



Final Report for Traidcraft Project:

‘Local Market Services Development East Africa’

June 2009 to April 2010

Introduction

Using its experiences with the Firstmile phase 1 and 2, Building Effective Commercial Rural Market Services in Tanzania and RKN projects as well as its work with the Linking Local Learners platform, Agridea has made significant contributions to the objectives of the project:

- To test an approach for enhancing small producer access to markets, which enables them to increase their earnings and capture a greater share of the consumer prices.
- To develop a better understanding of needs (access to financial resources, capacity etc.) of innovative local market intelligence and brokering services.
- To document best practices on how IFAD can promote and support the supply of these services.

Agridea used the following methodology to make its contributions to the overall project objectives. Business-to-business learning on commercial operations using a balance of face-to-face interaction and online mentoring, coupled with vigorous peer-to-peer sharing of experiences. The Linking Local Learners (LLL) methodology achieved peer-exchange for the many widely dispersed entrepreneurs (www.linkinglearners.net) in the local networks. Online mentoring with immediate feedback of experiences into ongoing implementation resulted in rapid progress in the development of business operations and capacity for being creative in each different locality. Examples of major breakthroughs are given in the Box below.

BOX: Major Breakthroughs on LLL platform

The most important breakthroughs have been the insights for operating 'Transaction Security Services' and its critically important 'cash-on-the-bag' funds. The LLL platform is now the forum for exchanging experiences on the management of such funds. Similarly, operational details for transaction security services are being refined through peer exchanges. This was the case both for conducting auctions and operating double loop deals. The evolution in thinking about business models for providing support services to the networks has also taken place on the platform. Most important here was the insight to spin off the regional manager function from the national service provider to become a separate business in its own right. The LLL platform has gradually evolved into a tool for business-to-business learning among active members of the network.

1) Building a business to address clients' problems

Local learning exposed farmers' problems of poor knowledge of market prices and demand and poor links to buyers. Problems with middlemen and the low prices they get because they need money immediately also came out. Farmers' lack of trust in warehouses and buyers means they are unwilling to bulk or sell without money up front. Big buyers are also not prepared to trust farmers because they cheat on weights and quality. Network members have developed their transaction security service and cash on the bag payments to address these problems.

2) Responding to local market information needs

Local learning prompted our move away from providing general market information from the main markets to focussing on local market intelligence linking local prices with local offers to buy or sell and local network members to assist those interested to access the market. There are now so many ways farmers and traders can get main market prices for free that commercialization of this service has become impossible. Network members are now developing tailor made alerts to local clients sending locally relevant market intelligence directly to their mobile phones as SMS texts.

3) Developing a service for secure transactions between small farmers and larger buyers

Local learning stimulated a long struggle for network members to change their operations from trading to brokering. Clients also struggled to appreciate the difference. Buying cheaply off farmers and selling on at higher prices to make your money on the difference is the universal marketing experience. Client appreciation that brokers do not own the product and make their money from commission on the service provided only comes with practical experiences. Client appreciation comes when they actually see the quality checking and tagging and bagging for traceability of produce. Network members are now refining operations for sourcing produce for processors, auctioning produce to get competition between buyers and forward contracting with farmer groups.

4) Going commercial through branding and financing

Local learning has helped network members to become better entrepreneurs. Providing experiences through RAVI loans for members allowed them to develop the necessary discipline to handle commercial loans. Local learning has allowed them to build the skills to prepare simple financial plans for their enterprises and develop business records on their trading, understand the unique selling points of their market access services and market them through radio, print and online websites. Network members are now seeing the need for a brand to protect and market their transaction security service as well as the need for strict discipline to maintain brand quality.

Consultant Activities

Agridea used the following consultants in undertake this work: Clive Lightfoot, Ueli Scheuermeier, and Anne Dennig. Assistance in the management of the linkinglearners website was provided by David Merewether. The following activities were conducted to support the major components of the project.

Establishing and Building the capacity of MACs

- Provided continuous online and face-to-face mentoring to key actors within the Market Access Networks that complimented Traidcraft's training workshops in Kenya 1st to 5th February and Uganda 8th to 12th February 2010.
- Mentored key actors within the regional networks in their further development and improvement of business models, plans and operations on a continuous basis.

