

Understanding agribusiness-based advisory services

Workshop summary

June 2018



KIT Royal
Tropical
Institute

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Introduction

The Royal Tropical Institute, Agriterra, Moyee Coffee and the Food & Business Knowledge Platform have joined forces in a learning trajectory into agri-business based advisory services (ABAS).



KIT



This learning trajectory was concluded with a final workshop on 19 June 2018 to share the approach and main findings of the study.

This presentation provides a summary of the 2 rounds of interactive discussions during the workshop on:

- 1) The synthesis of findings of the study
- 2) The prospects of ABAS and recommendations

Workshop agenda

Start	End	Session
13:30	14:00	Registration with coffee & tea
14:00	14:10	Welcome
14:10	14:20	The learning trajectory
14:20	14:40	Synthesis of findings on ABAS
14:40	15:10	Interactive session on the findings
15:10	15:25	Case 1: Moyee Coffee by Mark Kauw
15:25	15:45	Coffee break
15:45	16:00	Case 2: East West Seed by Rutger Groot
16:00	16:15	Case 3: Agriterra by Bertken de Leede
16:15	16:45	Interactive session on the ABAS prospects
16:45	17:00	Wrap up
17:00		Drinks

Main takeaways

“There is a large diversity within farmer groups and between farmers so advisory services need to be tailor made”

– Mark Kauw

“Listen to farmers and look at local circumstances. Advanced technology will not work if you cannot adjust it to local circumstances”

– Rutger Groot

“Feedback from farmers and using it in redesigning services of often overlooked”

– Bertken de Leede

Discussion round 1 – On the findings

The general set-up of advisory services

What do we recognize?

- **Record keeping.** The importance of record keeping by farmers. This is crucial for farming as a business.
- **The increasing importance of ICT for advisory services.** E.g. use of Facebook, even to share PPTs and video for learning. Is it effective? And what is the quality of ICT based information and can farmers check this? In Asia perhaps? Works better for younger farmers? Always complementary with other services/approaches.
- **Advisor – farmer ratio.** High level of advisors is often needed to ensure farmers follow recommendations. That may depend on the relevance of the extension content.

What is missing?

- **The issue of gender.** In the report: More than 30% of clients are women, but mostly no gender specific activities.
- **Privacy.** The issue of privacy in data collection & ICT.
- **Content.** The issue of the relevance of ABAS content and consistency with that of other providers.
- **Farming systems perspective in ABAS.** Dutch agribusinesses have generalist advisors who can look beyond the main commodity. But ABAS is mostly product or commodity focused.
- **Credibility of ABAS.** What are the intentions? Is the advice objective?

Discussion round 1 – On the findings

Farmer adoption

What do we recognize?

- **Advisor-farmer ratio.** The effective number of farmers per trainer differs a lot in practice.
- **Feedback.** The importance to better focus ABAS through farmer feedback; this helps to increase effectivity.
- **Farming as a business.** There is a lack of focus on farming as a business, to go beyond technical info only.
- **Impact.** Measuring adoption / adaptation is difficult; who does measure impact? This is a wider problem, not just for businesses.
- **Time dimension.** Adoption processes may take time, we want to measure too fast.

What is missing?

- **Farming as a business.** There is a need to look at finances and resources. Can this perhaps be covered by additional service providers?
- **Modelling of adoption.** How do you realize effective adoption? Can you model this and measure its financial sustainability and impact? What are the success factors?
- **Objectives.** Why do agribusiness invest in advisory services?
- **Recommended reference.** Consider GSMA studies on ICT & adoption.
- **Spillover effects.** What are the effects of at level of other farmers?

Discussion round 1 – On the findings

Feedback mechanisms

What do we recognize?

- **Listen to farmers.** ABAS focuses on one sided knowledge transfer, there is too little listening to farmers.
- **Impact.** Explaining the purpose in local language might generate more impact than systematic collection of feedback.

What is missing?

