



Farm Business Advisers:
Comprehensive services provision for rural farmers
from local entrepreneurs



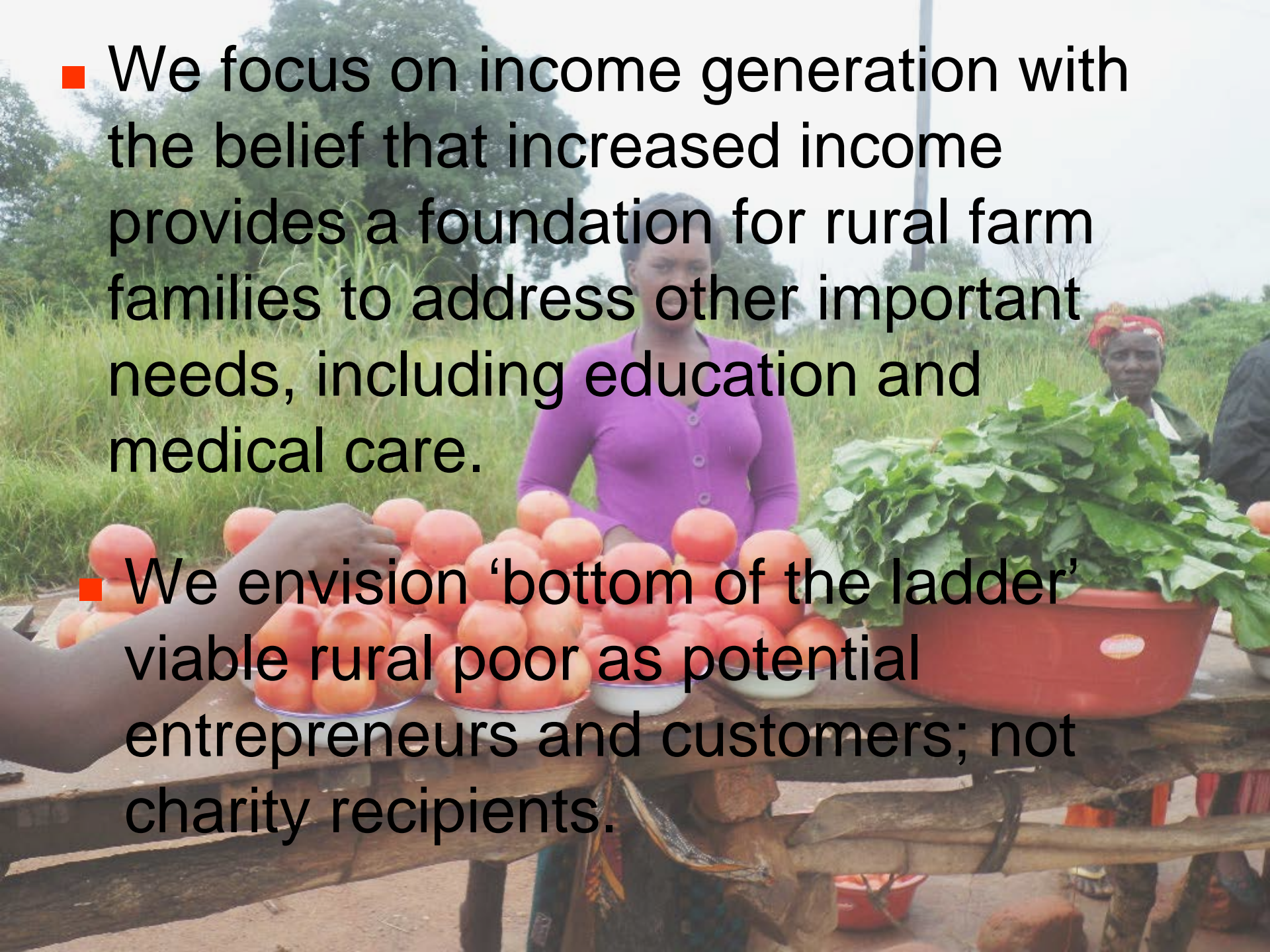


Who we are:-

We are part of the wider **iDE** international, a not for profit organization working to harness the power of the private sector in delivering sustainable and scalable solutions to improving incomes and livelihoods of the rural poor, particularly those living on **‘less than two dollars a day’**.