- Moderated online discussions and peer-to-peer exchange between members of the networks continuously on www.linkinglearners.net.
- Facilitated trade fair workshops and business convention organised by the national marketing companies for their regional networks as follows: Kenya National Trade Fair from 4th to 5th November 2009 in Nakuru. Tanzania National Trade Fair from 9th to 10th November 2009 in Dodoma. Uganda Trade Fair from 13th to 15th November 2009 in Entebbe. Regional Business Convention from 16th to 17th November 2009 in Entebbe.
- Undertook on two site assessments in Kenya, Uganda and Tanzania. The first from 2nd November to 16th December 2009, and the second from 15th March to 24th April 2010 of network members business performance in order to better understand the context within which they are operating; the challenges they face and their capacity building needs.
- Synthesised document and shared via www.linkinglearners.net the learning generated by members of the networks on effective operational procedures for market intelligence and transaction security deals into six guidelines for good practice.
- Ensured that all relevant documentation of project outputs was posted onto the www.linkinglearners.net website.

Identifying, synthesizing and disseminating policy insights

- Produced four briefing notes detailing operational and policy insights that emerged from the project for sharing with IFAD and others.
- The planned IFAD learning events was postponed to June 2010.

Determining best practice business models

- Supported members of the networks to develop and share business plans for national companies in Kenya and Uganda as well as for a Market Access Company. Started preparing financial projections for six networks to assist in their approach to investors and banks for commercial loans.

Assessment of impact on farmers

- Researched and prepared eighteen stories illustrating the impact of activities of the market access networks on entrepreneurs and farmers.

Outputs Realized

Outputs realized over the contract period by the consultants are reported below for each of the main project components.

Establishing and Building the capacity of MACs

Six guidelines on business practices were developed along with reports on all three Trade Fairs. Monthly reports of the business performance of the regional networks and their member IBM/MAC's are also provided in the tables below. An index of files provided on the CD containing all the project outputs is shown in Annex A.

- Business Practice: SMS Business Operations.
- Business Practice: Transactions Security Service (TSS) Deal Operations.
- Business Practice: TSS Collection Point Management Practice.
- Business Practice: TSS Double Loup Deals Operations.

- Business Practice: TSS Auctions Operations.
- Business Practice: Cash-on-the-Bag (COB) Fund Operations.
- The Kenya National Trade Fair & Business Convention Report. 4th – 5th November 2009. Bontana Hotel, Nakuru, Kenya.
- Proceedings of the Uganda Trade Fair & Business Convention. 13th - 17th November 2009. Imperial Golf View Hotel, Entebbe, Uganda.
- The Tanzania National Trade Fair Report. 9th – 10th November 2009. Dodoma Hotel, Dodoma, Tanzania.

Network Manager	Month of Business Performance Reporting
Bahat Tweve	Jan10
Eva Luwerekera	May09 June09 July09 Aug09 Dec09 Feb10
Gaudesius Opio	May09 June09 July09 Aug09 Jan10 Feb10
Grace Nalukwago	May09 June09 Aug09 Sept09 Oct09 Nov09 Dec09 Jan10 Feb10
James Kanye	April09 May09 June09 July09 Aug09 Sept09 Oct09 Nov09 Dec09 Jan10 Feb10
JP Opio	April09 May09 June09 July09 Aug09
Michael Kibue	April09 July09 Aug09
Moses Gichuru	Mar09 April09 May09 June09 July09 Aug09 Sept09 Oct09 Nov09 Dec09 Jan10
Sarah Mayanja	April09 May09 June09 July09 Aug09 Sept09 Oct09 Nov09 Dec09 Jan10
Solomon Mulindi	Mar09 April09 May09 June09 July09 Aug09 Sept09 Oct09 Nov09 Dec09 Jan10

Identifying, synthesizing and disseminating policy insights

Four briefing notes were prepared. The planned presentation at the IFAD learning event did not take place but Briefing note 34 will provide a basis for the IFAD learning event in June 2010. Titles of the briefs are given below. An index of files provided on the CD containing all the project outputs is shown in Annex A.

- Brief No 32. Facilitating Market Access: Potential Pitfalls for Public Programmes.
- Brief No 33. Market Access Services: Steps to Commercialization.
- Brief No 34. Developing New Services Needs an Effective Knowledge Management System.
- Brief No 35. Public-Private Partnerships: Key Areas for Intervention.

Determining best practice business models

Two working business plans were prepared at the national marketing company level and one at the Market Access Company level as follows. In addition to this six network managers started their financial projections using a spreadsheet developed by Traidcraft. An index of files provided on the CD containing all the project outputs is shown in Annex A.

