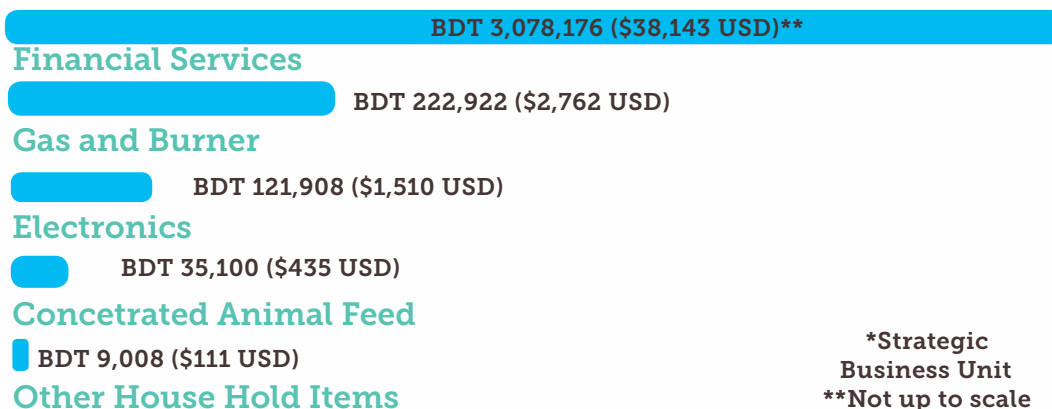
The cooperative faced the core risk associated with investment failure subject to its heavy reliance on the beef and dairy market systems. To lower this risk, the cooperative started other businesses in FY 2017 to broaden its portfolio. These new businesses include the sale of electronics, cooking gas, stoves and other household items.

Presently, the cooperative has 738 members and total assets of \$114,604 USD. Share capital is \$30,776 USD, members' savings are \$44,333 USD, pass-on fund from Heifer's project is \$10,224 USD, and

This portfolio diversification is now subsidizing members' necessities and earning approximately 15% additional income for the cooperative while making it more resilient to absorb any uneven shock. Shimulkandi

To learn more, contact Farhad.Hossain@heifer.org

Total Coop Income From Each SBU* (FY15-FY18)



*Strategic Business Unit
**Not up to scale

FOR QUESTIONS OR COMMENTS REGARDING THE FOAB BRIEF, PLEASE CONTACT
Padma.Singh@heifer.org or Cecilia.Ayala@heifer.org