



Final Report for Traidcraft Project:

‘Local Market Services Development East Africa’

June 2010 to April 2011

Traidcraft Exchange, through its International Development Department, is managing a project funded by the UN International Fund for Agriculture and Development, focussing on Uganda, Tanzania and Kenya. The objectives of this project are:

- 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

Through a number of earlier projects, a network of service providers has been established across the region and through these businesses market intelligence and brokering services will be provided. The different actors in the network each have a function and role to undertake which they need to be able to fulfil effectively if the network is to succeed. Individually they need the capacity and skills to do this. Plus the network as a whole needs a viable business model, strategies, methodologies, approaches etc for providing its market access services. In order to meet this need, a training and development approach and programme has been developed which aims to support the development and refinement of the approaches and methodologies adopted and utilised by the network; and the capacity development of individual actors within the network.

Traidcraft has contracted Agridea to support the effective delivery of the training and development programme for the market access networks over the period June 2010 to April 2011. In conjunction with Traidcraft this will involve the provision of on-going coaching and mentoring support to National Companies, Regional Network Managers and members of their networks. This final report presents the activities and deliverables of Agridea’s contract.

Project Activities

Agridea's consultants¹ have collaborated with Traidcraft staff and members of the market access networks in the conduct of all its activities in this project. Throughout the project Agridea's consultants Clive Lightfoot and Ueli Scheuermeier have provided on-line mentoring to key actors within the national companies and local market access networks. This was achieved through moderating online discussions and stimulating peer-to-peer exchange between members of the market access networks on www.linkinglearners.net. Mentoring focussed at supporting these key actors to develop, improve and refine the business operations and business plans of the networks.

Key actors benefitted from face-to-face mentoring in a series of field visits by Agridea consultants Clive Lightfoot and Ueli Scheuermeier to Kenya, Uganda and Tanzania throughout the month of November 2010 and February-March 2011. These were achieved through on site assessments and analysis of members of the market access networks performance. The assessments lead to a better understanding of; the context within which they are operating; the challenges they face; and their performance. They also participated as resources persons in Traidcraft's workshop on business operations in Nakuru from 23rd to 26th November. This workshop helped identify examples of good practice; seek solutions to practical problems key actors face on the ground. At the workshop a start was made on supporting network managers develop business plans based on projections of the deals they intend to make over the next four months.

Over the project network members have generated a great deal of learning on effective operational procedures and good practice. Agridea consultants Clive Lightfoot and Ueli Scheuermeier have synthesized this learning into operational procedures or help sheets that guide network members. The experiences and learning of the network members has also been synthesized into briefing notes detailing operational and policy insights..

Agridea's consultant Anne Dennig has been researching the experiences shared on www.linkinglearners.net and following up key network members by email to identify stories illustrating the impact of market access services on farmers, buyers and network members. Follow up interviews were made where necessary during field visits to key network members in Kenya and Uganda throughout November 2010 and in Kenya, Uganda and Tanzania in February and March 2011.

Agridea's consultant Declan McCormack travelled to Kenya, Tanzania and Uganda from 20th February to 19th March 2011 to film the ongoing progress of market access operations in these countries, with particular emphasis on Transaction Security Services, Market Information Services and Farmers' Networks in these countries, with the aim of being able to produce three videos for distribution domestically but one of which is also aimed at potential social investors. The work required liaison with Clive Lightfoot and Ueli Scheuermeier on video content, script writing for the videos that were voiced in situ, camera operating, interviewing and direction of the personalities involved in each shoot day. The videos were edited in Rome requiring approximately one week.

Deliverables of Agridea's consultants are presented below. All documents are shared via www.linkinglearners.net.

¹ *Agridea consultants: Clive Lightfoot, Ueli Scheuermeier, Anne Dennig. Declan McCormack*

Project Deliverables.

Good Business Practices

Agridea is required to synthesize learning experiences of the networks into six good business practices. Good practices take the form of operational procedures as well as guidelines that instruct network managers and agents on good business practice. During this project period from June 2010 to April 2011 six good business practices were prepared as follows. (See Annex A. for list of PDF files on good practices developed).