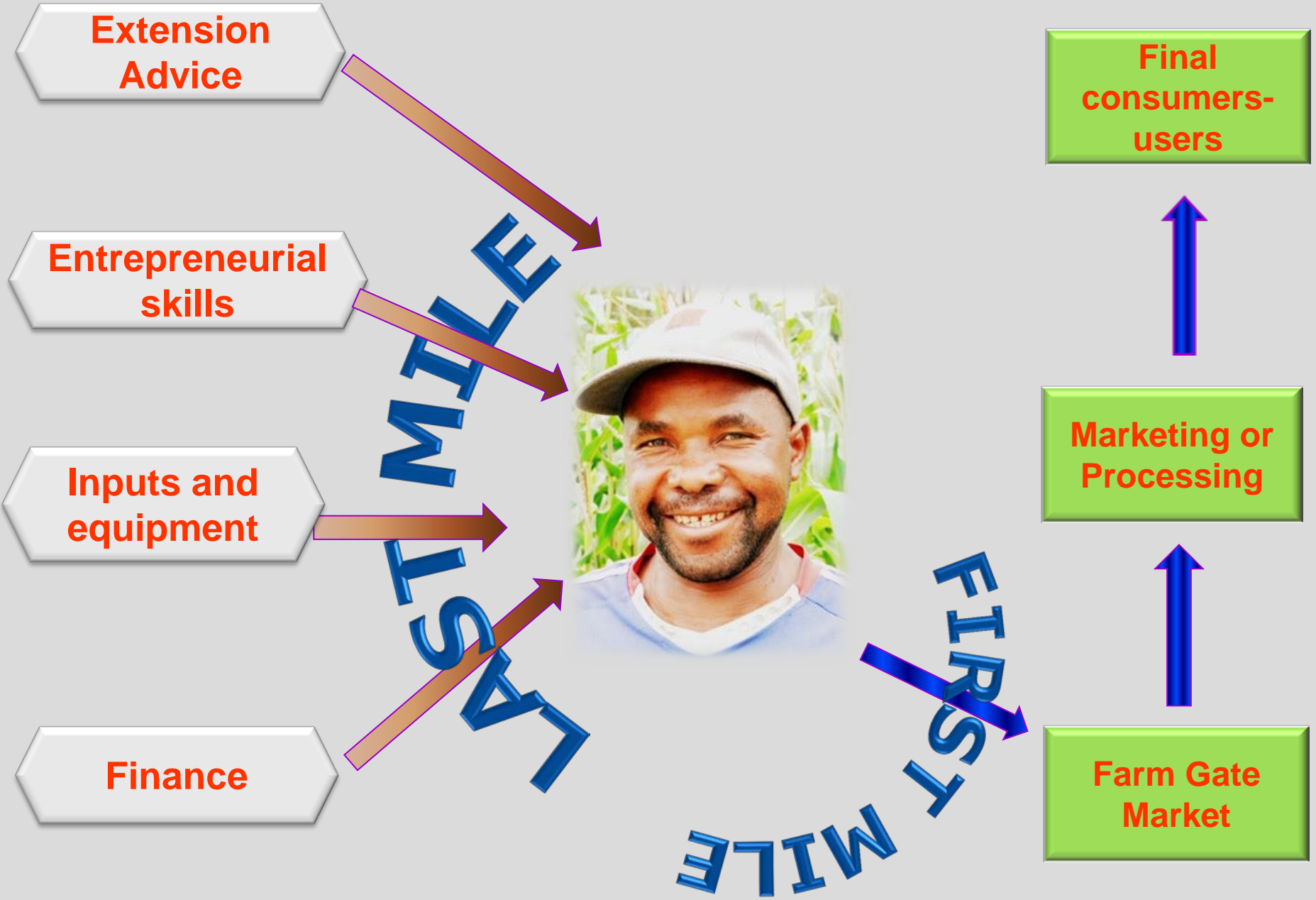
- We focus on income generation with the belief that increased income provides a foundation for rural farm families to address other important needs, including education and medical care.