- **Effectiveness.** Agribusiness lack feedback on effectiveness of their advisory services.
- **ICT.** There is a need to use effective ICT tools to collect feedback.
- **Costs.** Agribusiness do know the costs of ABAS, but do not make them explicit.
- **Balancing priorities.** Agribusiness neglect the mismatch between farmer priorities and business need.
- **Public extension.** Policy driven / public extension services are often missing or focused on social issues instead of technological ones.

Discussion round 1 – On the findings

Financial sustainability

What do we recognize?

- **Core business expenses.** Advisory services costs are covered from the core business. Yes, e.g. in the case of contract farming and input supply. No, in the examples of CSR, foundations and access to public external funding.
- **Farmer segments.** Public extension and ABAS serve different farmer segments. In the farmer spectrum: rich – medium – poor serves private on the left and public more on the right side. Left side is more business focused, right side has a more social focus.
- **Commission.** ABAS can be financed through a commission (indirect fee for advisory services).

What is missing?

- **Quality.** The quality of advisory services in addition to financial sustainability.

Discussion round 1 – On the findings

Development outcomes

What do we recognize?

- **Scope of effectiveness and income.** There is a distinction between farm level and commodity level income.
- Yes, most of it is recognized in the field
- **Farmer contribution.** Good: financial sustainability. Farmers pay for ABAS.

What is missing?

- **Impact.** Are there other effects of ABAS?
- **Theory of Change.** A theory of change is needed for a broader outcome.
- **Adoption.** Why do farmers implement? Why others don't?
- **Impact studies.** A larger sample and a control group would be needed for good conclusions.
- **Recommendation.** Companies should combine forces in order to be able to address complete farming systems rather than productivity in only one aspect.

Discussion round 2 – ABAS prospects

Recommendations for cooperatives

- Really listen members and use the feedback by moving into action
- Interest of members first, of the cooperative second
- Grant more attention to differentiation within coops, male/female, age, economic and other conditions. ABC members can be distinguished, where C members are often difficult to reach
- Consider diversity in local cultures and contexts when looking at coops and their role (e.g. infrastructure)
- It is a challenge to understand and influence decision making structure and processes. There is a large diversity of structures amongst coops
- Coop structures can be externally determined. E.g. Ethiopia where government has quite a say. There are successful coops and less successful ones, depending on the people involved
- Coops are required to reach economy of scales
- Focus action is needed to reach women and youth, and diversity within these large groups should be considered
- General motivation to be involved in agriculture is a challenge

Discussion round 2 – ABAS prospects

- Understand learning
- Outsource advisory service
- Integrate ABAS into operation/business
- Is ABAS scalable so that it becomes cost efficient?
- Specialize
- ABAS has a role in ensuring supplier loyalty
- Pay attention to financial sustainability of ABAS

Recommendations for the private sector

- Promote ABAS by studying costs, benefits and business case in general
- Contribute to strengthening competencies of private extension staff through their educational activities
- Look into longer term perspectives, also for ABAS
- Encourage local collaboration and partnership ABAS with research and public extension
- Attention for farmer diversity, integrated farming systems and interests-goals of man and women farmers

Recommendations for knowledge institutes

Discussion round 2 – ABAS prospects

Recommendations for policy makers

- Better link policy to practice
- Increase focus on smallholders
- Create enabling environment for ABAS (e.g. license to operate for private sector)
- Use/be aware of convening power to influence stakeholders
- Promote capacity building and extension, use / build local capacity to train
- Ensure that private sector keeps leading role in ABAS projects
- Improve local government capacity to support ABAS
- Grant more autonomy to farmer organizations
- Increase transparency on extension funds
- Increase support for TVET

Recommendations for civil society

- Monitor ABAS and ensure farmer interest are taken seriously; contribute to empowerment of farmers to negotiate with businesses
- Role of lead farmers: find best ways to make this work
- Monitor quality of ABAS messages and products sold. There are crooked products/companies. Link in this with knowledge institutes for testing products and messages

Participant list

Lisette Zewuster	Advance Consulting	Laurens van Veldhuizen	KIT
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Cindy van den Boom	Dutch Ministry of Foreign Affairs	Mark Kauw	Moyee FairChain Coffee
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Report <https://www.kit.nl/sed/news/workshop-understanding-agribusiness-based-advisory-services/>



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