- AgriNet (Uganda) Ltd. Business Plan 2009/2010.

- AgriTrade Ltd, Kenya. Business Plan 2009/2010.
- Market Access Company Business Plan.
- Financial Projections April 2010 to March 2011 Eva Luwerekera.
- Financial Projections April 2010 to March 2011 Gaudesius Opio.
- Financial Projections April 2010 to March 2011 Grace Nalukwago.
- Financial Projections April 2010 to March 2011 Jacinta Nambiru.
- Financial Projections April 2010 to March 2011 James Kanye.
- Financial Projections April 2010 to March 2011 Moses Gichuru.

Assessment of impact on farmers

Eighteen stories of impact on both entrepreneurs and farmers were prepared as follows. An index of files provided on the CD containing all the project outputs is shown in Annex A.

- Solomon Mulindi. The Importance of RAVI loans for AgriTrade Western Region.
- Charles Manang. Exploring Product Marketing through the Rural Marketing Network in Tanzania.
- Susan Nduku. Challenges with a RAVI loan and Hard Lessons Learned about Deal making.
- Bahat Tweve. An Auction for Finger Millet in the Southern Highlands, Tanzania.
- Sebastian Msapalla. Arusha MAC and the Moringa Network, Tanzania.
- Samuel Mugo. The Arusha Network links with Nairobi MAC 'Biashara Mapema' at the Dodoma Trade Fair.
- Anna Farahani. Sunflower oil Marketing through KIRSEC MAC.
- Moses Gichuru. Improved Earning through the Information Board Management business.
- Moses Gichuru. The Nakuru Market Access Network.
- Ronald Ssesanga. AgriNet IBMs run Solar Charing Stations in Uganda.
- Grace Nalukwago. Experience in Hoima Uganda with Forward Contract Marketing of Soya Bean for AgriNet.
- Paul Nyende. AgriNet Extends its Information Board Network in the Tororo , Busia and Mbale areas.
- Paul Nyende. AgriNet, a Marketing Partner for NGOs in Busia in Soya Bean Production.
- Samwel Oranja. A New Regional Manager for Eastern Region, Kenya.
- Samuel Mugo. Nairobi IBMs form a new MAC; Biashara Mapema.
- Rose Atukwatse. Marketing work at Excel Hort Consult, AgriNet's marketing partner in Kabale, Western Uganda.
- Sarah Mayanja. Marketing AgriNet's Services.
- Michael Kibue. AgriTrade Maasai Livestock Network, Southern Rift, Kenya; Developments in 2009.

ANNEX A. CONTENTS ON CD OF OUTPUTS

BRIEFS		
#	Title	PDF File name
32	Facilitating Market Access: Potential Pitfalls for Public Programmes	Brief 32 facilitating market access
33	Market Access Services: Steps to Commercialization	Brief 33. Steps to Commercialization
34	Developing New Services Needs an Effective Knowledge Management System	Brief 34 Effective Knowledge Management
35	Public-Private Partnerships: Key Areas for Intervention	Brief 35. Public Private Partnerships

BUSINESS PRACTICES		
#	Title	PDF File name
	TSS Double Loup Deals Operations	BusPractice DL deals
	Transactions Security Service (TSS) Deal Operations	BusPractice TSS deals
	SMS Business Operations	BusPractice SMS
	Auctions Operations	BusPractice Auction
	Cash-on-the-Bag (COB) Fund Operations	BusPractice COB
	TSS Collection Point Management Practice	BusPractice CP manage

TRADEFAIR REPORTS		
#	Title	PDF File name
1	The Kenya National Trade Fair & Business Convention Report, Bontana Hotel, Nakuru. 4th – 5th November, 2009	Tradefair Nakuru Nov09
2	Proceedings of the Uganda Trade Fair & Business Convention, 13th to 17th November 2009, Imperial Golf View Hotel, Entebbe.	Tradefair Entebbe Nov09
3	The Tanzania National Trade Fair, Dodoma Hotel, Dodoma, 9th – 10th November, 2009	Tradefair Dodoma Nov09

CONTENTS OF OUTPUTS ON CD (continued)