- We envision 'bottom of the ladder' viable rural poor as potential entrepreneurs and customers; not charity recipients.



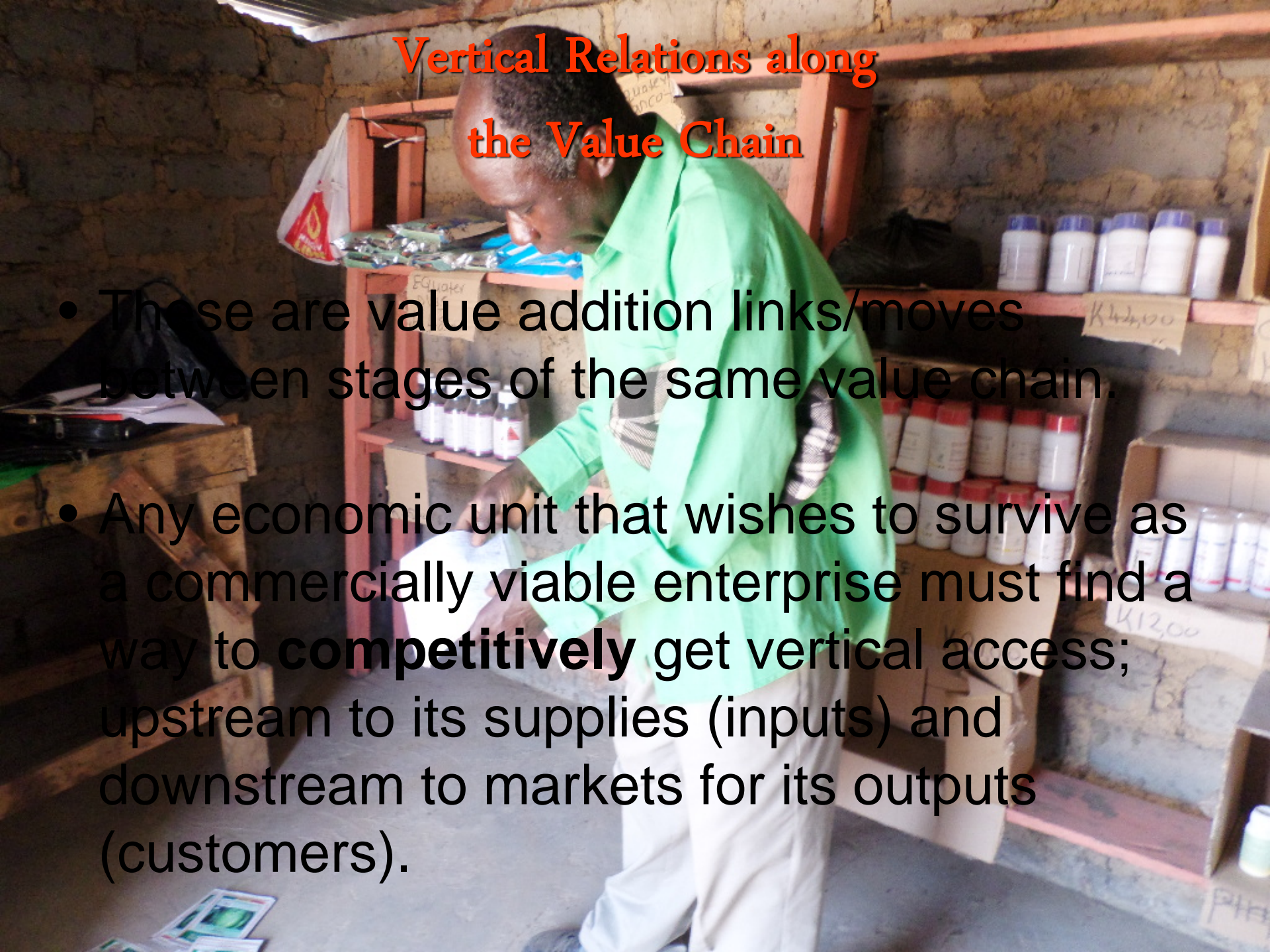
Bridging the last and first mile gaps in the value chain is key to supporting the 'less than two dollar a day' rural smallholder farmer.