1. Operational procedures for secure transactions. This operation enables network managers to carry out a secure transaction. It provides five steps for conducting a secure transaction. The steps involve taking the idea for a deal to planning the deal, registering the deal, implementing it and finalizing the deal.
2. Operational procedures for tagging produce. This operation enables those involved in the transaction to be able to track each and every bag and crate or basket back to the original farmer. The coding system is such that the registered control agent can enter the information into a database quickly and easily. The database allows managers an easy way to check in case something goes wrong during a transaction.
3. Operational procedures for secure auctions. This operation enables a marketing agent to organize an auction. It provides guidance on how to collect and check an auction lot and keep it secure during the auction. How the agent then asks for bidders and assists farmers decide which buyer they want to sell to is also covered. The auction procedure closes with how to carry out delivery and payments.
4. Guidelines on managing secure transactions. These guidelines provide a set of conditions that must be met for agents to manage a secure transaction. The guideline also provides procedures in case something doesn't work out as agreed.
5. Guidelines on tracking performance of key players in secure transactions. These guidelines provide instructions on how key players are registered for each secure transaction so that their performance can be recorded and tracked over time. Network managers, network agents, sellers, transporters and buyers all get a registration number in order to make it easy to track them in the secure transactions that are being made.
6. Guidelines on farmer bonus payments. These guidelines help agents understand the importance of farmer bonus payments to our secure transaction service. It also provides network agents with instructions on how to show farmers how a bonus is calculated so that they can trust the transparency of a secure deal.

Impact Stories

Agridea is required to prepare thirty stories on the impact of the market access services provided by the networks on farmers, buyers and the network members themselves. During this project period from June 2010 to April 2011 thirty impact stories were prepared as follows. (See Annex B for list of PDF files on impact stories).

1. Working as a Transaction Security Service Agent in Kakamega. By Oscar Lumiti. Oscar describes his work as a Transaction Security Service Agent in the Western Kenyan Network since Solomon Mulindi recruited him in 2009.
2. Training and Capacity Building in the Livestock Chain. By Michael Kibue Michael

- Kibue explains how AgriTrade has passed on skills learned at the Traidcraft business training in Eldoret to the new livestock MACs in the Kilimanjaro Heartlands.
3. Bringing Transaction Security to the Southern Rift Livestock Chain. By Wilson Ilanet explain the developments in making transaction secure deals in the livestock chain.
 4. Providing a Marketing Service for Livestock from the Kilimanjaro Heartlands. By Wilson Ilanet. Wilson Ilanet explains the Transaction Security Service for the sale of livestock from the Kilimanjaro Heartlands in the Nairobi markets. This story describes the progress of the RAVI registered deal 22.
 5. Experiences with Cross-border Deals. By Samuel Mugo. Samuel Mugo explains the experience gained by Nairobi Market Access Company, Biashara Mapema in their cross-border trade of onions from Mang'ola-Karatu in Tanzania to the Kawangware market in Nairobi.
 6. Bonde Soko Services Expands Network. By Moses Gichuru. Moses Gichuru has started a new sub-network, to work together with Bonde Soko Services in Nakuru, Kenya. The new network will provide a market link for the farmers of the fertile Kerio Valley. The new network of Transaction Security Service agents is coordinated by Hilda Kimaiyo in Iten.
 7. AgriNet's Regional Networks Complete a Successful Deal with Africa 2000 Network. By Jacinta Namubiru. Jacinta Namubiru describes a successful deal; supplying groundnuts for seed through the AgriNet Transaction Security Service network, to the Africa 2000 Network .
 8. Farmers Release Produce on Credit to Hoima MAC. By Grace Nalukwago. Hoima network manager Grace Nalukwago, and Barnabas Ntume from Hoima Market Access Company describe a successful Transaction Security Service deal; the supply of soya beans produced in the refugee camps in Kyangwali, to Vet Care Poultry Feeds in Hoima town.
 9. The Risks of Non-Payment; Hard Lessons Learned. By Bahat Tweve. Bahat describes some tough lessons he has learned about how to avoid non-payment, both within his network and during dealings with a "recommended" member of the Kariako market board.
 10. Credit Where Credit is Due. By Jacinta Namubiru. Jacinta Namubiru describes her successful Transaction Security Service deal with Busia Child Fund. This is an example of how when trust is built, services and produce can be given on credit, and short-term loans avoided.
 11. Keek'Onyokie MAC Provides Training Opportunities for Maasai Network. By Wilson Ilanet. Wilson Ilanet explains how the Keek'Onyokie Market Access Centre is strengthening its network in Loitoktok in record keeping and general office skills. Keek'Onyokie are also giving training in Holistic Management and adult education.
 12. AgriNet Trains Organisations on TSS Management. By Jacinta Namubiru. After working with Jacinta Namubiru on selling groundnuts to the Busia Child Fund, Mari Agro Farmers' Association are keen to be trained by AgriNet on business skills and the Transaction Security System.