MONTHLY BUSINESS PERFORMANCE REPORTS		
#	Network Manager	Monthly Excel files
	Bahat Tweve	Jan10
	Eva Luwerekera	May09 June09 July09 Aug09 Dec09 Feb10
	Gaudesius Opio	May09 June09 July09 Aug09 Jan10 Feb10
	Grace Nalukwago	May09 June09 Aug09 Sept09 Oct09 Nov09 Dec09 Jan10 Feb10
	James Kanye	April09 May09 June09 July09 Aug09 Sept09 Oct09 Nov09 Dec09 Jan10 Feb10
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	Solomon Mulindi	Mar09 April09 May09 June09 July09 Aug09 Sept09 Oct09 Nov09 Dec09 Jan10

BUSINESS PLANS		
#	Title	PDF File name
1	AgriNet (UGANDA) LTD Business Plan 2009/2010	AgriNet BusPlan.
2	AgriTrade LTD, KENYA Business Plan 2009/2010	AgriNet BusPlan
3	Market Access Company Business Plan	MAC BusPlan
4	Financial Projections April 2010 to March 2011 Eva Luwerekera	Finance projection Eva Luwerekera
5	Financial Projections April 2010 to March 2011 Gaudesius Opio	Financial Projection Gaudesius Opio
6	Financial Projections April 2010 to March 2011 Grace Nalukwago	Financial Projection Grace Nalukwago
7	Financial Projections April 2010 to March 2011 Jacinta Nambiru	Financial Projection Jacinta Nambiru
8	Financial Projections April 2010 to March 2011 James Kanye	Financial Projection James Kanye
9	Financial Projections April 2010 to March 2011 Moses Gichuru	Financial Projection Moses Gichuru

CONTENTS OF OUTPUTS ON CD (continued)

IMPACT STORIES			
#	Author	Title	PDF File name
89	Solomon Mulindi	The Importance of RAVI loans for AgriTrade Western Region	Story89_RAVI loans in Western Kenya
90	Charles Manang	Exploring Product Marketing through the Rural Marketing Network in Tanzania	Story90_Manang_ Exploring Product Marketing
91	Susan Nduku	Challenges with a RAVI loan and Hard Lessons Learned about Deal making	Story91_Nduku_Challenges with a RAVI loan and deal making
92	Bahat Tweve	An Auction for Finger Millet in the Southern Highlands, Tanzania	Story92_Tweve_Auction in Southern Highlands
93	Sebastian Msapalla	Arusha MAC and the Moringa Network, Tanzania	Story93_Msapalla_Moringa Network, Tanzania
94	Samuel Mugo	The Arusha Network links with Nairobi MAC 'Biashara Mapema' at the Dodoma Trade Fair	Story94_Msapalla_The Arusha Network links to Nairobi
95	Anna Farahani	Sunflower oil Marketing through KIRSEC MAC	Story95_Farahani_KIRSEC Sunflower
96	Moses Gichuru	Improved Earning through the Information Board Management business	Story96_Gichuru_Improving earnings through the IBM business
97	Moses Gichuru	The Nakuru Market Access Network	Story97_Gichuru_The Nakuru Network
98	Ronald Ssesanga	AgriNet IBMs run Solar Charing Stations in Uganda	Story98_Ssesanga_AgriNet IBMs run Solar Charging Stations
99	Grace Nalukwago	Experience in Hoima Uganda with Forward Contract Marketing of Soya Bean for AgriNet	Story99_Nalukwago_Soya Contract Farming in Hoima
100	Paul Nyende	AgriNet Extends its Information Board Network in the Tororo , Busia and Mbale areas	Story100_Nyende_AgriNet Extends IB network in Tororo Busia Mbale
101	Paul Nyende	AgriNet, a Marketing Partner for NGOs in Busia in Soya Bean Production	Story101_AgriNet Marketing Partner for NGOs for Soya Beans
102	Samwel Oranja	A New Regional Manager for Eastern Region, Kenya	Story102_Oranja_New AgriTrade RM for Eastern

TABLES OF OUTPUTS ON CD (continued)

IMPACT STORIES			
#	Author	Title	PDF File name
103	Samuel Mugo	Nairobi IBMs form a new MAC; Biashara Mapema	Story103_Mugo_Biashara Mapema
104	Rose Atukwatse	Marketing work at Excel Hort Consult, AgriNet's marketing partner in Kabale, Western Uganda	Story104_Atukwatse_Excel Hort Kabale
105	Sarah Mayanja	Marketing AgriNet's Services	Story105_Mayanja_Marketing AgriNet's Services
106	Michael Kibue	AgriTrade Maasai Livestock Network, Southern Rift, Kenya; Developments in 2009	Story106_AgriTrade's Livestock Market Access Network