Vertical Relations along the Value Chain

- These are value addition links/moves between stages of the same value chain.
- Any economic unit that wishes to survive as a commercially viable enterprise must find a way to **competitively** get vertical access; upstream to its supplies (inputs) and downstream to markets for its outputs (customers).



A rural landscape with a dirt path, haystacks, and trees. The path is in the foreground, leading towards a line of haystacks. In the background, there are trees and a clear sky.

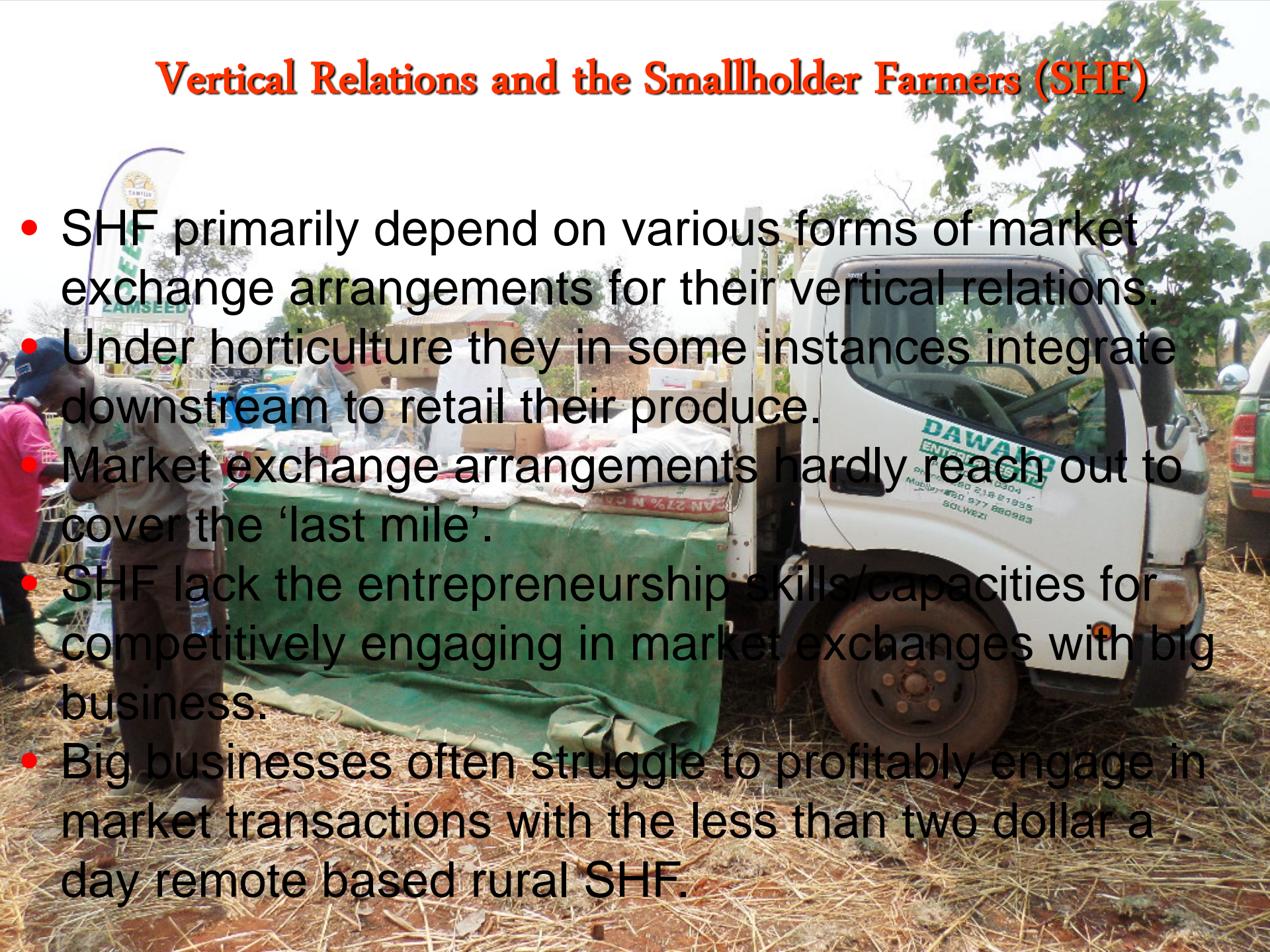
1. Vertical Integration: Individual entrepreneur/business engages at two or more stages in the value chain, or ‘the make decision’.