13. Southern Highlands, Tanzania Establishes Marketing Link with Congo. By Bahat Tweve. Bahat explains the efforts of the Southern Highlands' Network to secure a repeat deal for the sale of beans to Congo, and the challenges faced by farmers who have no access to reliable standard measures to weigh their produce.
14. AgriNet; Training a Growing Network by Sarah Mayanja. By Sarah Mayanja. Sarah Mayanja explains how in 2010 AgriNet has extended its network of Information Board Managers in Uganda by working in partnership with Farmer Field Schools affiliated to FAO, and with Appropriate Technology Uganda on the World Food Program supported Purchase for Progress project.
15. Building a Network in Northern Uganda. By Josephine Nakanwagi. Josephine Nakanwagi and Bonny Ogwal are network managers for Northern Uganda. Josephine explains some of the challenges in this area and the work that she is doing with Bonny to develop the network to provide effective market linkage for the smallholder farmers
16. Seven Tons of Beans Stolen through Trickery in Kampala. By Paul Nyende. Paul Nyende describes how in November 2010, AgriNet was cheated by a buyer who through trickery managed to take a consignment of seven metric tons of beans without payment.
17. The Struggle to get Farmers a Fair Price. By Mark Farahani. Kilosa Rural Services and Electronic Communication a rural ICT business launched by Mark Farahani in 2004, aims to bridge farmers to the world to share different learning lessons concerning marketing in particular. In this story Mark explains how he and his network carried out a successful Transaction Security Service deal in Gairo.
18. Training for TSS Deals and Hard Lessons Learned in Business. By Rose Atukwatse. Rose Atukwatse, AgriNet Network Manager in Kabale, Uganda explains how Transaction Security Service deals involve training for the network and the farmers. She describes the problems that she experienced through poor documentation and a breakdown in communication within her network.
19. Ruralnet Connects Horticultural Producers to East African Growers' Association. By James Kanye. James Kanye explains how Ruralnet uses the Transaction Security Service to link smallholder horticultural producers to East African Growers' Association Ltd.
20. Market Intelligence and Linkage Helps Wendo Horticultural Group in Tumaini, Kenya. By Moses Gichuru. Members of Wendo Horticultural Group explain how training with Moses Gichuru, on accessing market information has improved their incomes. Moses is the Network Manager of Bonde Soko Services in Nakuru.
21. Transaction Security from the Transporter's Perspective. By Moses Gichuru. Lawrence Karanja Maina, interviewed by Moses Gichuru in Nakuru, Kenya, explains the challenges of the transporter.
22. Four Good Reasons for the Transaction Security Services of Bonde Soko. By Moses Gichuru. Moses Gichuru describes Bonde Soko's first registered deal of 10 tonnes of maize from Nakuru to a buyer in Thika and gives four good reasons for the Transaction Security Service.
23. Learning By Doing; Expanding Business Operations in Babati, Tanzania. By Bahati Tweve. Bahati Tweve is mentoring some of his old colleagues from the Agricultural

Marketing Systems Development Program in the Transaction Security Service marketing business. He is building his network in areas where he knows that there is marketable produce and deals to be made. Recently he was in Babati, assisting a network of TSS agents to market rice, maize, pigeon peas and simsim. This area will be an important branch of his network in Tanzania.

24. Young Entrepreneurs working in Agricultural Marketing. By Bahati Tweve Thomas Mbedule is in the business of marketing. He is a registered Transaction Security Service agent for the market access network that operates throughout East Africa. He lives in Mufindi, Tanzania where he links groups of farmers to buyers. He receives no salary for his work but earns a commission for his services on each deal. Today the farmers' group in Ithomasa has phoned to tell him that their potatoes are ready for harvesting and now he is out in the field checking the quality. He phones to check the current market prices through his market network manager Bahati Tweve.
25. Makambako Trader Becomes TSS Agent. By Bahati Tweve. In 2010 Fabian Vanyamile worked with Bahati Tweve to source beans for a Congolese trader. He is now being trained to be a Transaction Security Service agent in Makambako market, Tanzania. Fabian explains why he wants to be a network agent.
26. New Trading Links for Keek'Onyokie MAC. By Isaac Nemuta. Isaac Nemuta and Wilson Ilanet, from the Keek'Onyokie Market Access Centre, explain new trade links with Maasai pastoralist groups in Bissil. Isaac Nemuta and Wilson Ilanet, from the Keek'Onyokie Market Access Centre, explain new trade links with Maasai pastoralist groups in Bissil.
27. A Changing Lifestyle for Maasai Pastoralists. By Isaac Nemuta. The Holistic Rangeland Training at the Keek'Onyokie Sard Field School is just one of the ways that the challenges of the Maasai are being addressed, as they cope with changes to their lifestyles and surroundings. Isaac Nemuta who runs the school explains some of those challenges. He has recently taken his father's place on the board of the directors at the Keek'Onyokie abattoir where he will be able to bring in new ideas and continue to develop the work of the field school and fair-trade marketing through the Keek'Onyokie Market Access Centre.
28. Hoima TSS Network Expands its Membership. By Grace Nalukwago and Barnbas Ntume. Grace Nalukwago and Barnabus Ntume are extending and strengthening the Hoima network with 12 Transaction Security Service Agents who also have experience as traders in agricultural produce.
29. Lira and Dokolo TSS Networks Plan their Future Deals. By Paul Nyende. Paul Nyende describes the recent business meeting held by AgriNet for the Transaction Security Service agents of the Lira and Dokolo networks, to plan their future deals.
30. Big Buyers Need Well-Organised Suppliers with Efficient Quality Control. By Jacinta Namubiru. Poor quality produce costs big buyers time and money. Seba Foods Uganda Ltd in Tororo is happy to work with farmer groups with well-organised post harvest production and quality control. Jacinta Namubiru, network manager in Eastern Uganda, is developing a link to sell farmers' produce to Seba Foods.