2. Market Exchange: Based on a variety of contractual and co-operative agreements with other firms for linkages. The external value chain or ‘the buy decision’.

3. Hybrid Chains: Where entrepreneur/business entity employs a combination of the two in pursuit of competitive advantage.

Vertical Relations and the Smallholder Farmers (SHF)

- SHF primarily depend on various forms of market exchange arrangements for their vertical relations.
- Under horticulture they in some instances integrate downstream to retail their produce.
- Market exchange arrangements hardly reach out to cover the 'last mile'.
- SHF lack the entrepreneurship skills/capacities for competitively engaging in market exchanges with big business.
- Big businesses often struggle to profitably engage in market transactions with the less than two dollar a day remote based rural SHF.





- Other**
- ✓ Equipment repair
 - ✓ Spraying services
 - ✓ Seedling sales
 - ✓ Out-grower coordinator
 - ✓ Well digging
 - ✓ ???


Facilitating SHIF competitiveness in horticulture market





The Farm Business Adviser

“Enhancing value chain competitiveness of last mile, bottom of the ladder small holder clients”.

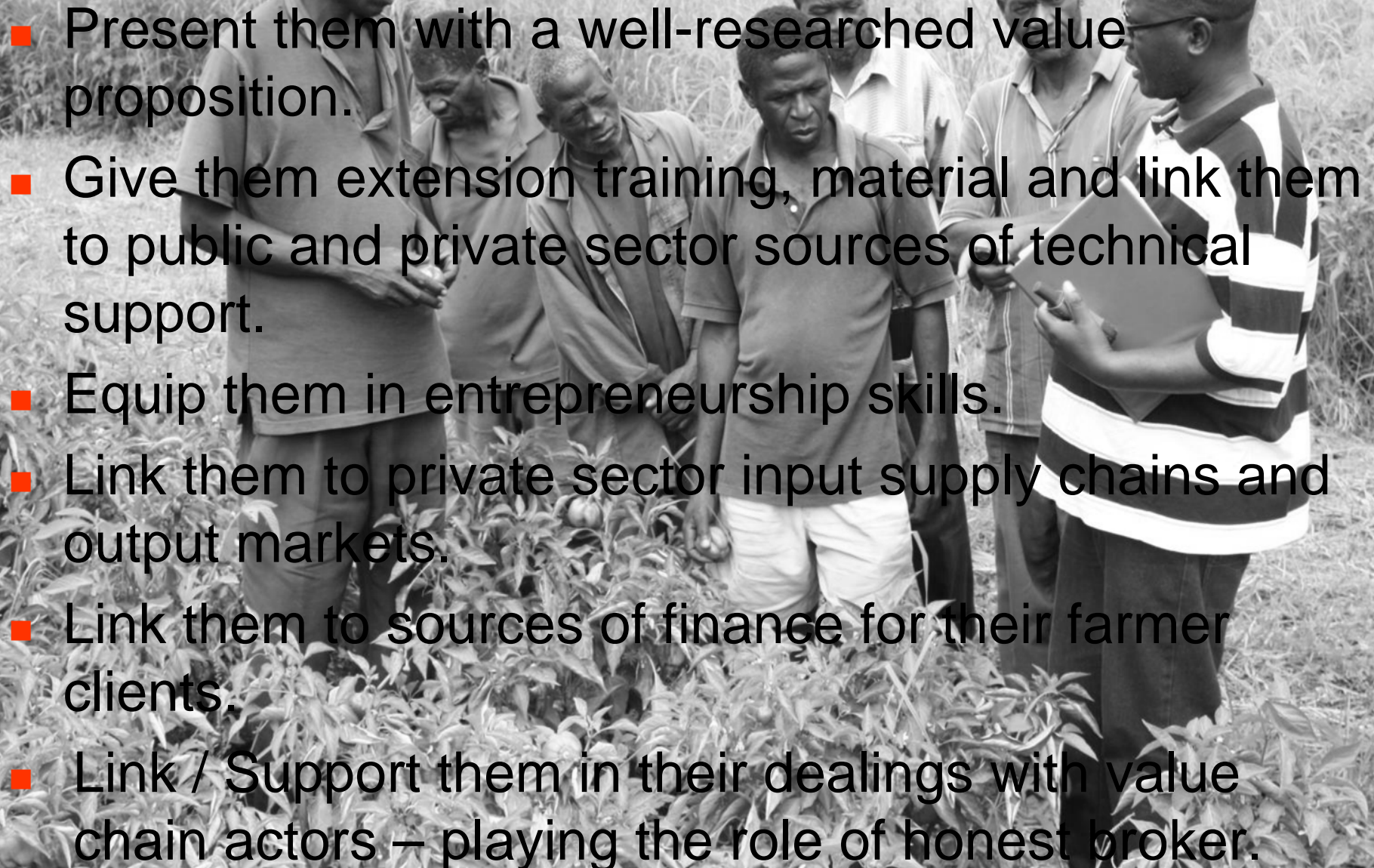
- Concept first developed by iDE in Cambodia now becoming core to iDE’s model of engagement internationally.
 - FBAs are small-scale rural entrepreneurs earning a commission from linking farmers to a range of private sector entities (inputs, credit, outputs).
 - Provide advice – usually as an embedded service.
 - Also provide a range of other services to farmers supporting a specific value chain.
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What an FBA is not!

- An employee of iDE or the project.
- A lead farmer.
- Purely an agro-dealer.
- The curator of a demonstration plot.
- In it for the “free stuff”.



What does iDE do for FBAs?

- Present them with a well-researched value proposition.
 - Give them extension training, material and link them to public and private sector sources of technical support.
 - Equip them in entrepreneurship skills.
 - Link them to private sector input supply chains and output markets.
 - Link them to sources of finance for their farmer clients.
 - Link / Support them in their dealings with value chain actors – playing the role of honest broker.
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- A black and white photograph showing a group of about seven men in a field. One man on the right is wearing a striped shirt and glasses, holding a clipboard and looking towards the other men. The other men are dressed in simple, practical clothing and appear to be engaged in a discussion or training session. They are standing in a field with rows of plants, possibly a vegetable or fruit field.

FBA development is market based

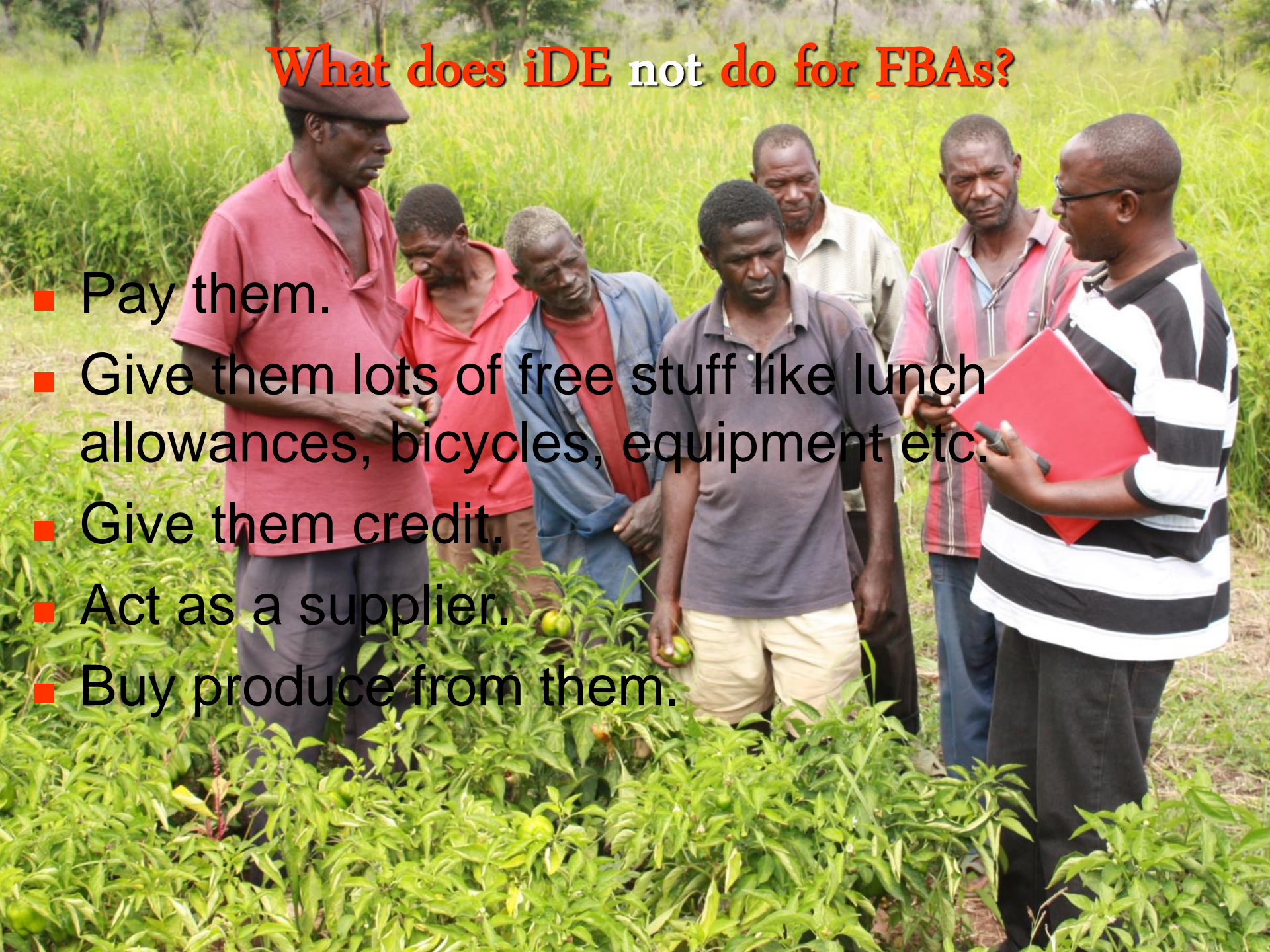
performance

- Willingness, commitment and ability to learn.
- Progress in recruiting, mobilizing and inspiring farmers.
- Capacity to train and provide frontline services.
- Management of demonstration plots as field schools including organizing field days and input/technology fairs.
- Propensity for exploiting knowledge and linkages gained for problem solving/opportunity creating.
- Earning power; transactions from anticipating, identification and satisfaction of farmer needs.



What does iDE not do for FBAs?

- Pay them.