Briefing Notes

Agridea is required to capture from the experiences of the network members the emerging insight and lessons learned into four briefing notes. During this project period from June 2010 to April 2011 four briefs were prepared as follows. (see Annex C for list of PDF files on Briefs).

1. Smallholder Market Access Services Fail to Reach Commercial Scale. It presents our insights and shares that many donors expect their NGO delivered, 'subsidised' services to become commercially sustainable. In this way smallholders would continue to enjoy better prices and better access to markets after project support is withdrawn. Of the many 'successful' interventions we have seen in East Africa none we know have reached commercial scale. This includes our own efforts in Kenya, Uganda and Tanzania. This brief highlights some of the 'failed' assumptions we made in our quest for commercialization. It also points out what can be achieved and what still needs to be done for efficient and inclusive market access services to reach commercial scale.
2. Risks facing market linkage service providers. Linking smallholders to markets is full of risks. Risks arise from simple things like carrying around cash and getting your market prices wrong. Everyone knows that lots of things can go wrong when moving produce from farm to factory. Not following standards and regulations can also lead to losses. Less well known are the many ways buyers can reduce your profits or even cheat you completely. Undisciplined farmers can also drive up the costs of providing market linkage services. This brief provides examples from our experiences of some of these risks. Those offering services to facilitate transactions along value chains need to be prepared for such risks.
3. Reducing Risk: Practical Tips for Market Linkage Service Providers. Linking smallholders to markets is full of risks. Everyone knows that many things can go wrong when moving produce from farm to market. Sellers compensate for low prices with stones and debris or un-graded produce. Buyers compensate for interrupted cash flow with delayed payments. Some will cheat you completely. These are the obvious risks. But many more deals go wrong for more simple reasons: inadequate quality checks can result in buyers rejecting produce; an unplanned middle cost can wipe out any profit for the service provider; from farm to market produce passes through many hands and any one making a mistake can threaten profitability; mistakes in either the movement of produce or payments can cause failure. Such failures can be avoided by assessing the risks BEFORE deciding on whether to do the deal or not. Getting properly prepared before starting the deal also minimises mistakes. Practical tips for reducing risks and minimising mistakes, based on two years of learning in developing commercial market linkage services in Kenya.
4. Building Trust and Trade: Practical Tips for Market Linkage Service Providers. Services linking smallholders to markets must build trust between all players in the value chain and grow trade volumes to succeed commercially. Building trust requires not just transparency but also proper controls. Trust only comes with control. If there is no control, there can be no trust. Market linkage services must offer price discovery to buyers and sellers alike. Control measures are needed to track both the transfers of money and movement of produce. Building trade volumes is vital to low margin business like market linkage services. Such services must secure repeat business to reach commercially viable levels of operation. Market linkage services must pass on savings to farmers while remaining competitive with buyers. They must resolve outstanding issues with buyers and sellers after each deal. They must track the

performance of all players in the value chain. This brief provides practical tips on building trust and trade based on two years of learning in developing market linkage services in Kenya, Uganda and Tanzania.

Network Business Performance

Agridea is required to prepare twelve business performance reports from each of the networks in Kenya, Uganda and Tanzania. During this project our procedure for reporting business performance changed. Instead of reporting on all the deals each network manager does we focus on their registered secure transaction deals only. Business performance reports now include impact on farmers and impact on the network businesses as well as the efficiency of the secure transaction service. During this project period from June 2010 to April 2011 nine network managers completed thirty-four secure transaction deals as follows. (See Annex D for list of Excel files for data on network performance).

1. Jacinta Nambiru, Eastern region network, Uganda. Eight deals were completed as follows. Groundnuts from Tororo farmers to Africa 2000 Network repeated once. Standards were achieved but A2N delayed payments on both occasions. Groundnuts (Serenut2) from Tororo farmers to Busia Area Communities Federation repeated once went well with standards being achieved. Maize from Bugiri farmers to Seba Foods in Tororo went fast and easily with standards achieved. Groundnuts (Serenut 2) from Bulumbi farmers to Busia Area Communities Federation went well with standards achieved. Maize from Bugiri farmers to Seba Foods in Tororo went well with standards achieved. Maize seed from Namutele Seed Co to NAADS contractor in Bulumbi for farmer planting went well with standards achieved. The total value of all deals was US\$ 26,771. Deals involved forty-six farmers giving a total income of US\$ 21,308 to farmers. The network gave farmers a 31% price rise over middlemen a US\$ 4,428 income increase. Total commission earned by the network was US\$ 2,598 with average trading costs being 20% of deal value so 80% went to the farmers.
2. Paul Nyende, Kampala region network, Uganda. Six deals were completed as follows. Sunflower cake from Mount Meru factory in Lira to AgriFeeds in Tororo incurred a loss due to mistake of poor pricing prior to paying cash on collection of the oil. Maize from Mudende Town to Agroways in Jinja gave minor loss due to mistake in calculating middle costs. Local chicks from Seeta to NAADS Muyage District and repeated to NAADS Abim District reached standards. Beans from Mityana farmers to Universal AgroInputs & General Supplies Ltd in Kampala fell victim to an elaborate scam which the Police are investigating. Day old chicks from Kireka in Kampala to NAADS Abim District for distribution to farmers worked well and achieved standards. The total value of all deals was \$25,801. Deals involved sixty-one farmers giving a total income of \$21,634 to farmers. The network gave farmers a 15% price rise over middlemen a \$4,444 income increase. Total commission earned by the network was \$932 with average trading costs being 14% of the deal value so 86% went to the farmers.
3. Sarah Mayanja, Central & Mid Western region network, Uganda. Four deals were completed as follows. Round Potatoes from Butale farmers to SAB guest house in Mbarara was repeated once. The first deal went well as did first truckload of the repeat deal, but the second truckload buyer has not paid for. Sweet Potatoes from Mityana farmers to Mr Mpungu in Kampala went well with standards achieved. Maize from Mubende farmers to Mrs Lubega in Masaka worked okay and achieved standards but very low commissions paid 2.6%. The total value of all deals was US\$ 9,199. Deals involved sixty-five farmers giving a total income of US\$ 7,707 to farmers. The network

gave farmers a 9% price rise over middlemen a US\$ 557 income increase. Total commission earned by the network was US\$ 259 with average trading costs being 15% of the deal value so 85% went to the farmers.

4. Grace Nalukawago, Western region network, Uganda. One deal was completed as follows. Soyabeans from Hoima farmers to Vet Care Poultry Feeds in Hoima achieved standards even with delays in payment by buyer. The total value of the deal was US\$ 3,658. The deal involved thirty-six farmers giving a total income of US\$2,951 to farmers. The network gave farmers a 20% price rise over middlemen a US\$ 486 income increase. The total commission earned by the network was US\$ 223 with average trading costs being 19% of deal value so 81% went to farmers.
5. Moses Gichuru, Central Rift region network, Kenya. Two deals were completed as follows. Maize from Salgaa farmers to Ms Mureithi in Thika achieved standards with one night delay of transport. Beans from Nakuru farmers to Leshau Secondary School in Nyahururu achieved standards but was delayed a few days because the schools transport was blocked. The total value of all deals was US\$,174. The deals involved fifty-five farmers giving a total income of US\$ 5,370 to farmers. The network gave farmers a 5% price rise over middlemen a US\$ 193 income increase. Total commission earned by the network was US\$ 470 with average trading costs being 15% of deal value so 85% went to farmers.
6. Samuel Mugo and Michael Kibue, Nairobi region network, Kenya. Three deals were completed as follows. All three deals involved onions between farmers in Mang'ola, Tanzania and market vendors in Kawanware Market, Nairobi. Strong price fluctuations in Kawangware on the first deal meant that they couldn't sell immediately so Biashara Mapema has to re-bag the onions and gradually sell to retailers. Retailers largely failed to pay so there is a debt of US\$ 96 outstanding. On the second deal the network agents in Mang'ola and Arusha could not manage without assistance from network manager in Nairobi. The third deal had money problems with network agent in Mang'ola so deal concluded by network manager. The total value of all deals was US\$ 25,669. The deals involved six farmer groups giving total income of US\$ 18,589 to farmers. The network gave farmers a 9% price rise over middlemen a US\$ 1,441 income increase. The total commission earned by the network was US\$ 1,084 with average trading costs being 25% of deal value so 75% went to farmers.
7. Solomon Mulindi, Western region network, Kenya. One deal was completed with Poultry from Kigama farmers to Mrs Maye in Senende that worked well with standards achieved. The total value of the deal was US\$ 106. The deal involved twelve farmers giving a total income of US\$ 97 to farmers. The network gave farmers a 13% price rise over middlemen a US\$ 11 income increase. The total commission earned by the network was US\$ 8 with average trading costs being 9% of deal value so 91% went to farmers.
8. Bahat Tweve, Southern highlands network, Tanzania. Three deals were completed as follows. Round Potatoes from Ugesa farmers to vendors in Ruaha, Kigorwila, Mikese-Mzani, Bwawani and Chalinze markets repeated once. Because vendors were given the produce on credit there were delays in payments. Beans from Ibwanzi farmers to F.N.H. Co Ltd in Makambako achieved standards, but lack of accurate scales during collection led to mistakes in amounts delivered. The total value of all deals was \$8,599. The deals involved eighteen farmers giving a total income of \$5,997 to farmers. The network gave farmers a 11% price rise over middlemen, a 3,503 income increase. The total