- Give them lots of free stuff like lunch allowances, bicycles, equipment etc.
- Give them credit.
- Act as a supplier.
- Buy produce from them.



Benefits of FBA approach

- Provides leverage and the ability to scale.
- Linkages to multiple private sector actors serving different parts of the value chain.
- FBAs rewarded from the value chains – not subsidised by external actors – sustainable.
- Greater and longer term bonds of trust between FBA and farmer.
- Localised and customised advice.
- Responsive and adaptive to the needs of farmers.



FBA Programme in Zambia

- Around 225 FBAS servicing a target of 24,000 smallholder farmers in 5 Provinces of iDE's operations. 1 FBA : 80-120 customers.
- Located close to customers.
- Approximately 15% women.
- All entirely commission based – NOT employees of iDE.
- iDE provides training and facilitates linkages to other value chain actors.



What have we learned?

- Select the right people to be FBAs.
 - Consider the family business.
 - Teach entrepreneurial skills.
 - Don't do too much propping up.
 - Get private sector partners involvement from the outset.
 - Learn from successful FBAs.
 - Present a compelling value proposition for the FBA.
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- A group of people, including men, women, and children, are seated on simple metal benches outdoors in a rural setting. They are facing towards the right side of the frame, where a person in a green shirt is standing and speaking. The background features several trees, some with reddish-brown leaves, and a clear sky. The ground is dry and dusty. The overall scene suggests a community meeting or a training session.

Acknowledgements