commission earned by the network was 25 EUR with average trading costs being 24% of deal value so 77% went to farmers.

9. Mark Farahani, Kilosa network, Tanzania. Three deals were completed as follows. Maize from Gairo farmers auctioned to Ali Juma in Gairo with standards achieved. Sunflower oil from farmer oil mills in Singida to John Jabir in Dar es Salaam achieved standards. Coconut from Malui and Mpakani farmers to Mareclina in Gairo worked well standards achieved. The total value of all deals was US\$ 2,864. The deals involved twenty-one farmers giving a total income of US\$ 2,306 to farmers. The network gave farmer an 8% price rise over middlemen, a US\$ 290 income increase. The total commission earned by the network was US\$ 301 with average trading costs being 19% of deal value so 81% went to farmers.

Network Business Plans

Agridea is required to prepare six working business plans for the local market access networks in Kenya, Uganda and Tanzania. At the outset of the project most Network Managers struggled to prepare annual business plans using the spreadsheet prepared for them by Traidcraft. Lacking in experience of secure transaction deal operations and capital to gain more experience preparing annual plans was too difficult and too 'theoretical' for most. At Traidcraft's workshop in Nakuru from 23rd to 26th November network managers decided to develop business plans based on projections of the deals they intend to make over the next four months. The use of simple spreadsheets and a shorter time frame, they felt, would bring more realism to projecting future deals and provide a first step to the preparation of financial projections using the Traidcraft spreadsheet. During this project period from June 2010 to April 2011 seven network managers have managed to prepare simple four month deal plans and two have gone on to prepare the more complex financial plans as follows. (See Annex E for list of Excel files on network business plans).

1. Paul Nyende, Uganda Kampala region network deal plans. Eight deals are planned over the period from May to July in six commodities: Beans, Piglets, Day old chicks, Soya bean, Maize, Simsim, involving six different buyer clients: NAADS districts, NSAVA, East Africa Basic Foods, Shares Uganda, Kigali Traders and Kawangware market vendors. Total estimated turn over for all deals is US\$ 137,331 requiring the roll over of US\$ 137,042 in COB financing. Total estimated commissions for network members are: seller agent US\$ 4,165, buyer agent US\$ 4,165 and network manager US\$ 3,010. Estimated gross income from commissions to the network business is US\$ 11,340. The deals planned will provide US\$ 1,198 towards the cost of managing the TSS deal registration and COB financing operations.
2. Sarah Mayanja, Uganda Central & Mid Western region network deal plans. Eleven deals are planned over the period from June to July in two commodities: Beans and maize involving two different buyer clients: Peter Habigirimana and unidentified Kenyan buyers. Total estimated turn over for all deals is US\$ 102,233 requiring the roll over of US\$ 85,083 in COB financing. Total estimated commissions for network members are: seller agent US\$ 2,403, buyer agent US\$ 2,122 and network manager US\$ 1,243. Estimated gross income from commissions to the network business is US\$ 5,768. The deals planned will provide US\$ 961 towards the cost of managing the TSS deal registration and COB financing operations.
3. Moses Gichuru, Kenya Central Rift region network deal plans. Thirteen deals are planned over the period from June to July in six commodities: cassava flour, sorghum, cotton seed cake, sunflower cake and irish potatoes involving four different buyer

clients: Jiwa millers, Mummy Foods, Brookfeeds, and vendors in Kawangware market. Total estimated turn over for all deals is US\$ 63,625 requiring the roll over of US\$ 56,625 in COB financing. Total estimated commissions for network members are: seller agent US\$ 1,145, buyer agent US\$ 1,241 and network manager US\$ 1,241. Estimated gross income from commissions to the network business is US\$ 3,628. The deals planned will provide US\$ 573 towards the cost of managing the TSS deal registration and COB financing operations.

4. Solomon Mulindi, Kenya Western region network deal plans. Thirteen deals are planned over the period from May to early July in six commodities: Beef Cattle, Beans, Green Leaf Tea, maize, Processed tea and Timber, involving seven different buyer clients: kaimosi TTC, Erusui School, George Williamson, Friends Institute, Sikusi/Misikhu schools, Sidikho/Chebiyusi schools and CDF Projects Hamisi/Aldai. Total estimated turn over for all deals is US\$ 19,849 requiring the roll over of US\$ 13,096 in COB financing. Total estimated commissions for network members are: seller agent US\$ 891, buyer agent US\$ 555, and network manager US\$ 583. Estimated gross income from commissions to the network business is US\$ 1,985. The deals planned will provide US\$ 362 towards the cost of managing the TSS deal registration and COB financing operations.
5. Mark Farahani, Tanzania Kilosa region network deal plans. Eleven deals are planned over the period from May to July in six commodities: coconut, banana, rice, chicken, maize and soya beans, involving many different buyer clients in: Mikumi, Taveta, Mahakama, Bakhamisi, Tandale, Ukwamani and Dar es Salaam markets. Total estimated turn over for all deals is US\$ 39,800 requiring the roll over of US\$ 39,800 in COB financing. Total estimated commissions for network members are: seller agent US\$ 1,100, buyer agent US\$ 734 and network manager US\$ 1,100. Estimated gross income from commissions to the network business is US\$ 2,934. The deals planned will provide US\$ 734 towards the cost of managing the TSS deal registration and COB financing operations.
6. Jacinta Nambiru, Uganda Eastern region network finance plans. Five deals are planned, each to be repeated once or twice a month, over the period from May to August giving a total of thirty-six deals in three commodities: Paddy rice, Maize and Soyabean, involving two buyer clients: Seba Foods and UPDF. The total estimated turn over for all deals is US\$ 372,665 requiring the roll over of US\$ 303,975 in COB financing. The total estimated commissions for network members are: seller agent US\$ 8,685, buyer agent US\$ 8,685 and network manager US\$ 10,422. Total income to network is US\$ 60,019 while total cost of delivering service US\$ 56,545 giving a gross profit US\$ 3,474. The total cost of operating the network business is US\$ 220 which gives an operating profit of US\$ 3,254. The deals planned will provide US\$ 3,474 towards the cost of managing the TSS deal registration and USD\$ 6,080 COB financing fee.
7. Bahat Tweve, Tanzania Southern Highlands region network finance plans. Three deals are planned, each to be repeated four times a month, over the period from May to August giving a total of forty-eight deals in three commodities: Irish Potato, Oranges and Pears, involving buyer clients: Dar es Salaam, Mbeya, Mmhumba and Mlimba markets. The total estimated turn over for all deals is US\$ 122,665 requiring the roll over of US\$ 72,554 in COB financing. The total estimated commissions for network members are: seller agent US\$ 1,530, buyer agent US\$ 1,530 and network manager US\$ 1,836. Total income to network is US\$ 67,601 while total cost of delivering service US\$ 66,990, giving a gross profit of US\$ 612. The total cost of operating the network

business is US\$ 432 which gives an operating profit of US\$ 180. The deals planned will provide US\$ 612 towards the cost of managing the TSS deal registration and USD\$ 1,451 COB financing fee.

Practice & Impact Videos

Agridea is required to prepare three videos to enable further expansion of the market access networks. During the November 2010 field visit and workshop network members requested that videos on good practice with regard to their transaction security service and their new market intelligence alerts service would be useful to them. They also thought a video capturing the impact of their deals on farmers and clients would help them get new clients and new investors. During this project period from June 2010 to April 2011 three videos were produced as follows. (see Annex F on list of movie files on impact videos)

1. Understanding the business operations of secure transactions services. Kenyan Solomon Mulundi explains how Transaction Security Services work by introducing us to the Trade Agents who ensure farmers get a fair price for their crop and that they get paid as soon as they deliver. The Agent's ensure, too, that buyers at the markets receive top quality produce to the specifications they have ordered. It is only through fairness and transparency that all stakeholders in the market chain will trust the process and continue to use the service. In the video we see the process and meet a number of the key players currently using the Transaction Security Services.
2. Understanding the business operations of the market intelligence services. In this video, Sarah Mayanja from Agrinet, Uganda talks us through the process of gathering and distributing market information to the benefit of farmers and traders alike. She visits Information Board Managers and Trade Agents who all help to collect market intelligence for a database that feeds an SMS platform from which subscribers can get the latest information on local prices, deals and product requests to stay ahead of the game and gain a competitive advantage.
3. Impact of secure transactions on clients and network members. Transaction Security Services make it possible for farmers and traders to deal honestly and fairly with each other, which has not always been the case in Kenya, Tanzania and Uganda. Through a network of Trade Agents and a unique tagging system, Transaction Security Services are changing the face of marketing in East Africa. In this video, stories from all three countries show how Transaction Security Services are making market transparency a reality across the region.

Annexes

Annex A. Good Practices

1. Operational procedures for secure transactions.
2. Operational procedures for tagging produce.
3. Operational procedures for secure auctions.
4. Guidelines on managing secure transactions.
5. Guidelines on tracking performance of key players in secure transactions.
6. Guidelines on farmer bonus payments.

(See attached PDF files)

Annex B. Impact Stories

1. Working as a Transaction Security Service Agent in Kakamega. By Oscar Lumiti..
2. Training and Capacity Building in the Livestock Chain. By Michael Kibue
3. Bringing Transaction Security to the Southern Rift Livestock Chain. By Michael Kibue.
4. Providing a Marketing Service for Livestock from the Kilimanjaro Heartlands. By Wilson Ilanet.
5. Experiences with Cross-border Deals. By Samuel Mugo.
6. Bonde Soko Services Expands Network. By Moses Gichuru.
7. AgriNet's Regional Networks Complete a Successful Deal with Africa 2000 Network. By Jacinta Namubiru.
8. Farmers Release Produce on Credit to Hoima MAC. By Grace Nalukwago.
9. The Risks of Non-Payment; Hard Lessons Learned. By Bahat Tweve.
10. Credit Where Credit is Due. By Jacinta Namubiru.
11. Keek'Onyokie MAC Provides Training Opportunities for Maasai Network. By Wilson Ilanet.
12. AgriNet Trains Organisations on TSS Management. By Jacinta Namubiru.
13. Southern Highlands, Tanzania Establishes Marketing Link with Congo. By Bahat Tweve.
14. AgriNet; Training a Growing Network by Sarah Mayanja. By Sarah Mayanja.
15. Building a Network in Northern Uganda. By Josephine Nakanwagi.
16. Seven Tons of Beans Stolen through Trickery in Kampala. By Paul Nyende.
17. The Struggle to get Farmers a Fair Price. By Mark Farahani.
18. Training for TSS Deals and Hard Lessons Learned in Business. By Rose Atukwatse.
19. Ruralnet Connects Horticultural Producers to East African Growers' Association. By James Kanye.
20. Market Intelligence and Linkage Helps Wendo Horticultural Group in Tumaini, Kenya. By Moses Gichuru.
21. Transaction Security from the Transporter's Perspective. By Moses Gichuru.

22. Four Good Reasons for the Transaction Security Services of Bonde Soko. By Moses Gichuru.
23. Learning By Doing; Expanding Business Operations in Babati, Tanzania. By Bahati Tweve.
24. Young Entrepreneurs working in Agricultural Marketing. By Bahati Tweve
25. Makambako Trader Becomes TSS Agent. By Bahati Tweve.
26. New Trading Links for Keek'Onyokie MAC. By Isaac Nemuta.
27. A Changing Lifestyle for Maasai Pastoralists. By Isaac Nemuta.
28. Hoima TSS Network Expands its Membership. By Grace Nalukwago and Barnbas Ntume.
29. Lira and Dokolo TSS Networks Plan their Future Deals. By Paul Nyende.
30. Big Buyers Need Well-Organised Suppliers with Efficient Quality Control. By Jacinta Namubiru.

(see attached PDF files)

Annex C. Briefing Notes

1. Brief 36: Smallholder Market Access Services Fail to Reach Commercial Scale'.
2. Brief 37: Risks facing market linkage service providers.
3. Brief 38: Reducing Risk: Practical Tips for Market Linkage Service Providers
4. Brief 39: Building Trust and Trade: Practical Tips for Market Linkage Service Providers

(See attached PDF files)

Annex D. Network Performance Reports

1. Jacinta Nambiru Western region network Uganda.
2. Paul Nyende Kampala region network, Uganda.
3. Sarah Mayanja Central region network, Uganda
4. Grace Nalukawago Eastern region network, Uganda..
5. Moses Gichuru Central Rift region network, Kenya..
6. Samuel Mugo and Michael Kibue Nairobi network, Kenya..
7. Solomon Mulindi Western region network, Kenya.
8. Bahat Tweve Southern highlands network, Tanzania.
9. Mark Farahani Kilosa network, Tanzania.

(See attached Excel files)

Annex E. Network Business Plans

1. Paul Nyende, Uganda Kampala region network deal plans.
2. Sarah Mayanja, Uganda Central & Mid Western region network deal plans.
3. Moses Gichuru, Kenya Central Rift region network deal plans.
4. Solomon Mulindi, Kenya Western region network deal plans.
5. Mark Farahani, Tanzania Kilosa region network deal plans.
6. Jacinta Nambiru, Uganda Eastern region network finance plans.
7. Bahat Tweve, Tanzania Southern Highlands region network finance plans.
(See attached Excel files)

Annex F. Impact Videos

1. Understanding the business operations of secure transactions services.
2. Understanding the business operations of the market intelligence services.
3. Impact of secure transactions on clients and network members.
(See attached Movie files)